

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI
ANONİM ŞİRKETİ**

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

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)**

REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Introduction

We have reviewed the unconsolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi (“the Bank”) at 30 September 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the 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 these 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 Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 September 2021 include a free provision amounting to TL 3.460.000 thousand which provided in prior periods by the Bank 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 unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information does not present fairly in all material respects the unconsolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi at 30 September 2021 and the results of its unconsolidated financial performance and its unconsolidated 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 unconsolidated 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 12 November 2021



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

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

The Bank's Headquarter Address: Hacıbayram Mahallesi Atatürk Bulvarı
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Phone: (312) 584 20 00
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The unconsolidated financial report for the nine month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

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

The accompanying unconsolidated 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 UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED 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 BANK

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “the Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of The Bank, which was given the authority to perform all the banking activities, belonged to the Republic of Turkey Prime Ministry Undersecretariat of Treasury (“Treasury”) transferred to the Turkish Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Bank’s head office is located in Ankara.

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

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

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, CEO AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS

Name	Administrative Function
Members of the Board of Directors	
Burhaneddin TANYERİ ⁽¹⁾	Chairman
Alpaslan ÇAKAR ⁽²⁾	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. Ahmet GENÇ	Member
Faruk CELİK	Member
Fazlı KILIÇ ⁽³⁾	Member
Feyzi CUTUR	Member
Mahmut KAÇAR	Member
Serruh KALELİ	Member
Audit Committee Members	
Fazlı KILIÇ ⁽⁴⁾	Member
Mahmut KAÇAR	Member
Executive Vice Presidents	
Cüneyt SAĞLIK ⁽⁵⁾	Payment Systems and Credit Processes
Emrah GÜNDOZ ⁽³⁾	Banking Operations and Corporate Communications
Ferhat PISMAF ⁽⁵⁾	Corporate Banking
Mehmet Şükrü TAŞCI ⁽⁵⁾	Credit Allocation and Management
Recep TÜRK ⁽⁵⁾	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

⁽¹⁾ At the Bank’s Ordinary General Assembly meeting held on 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 Bank held on 26 March 2021, he was appointed as the General Manager instead of Hüseyin Aydın.

⁽³⁾ He was appointed to replace Mehmet Nihat Ömeroğlu at the Ordinary General Assembly Meeting of the Bank held on 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 Bank’s Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Deputy General Managers do not own any shares of the Bank.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Turkish Wealth Fund	13.100.000	100	13.100.000	-

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

V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES

The purpose of activity of the Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Bank can perform all sorts of operations, without prejudice to the provisions of the banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new partnerships for this purpose, performing all kinds of transactions, such as; acquiring limited real and personal claims like all kinds of movable and immovable goods, industrial and intellectual properties, right of usufruct, easement, superficies and disposing and transferring acquired properties and rights, placing pledge and mortgage on those properties and rights, releasing pledged and mortgaged items and declaring leasing agreements and sale commitments to the registry office.

As of 30 September 2021, 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, Taşköprü, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Bank also has 1 representative office in Tehran, Iran. The Bank's number of employee is 24.556 (31 December 2020: 24.673).

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

According to Communiqué regarding the Preparation of the Consolidated Financial Statements and Turkish Accounting Standards, Arap Türk Bankası A.Ş., one of the associates of the Bank, and Turkmen Turkish Joint Stock Commercial Bank, jointly controlled partnership of the Bank, is accounted by using equity method in the consolidated financial statements of the Bank.

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

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

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

GENERAL INFORMATION ABOUT THE 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 Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Moreover, Platform Ortak Kartlı Sistemler A.Ş. and Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. are non-financial associates of the Bank which are kept at cost value are not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş. As they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated. 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 BANK AND ITS SUBSIDIARIES**

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) - ASSETS	Note (Section Five I)	Current Period 30 September 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I- FINANCIAL ASSETS (NET)		127.214.725	231.391.804	358.606.529	115.996.922	176.002.569	291.999.491
1.1 Cash and Cash Equivalents		14.435.722	108.410.839	122.846.561	8.737.466	82.300.443	91.037.909
1.1.1. Cash and Balances with Central Bank	(1)	12.837.684	101.511.914	114.349.598	7.954.069	80.089.730	88.043.799
1.1.2. Banks	(4)	1.328.156	6.899.317	8.227.473	578.131	2.210.866	2.788.997
1.1.3. Money Markets Receivables		271.657	-	271.657	206.435	-	206.435
1.1.4. Expected Loss Provision (-)		1.775	392	2.167	1.169	153	1.322
1.2 Financial Assets at Fair Value Through Profit or Loss	(2)	1.275.108	16.034.062	17.309.170	13.769.083	536.369	14.305.452
1.2.1. Government Debt Securities		112.978	15.357.632	15.470.610	13.769.083	9.300	13.778.383
1.2.2. Equity Instruments		-	676.430	676.430	-	527.069	527.069
1.2.3. Other Financial Assets		1.162.130	-	1.162.130	-	-	-
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5),(6)	109.892.638	105.613.488	215.506.126	90.571.073	91.057.857	181.628.930
1.3.1. Government Debt Securities		109.116.850	105.139.600	214.256.450	89.811.384	90.687.150	180.498.534
1.3.2. Equity Instruments		246.305	34.018	280.323	230.206	28.445	258.651
1.3.3. Other Financial Assets		529.483	439.870	969.353	529.483	342.262	871.745
1.4 Derivative Financial Assets	(3)	1.611.257	1.333.415	2.944.672	2.919.300	2.107.900	5.027.200
1.4.1. Derivative Financial Assets at Fair Value Through Profit or Loss		1.611.257	1.333.415	2.944.672	2.919.300	2.107.900	5.027.200
1.4.2. Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)	(7)	481.577.369	186.054.962	667.632.331	456.101.932	155.487.998	611.589.930
2.1 Loans	(12)	493.425.152	165.922.438	659.347.590	462.338.413	138.321.547	600.659.960
2.2 Lease Receivables		-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(8)	10.702.263	20.199.988	30.902.251	12.466.614	17.220.082	29.686.696
2.4.1. Government Debt Securities		10.615.237	20.048.824	30.664.061	12.379.588	17.161.348	29.540.936
2.4.2. Other Financial Assets		87.026	151.164	238.190	87.026	58.734	145.760
2.5. Expected Credit Loss (-)		22.550.046	67.464	22.617.510	18.703.095	53.631	18.756.726
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS (Net)	(15)	5.413.713	-	5.413.713	5.260.879	-	5.260.879
3.1. Held for Sale Purpose		5.413.713	-	5.413.713	5.260.879	-	5.260.879
3.2. Held from Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		11.804.588	3.704.795	15.509.383	10.939.778	3.386.144	14.325.922
4.1 Investments in Associates (Net)	(9)	152.904	-	152.904	152.904	-	152.904
4.1.1. Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2. Unconsolidated Associates		152.904	-	152.904	152.904	-	152.904
4.2 Subsidiaries (Net)	(10)	11.651.684	3.599.050	15.250.734	10.786.874	3.280.399	14.067.273
4.2.1. Unconsolidated Financial Subsidiaries		11.595.217	3.599.050	15.194.267	10.621.479	3.280.399	13.901.878
4.2.2. Unconsolidated Non-Financial Subsidiaries		56.467	-	56.467	165.395	-	165.395
4.3 Entities under Common Control (Joint Ventures) (Net)	(11)	-	105.745	105.745	-	105.745	105.745
4.3.1. Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2. Unconsolidated Joint Ventures		-	105.745	105.745	-	105.745	105.745
V. PROPERTY AND EQUIPMENT (Net)	(16)	6.573.181	41.768	6.614.949	6.710.643	37.712	6.748.355
VI. INTANGIBLE ASSETS (Net)		1.189.521	26.689	1.216.210	984.261	17.945	1.002.206
6.1. Goodwill		-	-	-	-	-	-
6.2. Other		1.189.521	26.689	1.216.210	984.261	17.945	1.002.206
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	1.322	-	1.322
IX. DEFERRED TAX ASSET		2.816.617	-	2.816.617	247.408	-	247.408
X. OTHER ASSETS (Net)	(20)	8.690.007	1.687.209	10.377.216	8.389.443	3.036.308	11.425.751
TOTAL ASSETS		645.279.721	422.907.227	1.068.186.948	604.632.588	337.968.676	942.601.264

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

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

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

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) - LIABILITIES	Note (Section Five II)	Current Period 30 September 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	365.903.435	384.610.036	750.513.471	306.746.336	323.127.872	629.874.208
II. FUNDS BORROWED	(3)	448.927	42.507.522	42.956.449	1.291.482	35.658.731	36.950.213
III. MONEY MARKETS BORROWINGS	(4)	72.575.290	33.446.537	106.021.827	92.831.730	23.569.739	116.401.469
IV. SECURITIES ISSUED (Net)	(5)	1.010.690	17.838.132	18.848.822	1.010.690	13.343.843	14.354.533
4.1 Bills		-	1.048.215	1.048.215	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	16.789.917	17.800.607	1.010.690	13.343.843	14.354.533
V. FUNDS		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
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	695.279	3.073.608	3.768.887	1.464.562	2.023.090	3.487.652
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		695.279	3.073.608	3.768.887	1.464.562	2.023.090	3.487.652
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(7)	705.231	37.811	743.042	763.681	58.304	821.985
X. PROVISIONS	(9)	7.318.442	8.562	7.327.004	7.048.154	10.480	7.058.634
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.648.769	-	1.648.769	1.509.040	-	1.509.040
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		5.669.673	8.562	5.678.235	5.539.114	10.480	5.549.594
XI. CURRENT TAX LIABILITY	(10)	1.688.754	7.860	1.696.614	1.655.923	4.594	1.660.517
XII. DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)	(11)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(12)	-	14.557.973	14.557.973	-	13.048.197	13.048.197
14. Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	14.557.973	14.557.973	-	13.048.197	13.048.197
XV. OTHER LIABILITIES	(6)	22.310.834	1.874.641	24.185.475	15.000.491	4.612.045	19.612.536
XVI. SHAREHOLDERS' EQUITY	(13)	95.858.694	(4.419.516)	91.439.178	93.291.545	(13.285)	93.278.260
16.1 Paid-in capital		13.100.000	-	13.100.000	13.100.000	-	13.100.000
16.2 Capital Reserves		(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		13.231.951	(962.161)	12.269.790	10.575.764	(969.601)	9.606.163
16.4. Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		(1.151.984)	(3.457.355)	(4.609.339)	(108.006)	956.316	848.310
16.5 Profit Reserves		67.627.159	-	67.627.159	58.398.544	-	58.398.544
16.5.1 Legal Reserves		5.463.080	-	5.463.080	5.000.726	-	5.000.726
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		62.164.079	-	62.164.079	53.397.818	-	53.397.818
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		3.072.714	-	3.072.714	11.342.988	-	11.342.988
16.6.1 Prior Periods' Profit or (Loss)		52.764	-	52.764	3.517.969	-	3.517.969
16.6.2 Current Period Profit or (Loss)		3.019.950	-	3.019.950	7.825.019	-	7.825.019
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		574.643.782	493.543.166	1.068.186.948	527.157.654	415.443.610	942.601.264

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF
30 SEPTEMBER 2021**

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

III	STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 30 September 2021			Prior Period 31 December 2020		
			TL	FC	Total	TL	FC	Total
			I.	BALANCE SHEET COMMITMENTS (I+II+III) GUARANTEES AND WARRANTIES	(1)	246.742.710	487.172.202	733.914.912
1.1	Letters of Guarantee		48.242.688	82.563.760	130.806.448	41.847.184	68.894.235	110.741.419
1.1.1	Guarantees Subject to State Tender Law		1.555.903	16.995.674	18.551.577	1.272.900	14.813.606	16.086.506
1.1.2	Guarantees Given for Foreign Trade Operations		41.477.419	46.017.166	87.494.585	35.485.457	37.881.934	73.367.391
1.1.3	Other Letters of Guarantee		5.209.366	19.550.920	24.760.286	5.088.827	16.198.695	21.287.522
1.2	Bank Acceptances		9.056	8.459.483	8.468.539	122.254	7.079.894	7.202.148
1.2.1	Import Letter of Acceptance		9.056	8.458.415	8.467.471	122.254	7.079.001	7.201.255
1.2.2	Other Bank Acceptances		-	1.068	1.068	-	893	893
1.3	Letters of Credit		670.368	34.461.073	35.131.441	957.791	22.316.906	23.274.697
1.3.1	Documentary Letters of Credit		670.368	34.440.876	35.111.244	957.791	22.300.016	23.257.807
1.3.2	Other Letters of Credit		-	20.197	20.197	-	16.890	16.890
1.4	Pre-financing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		31.400	1.717.640	1.749.040	99.000	1.421.463	1.520.463
1.5.1	Endorsements to the Central Bank of Turkey		31.400	1.717.640	1.749.040	99.000	1.421.463	1.520.463
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(1)	102.559.898	18.285.566	120.845.464	77.686.779	21.081.703	98.768.482
2.1	Irrevocable Commitments		102.559.898	18.285.566	120.845.464	77.686.779	21.081.703	98.768.482
2.1.1	Asset Purchase Commitments		3.222.800	11.854.090	15.076.890	38.855	14.044.527	14.083.382
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		3.150	-	3.150	3.150	-	3.150
2.1.4	Loan Granting Commitments		18.491.834	13.546	18.505.380	14.666.903	2.087	14.668.990
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		6.229.448	-	6.229.448	4.830.167	-	4.830.167
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		60.367.561	-	60.367.561	44.590.857	-	44.590.857
2.1.10	Commitments for Credit Cards and Banking Services Promotions		92.818	-	92.818	68.631	-	68.631
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		14.152.287	6.417.930	20.570.217	13.488.216	7.035.089	20.523.305
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		95.229.300	341.684.680	436.913.980	71.516.279	286.591.575	358.107.854
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		95.229.300	341.684.680	436.913.980	71.516.279	286.591.575	358.107.854
3.2.1	Forward Foreign Currency Buy/Sell Transactions		6.375.356	7.098.836	13.474.192	2.339.701	4.721.385	7.061.086
3.2.1.1	Forward Foreign Currency Transactions-Buy		3.194.011	3.549.504	6.743.515	1.513.056	2.052.594	3.565.650
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.181.345	3.549.332	6.730.677	826.645	2.668.791	3.495.436
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		88.818.744	326.946.448	415.765.192	68.512.430	281.234.260	349.746.690
3.2.2.1	Foreign Currency Swap-Buy		7.459.830	170.005.378	177.465.208	3.546.255	144.492.912	148.039.167
3.2.2.2	Foreign Currency Swap-Sell		80.978.914	98.335.992	179.314.906	63.436.175	83.846.042	147.282.217
3.2.2.3	Interest Rate Swap-Buy		190.000	29.302.539	29.492.539	765.000	26.447.653	27.212.653
3.2.2.4	Interest Rate Swap-Sell		190.000	29.302.539	29,492.539	765.000	26,447.653	27,212.653
3.2.3	Foreign Currency, Interest rate and Securities Options		35.200	7.639.396	7.674.596	-	-	-
3.2.3.1	Foreign Currency Options-Buy		17.600	3.824.768	3,842.368	-	-	-
3.2.3.2	Foreign Currency Options-Sell		17.600	3,814.628	3,832.228	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	664.148	635.930	1.300.078
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	635.930	635.930
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	664.148	-	664.148
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1.853.096.593	384.100.761	2.237.197.354	2.514.798.633	307.290.933	2.822.089.566
IV.	ITEMS HELD IN CUSTODY		260.016.305	80.456.467	340.472.772	1.174.846.935	62.800.731	1.237.647.666
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		14.058.169	38.370.138	52.428.307	13.994.359	31.286.338	45.280.697
4.3	Cheques Received for Collection		19.759.460	2.984.309	22.743.769	16.337.960	2.323.861	18.661.821
4.4	Commercial Notes Received for Collection		19.073.105	1.234.313	20.307.418	14.290.083	1.139.348	15.429.431
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		185.451.082	209.512	185.660.594	1.100.163.673	2.864	1.100.166.537
4.7	Other Items Under Custody		21.664.024	37.658.195	59.322.219	30.050.395	28.048.320	58.098.715
4.8	Custodians		1.649	-	1.649	-	-	1.649
V.	PLEDGES RECEIVED		1.591.507.367	298.588.677	1.890.096.044	1.338.428.515	240.139.806	1.578.568.321
5.1	Marketable Securities		2.664.678	1.714.791	4.379.469	2.552.857	1.488.478	4.041.335
5.2	Guarantee Notes		18.978.407	3.222.056	22.200.463	15.030.031	2.143.619	17.173.650
5.3	Commodity		919.910	139.566	1.059.476	919.910	119.673	1.039.583
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.283.025.428	186.405.064	1.469.430.492	1.072.212.605	154.124.910	1.226.337.515
5.6	Other Pledged Items		285.913.735	107.074.632	392.988.367	247.707.905	82.235.495	329.943.398
5.7	Pledged Items-Depository		5.209	32.568	37.777	5.209	27.631	32.840
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		1.572.921	5.055.617	6.628.538	1.523.183	4.350.396	5.873.579
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			2.099.839.303	871.272.963	2.971.112.266	2.707.079.920	714.676.709	3.421.704.629

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR NINE MONTH
PERIOD ENDED 30 SEPTEMBER 2021**

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

	Note (Section Five IV)	Current Period 1 January- 30 September 2021	Prior Period 1 January- 30 September 2020	Current Period 1 July - 30 September 2021	Prior Period 1 July - 30 September 2020
IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS					
I. INTEREST INCOME	(1)	68.605.265	49.769.522	24.948.047	17.536.490
1.1 Interest on Loans		50.612.492	38.482.661	18.255.385	13.442.177
1.2 Interest on Reserve Requirements		939.718	119.974	420.810	54.881
1.3 Interest on Banks		95.662	42.386	28.546	10.234
1.4 Interest on Money Market Transactions		45	22	16	8
1.5 Interest on Marketable Securities Portfolio		16.780.981	10.987.563	6.173.178	4.008.130
1.5.1 Fair Value Through Profit or Loss		218.300	135.013	78.081	77.629
1.5.2 Fair Value Through Other Comprehensive Income		14.634.237	9.482.394	5.400.813	3.333.999
1.5.3 Measured at Amortised Cost		1.928.444	1.370.156	694.284	596.502
1.6 Financial Lease Interest Income		-	-	-	-
1.7 Other Interest Income		176.367	136.916	70.112	21.060
II. INTEREST EXPENSE (-)	(2)	46.077.941	21.356.833	16.069.344	7.650.131
2.1 Interest on Deposits		30.504.224	15.068.715	11.134.915	5.381.657
2.2 Interest on Funds Borrowed		777.280	941.415	273.149	304.716
2.3 Interest Expense on Money Market Transactions		13.053.564	3.048.898	4.113.040	1.337.384
2.4 Interest on Securities Issued		1.333.147	1.197.522	433.212	443.689
2.5 Interest on Leases		80.394	75.654	28.650	24.200
2.6 Other Interest Expenses		329.332	1.024.629	86.378	158.485
III. NET INTEREST INCOME (I - II)		22.527.324	28.412.689	8.878.703	9.886.359
IV. NET FEES AND COMMISSIONS INCOME		3.600.535	2.168.011	1.384.404	964.127
4.1 Fees and Commissions Received		5.154.054	3.482.604	2.008.745	1.265.375
4.1.1 Non-cash Loans		869.872	685.569	313.214	240.479
4.1.2 Other		4.284.182	2.797.035	1.695.531	1.024.896
4.2 Fees and Commissions Paid (-)		1.553.519	1.314.593	624.341	301.248
4.2.1 Non-cash Loans		524	804	192	162
4.2.2 Other		1.552.995	1.313.789	624.149	301.086
V. DIVIDEND INCOME		112.535	1.113.605	930	72.603
VI. TRADING PROFIT/(LOSS) (Net)	(3)	(8.303.749)	(7.041.047)	(3.175.395)	(4.255.187)
6.1 Trading Gains / (Losses) on Securities		54.942	4.816.233	(16.399)	2.179.506
6.2 Gains / (Losses) on Derivative Financial Transactions		(8.952.754)	(3.769.040)	(3.403.878)	(1.047.163)
6.3 Foreign Exchange Gains / (Losses)		594.063	(8.088.240)	244.882	(5.387.530)
VII. OTHER OPERATING INCOME	(4)	3.450.044	2.221.369	1.342.630	645.299
VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)		21.386.689	26.874.627	8.431.272	7.313.201
IX. EXPECTED CREDIT LOSS (-)	(5)	6.644.748	7.148.723	3.108.112	2.213.773
X. OTHER PROVISION EXPENSES (-)	(5)	100.292	2.039.770	(12.541)	17.799
XI. PERSONNEL EXPENSE (-)		3.793.415	3.436.198	1.292.512	963.803
XII. OTHER OPERATING EXPENSES (-)	(6)	6.493.303	6.031.039	2.209.788	2.045.349
XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)		4.354.931	8.218.897	1.833.401	2.072.477
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(7)	4.354.931	8.218.897	1.833.401	2.072.477
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(8)	(1.334.981)	(2.129.711)	(553.155)	(492.520)
18.1 Current Tax Provision		(2.671.281)	(1.345.576)	(798.723)	1.079.072
18.2 Deferred Tax Expense Effect (+)		(425.659)	(4.184.895)	(119.930)	(2.440.466)
18.3 Deferred Tax Income Effect (-)		1.761.959	3.400.760	365.498	868.874
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(9)	3.019.950	6.089.186	1.280.246	1.579.957
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Non-current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT/(LOSS) (XVIII+XXIII)	(10)	3.019.950	6.089.186	1.280.246	1.579.957
Earnings/(Loss) per share (in TL full)		0,231	0,641	0,098	0,054

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period 1 January- 30 September 2021	Prior Period 1 January- 30 September 2020
I.	PROFIT (LOSS)	3.019.950	6.089.186
II.	OTHER COMPREHENSIVE INCOME	(4.908.396)	(1.644.317)
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	549.253	1.095.377
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	(85.734)	(773.891)
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	235.774	192.246
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	527.107	1.981.850
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(127.894)	(304.828)
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(5.457.649)	(2.739.694)
2.2.1	Exchange Differences on Translation	-	-
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(6.818.452)	(3.512.428)
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	1.360.803	772.734
III.	TOTAL COMPREHENSIVE INCOME (I+II)	(1.888.446)	4.444.869

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

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

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

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellati on Profit	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)	Total Equity
					1	2	3	4	5	6				
					Current Period 30 September 2021	13.100.000	-	-	(17.745)	4.849.771				
I. Prior Period End Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
III. Adjusted Beginning Balance (I+II)	-	-	-	-	(77.031)	188.619	437.665	-	(5.457.649)	-	-	-	3.019.950	(1.888.446)
IV. Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Capital increase by cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase by internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds to shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt instruments	-	-	-	(3.401)	-	-	-	-	-	-	-	52.765	-	49.364
X. Increase(Decrease) by other changes	-	-	-	-	-	-	2.114.374	-	-	-	9.228.615	(11.342.989)	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	8.577.454	(8.577.454)	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	2.114.374	-	-	-	651.161	(2.765.535)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(21.146)	4.772.740	176.003	7.321.047	-	(4.609.339)	-	67.627.159	52.764	3.019.950	91.439.178

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss)

4. Exchange Differences on Translation

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

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

(*) Corporate Tax Law, 5. 1. e. The exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.114.374 related to the article are followed.

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH

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

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	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)	Total Equity	
					1	2	3	4	5	6					
Prior Period 30 September 2020															
I. Prior Period End Balance	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542	
Corrections and Accounting Policy															
II. Changes Made According to TAS 8															
2.1 Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. Adjusted Beginning Balance (I+II)	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542	
IV. Total comprehensive income (loss)					(696.502)	153.797	1.638.082	-	(2.739.694)	-	-	-	6.089.186	4.444.869	
V. Capital increase by cash	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000	
VI. Capital increase by internal sources															
Paid-in capital inflation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Convertible bonds to shares															
VIII. Subordinated debt instruments															
IX. Increase/Decrease by other changes				(193)											
XI. Profit distribution															
11.1 Dividends paid															
11.2 Transfers to reserves										6.137.985		(6.137.985)			
11.3 Other										150.183		(150.183)			
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(764)	3.052.310	72.245	3.823.177	-	(3.097.582)	-	58.398.544	3.240.720	6.089.186	84.677.836	

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss)

4. Exchange Differences on Translation

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

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTH
PERIOD ENDED 30 SEPTEMBER 2021**

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

VII. STATEMENT OF CASH FLOWS	Note (Section Five)	Current Period 1 January- 30 September 2021	Prior Period 1 January- 30 September 2020
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		3.262.072	11.506.331
1.1.1 Interest Received		63.273.996	46.249.823
1.1.2 Interest Paid		(44.796.687)	(21.351.708)
1.1.3 Dividend Received		112.535	1.113.605
1.1.4 Fees and Commissions Received		5.335.978	4.552.981
1.1.5 Other Income		795.754	2.924.439
1.1.6 Collections from Previously Written-off Loans and Other Receivables		2.540.941	1.636.138
1.1.7 Cash Payments to Personnel and Service Suppliers		(4.280.323)	(3.896.403)
1.1.8 Taxes Paid		(2.785.506)	(3.505.624)
1.1.9 Other		(16.934.616)	(16.216.920)
1.2 Changes in Operating Assets and Liabilities		25.756.179	46.118.922
1.2.1 Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(3.440.459)	(9.212.103)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(20.583.572)	(15.826.972)
1.2.3 Net (Increase) / Decrease in Loans		(47.512.065)	(117.991.916)
1.2.4 Net (Increase) / Decrease in Other Assets		(237.749)	(8.235.171)
1.2.5 Net Increase / (Decrease) in Bank Deposits		13.372.541	1.097.247
1.2.6 Net Increase / (Decrease) in Other Deposits		90.277.510	153.316.513
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		(32.495)	(5.413.658)
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		(6.087.532)	48.384.982
I. Net Cash Provided from Banking Operations		29.018.251	57.625.253
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(23.053.481)	(66.579.292)
2.1 Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(607.250)	(1.037.482)
2.2 Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	-
2.3 Purchases of Property and Equipment		(584.038)	(283.599)
2.4 Disposals of Property and Equipment		805.002	836.227
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(49.656.404)	(101.175.397)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		24.547.324	42.144.008
2.7 Purchase of Financial Assets Measured at Amortized Cost		(206.686)	(7.949.886)
2.8 Sale of Financial Assets Measured at Amortized Cost		2.648.571	886.837
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		965.638	6.424.621
3.1 Cash Obtained from Funds Borrowed and Securities Issued		5.567.059	4.332.098
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(4.393.118)	(4.713.142)
3.3 Issued Equity Instruments		-	7.000.000
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(208.303)	(194.335)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		1.732.981	3.581.557
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		8.663.389	1.052.139
VI. Cash and Cash Equivalents at Beginning of the Period		34.847.422	28.162.539
VII. Cash and Cash Equivalents at End of the Period		43.510.811	29.214.678

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) related with Banking Law numbered 5411 published in the Official Gazette No. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish 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 unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” published in the Official Gazette No. 28337, dated 28 June 2012 and “Communiqué on Public Disclosures on Risk Management”, published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared on 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 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 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.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

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 Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments and there are no changes that require any correction as of the reporting date. As of 30 September 2021, the Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 30 September 2021, by taking into account the change in probability of default and loss given default.

In this context, the Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters. The Bank increased the weight of the adverse scenario in the expected credit loss calculation. In addition, the 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 Bank continues its practices for restructuring the loans in line with the needs of its customers, in line with the 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 Bank’s efforts to adapt to the changes and the assessment of its impact on the financial statements still have been proceeding.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

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 unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Main activity of the Bank comprises of banking services, such as; launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Bank’s main funding sources are deposits denominated in Turkish Lira, repurchase agreements, securities issued and shareholders’ equity. The Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Bank’s liquidity structure covers the financing of all liabilities at due date. Although most of the sources in the Bank’s balance sheet are with fixed interest rate, some of the securities in assets have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, letter of credits, commitments for cheque payments and commitments for credit card limits are the most important risk areas within the off-balance sheet accounts.

Since the Bank’s total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as; Borsa Istanbul (“BIST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from liquidity risk since the Bank is a public bank with an extensive branch network.

Cost and return of foreign currency assets are subject to a close follow up. Positive margin of profit is sustained by adjusting deposit interest rates in line with the market interest rates.

Foreign currency operations are valued by Bank’s prevailing counter currency buying rate at transaction date and reflected to records. At period ends, foreign currency asset and liability balances are valued at the Bank’s period end counter currency buying rates and converted to Turkish currency and the resulting exchange differences are recognized as a “foreign exchange profit or loss”.

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Bank’s subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 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 Bank are converted into Turkish Lira with the Bank’s prevailing counter currency buying rates at the balance sheet date.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES

Investments related to joint ventures and financial subsidiaries are monitored with their fair values in the unconsolidated financial statements according to "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" and the scope of TFRS 9 Financial Instruments Standard. Fair values were determined with the valuation reports prepared for these joint ventures and were accounted under equity as of the valuation date

Subsidiaries are accounted for at their cost value within the scope of TAS 27 and are reflected in the unconsolidated financial statements after the provision for depreciation is deducted, if any.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Bank's derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, full indemnity options and forward foreign currency buy/sell transactions. The Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments Standard" ("TFRS 9"), "Derivative Financial Assets Measured at Fair Value through Profit or Loss"

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. 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 taking into account the market values or by applying the cash flow model discounted with market rates.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts with their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses are recognized according to the effective interest method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

Interest income from financial assets are recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related profit or loss statement line and is amortized over the estimated life of the financial asset.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Income and expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

Prepaid expense amounts are recognized as expense on an accrual basis during the service period.

Commission income from consumer, corporate and commercial loans are transferred to income accounts according to periodicity principle using effective interest rate method on an accrual basis.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 "Recognition and Derecognition". Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

The Bank classifies and recognizes its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

Financial assets mainly constitute the Bank's commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

Classification And Measurement within the Scope of TFRS 9

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

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

Financial Assets at Fair Value Through Profit or Loss

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

Financial assets at the fair value through profit or loss are initially recognized at fair value. All gains and losses arising from these valuations are reflected in the profit or loss statement. Earned interests are included in interest income and dividends received are included in dividend income.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Turkey, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank's portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

Financial Assets at Measured at Amortized Cost

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

Measured at amortised cost is recognized at cost 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 “measured at amortized cost” portfolios of the Bank include Consumer Price Index (CPI) indexed bonds. Mentioned securities are valued and accounted according to the effective interest rate method which is calculated according to the real coupon rate and the reference inflation index on the issue date. The actual coupon payment amounts of these securities, purchase and sale transactions and year-end valuations are calculated by using the index announced by the treasury. Index calculations related to CPI indexed bonds are made by the method specified in Ministry of Treasury and Finance’s CPI Indexed Bonds Investor Guide.

The Bank also updates the estimated inflation rate used throughout the year in case of necessity. At the end of the year, the actual inflation rate is used. 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Loans

Loans consist of financial assets which are created by providing money, goods or services to the debtor. Loans are initially recognized at acquisition cost presenting their fair value and thereafter measured at amortized cost using the “Effective Interest Rate Method”.

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity and collateral structures. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. 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 Bank sets aside the expected loss provision for its loans and receivables by taking into consideration the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Bank takes into consideration the general structure of the loan portfolio, the financial structure of the customers, the non-financial data and the economic conjuncture in line with the credit risk policies and prudence principle when determining its estimates.

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

- 12-Month Expected Loss Provision (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Life time 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 risks 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:

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

12 Month Expected Credit Losses (Stage 1)

These are the financial assets that do not have a significant increase in credit risk at the time of recognition or since initial recognition. For such assets, impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the credit quality.

The expected 12-month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of lifetime loss expectancy.

Significant Increase in Credit Risk (Stage 2)

Financial assets are transferred to stage 2 if there is a significant increase in credit risk. While 1-year expected credit loss is calculated for at stage 1, all remaining maturity expected credit loss is calculated for loans at stage 2.

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Bank's internal early warning system note. As explained in the third section, part 1, number 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.

It is considered 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, 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.

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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))

- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

Collective assessment of financial instruments is based on homogeneous group assets referring to portfolio segmentation including similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods for the expected loss calculation approach on a common basis for each stage.

Credits that differ in cash flows or have different characteristics with other credits may be subject to individual valuation instead of aggregate valuation. A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected Effective Interest Rate value and discounted cash flows.

When cash flows are estimated, the following situations are considered:

- All contractual terms of the financial instrument during the expected life,
- Cash flows expected to be obtained from collateral sales.

In the calculation of the expected credit loss, the basic parameters which are expressed as probability of default, loss in default and default amount are used.

Probability of Default (PD)

Probability of default refers to the likelihood that a loan will default at a certain time. In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

Exposure at Default (EAD)

The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument.

Loss Given Default (LGD)

Loss given default refers to the ratio of the economic net loss resulting from the default of a loan to the default amount. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

Future Expectations

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. The Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during this estimation are the Gross Domestic Product (GDP) and the consumer price index (CPI), and risk parameters are updated if deemed necessary, taking into account their compatibility with the portfolio. In addition to macroeconomic indicators, the Bank takes into account the future expectations of its portfolio and the possible effects of COVID-19 in its models by using its best estimations in the presence of model variables and taking expert opinion.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

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.

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 Bank 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 Bank has legally enforceable rights to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS

Securities sold under agreements for repurchase agreements (“Repos”) are classified as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” and “Financial Asset Measured at Amortized Cost” in the portfolio of the bank, according to the purposes of holding and are subject to valuation according to the portfolio which are belong. Funds obtained in return for repo agreements are accounted in “Money Markets Receivables” account and interest expense accruals for the period are calculated with the effective interest rate method.

Securities purchased with Resale commitment (“Reverse Repo”) are accounted in “Receivables from Money Markets Receivables” on the balance sheet and interest income accruals for the period are calculated with the effective interest rate method.

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

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

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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 assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan. Various events or circumstances may extend the completion time of the sale transaction beyond one year. Assets are continued to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Bank's control and that the Bank's plan to sell the related asset (or disposal group) is in progress.

The properties acquired by the Bank due to receivables are shown in the line of held for sale in the financial statements depending on the termination of the terms sales contract.

A discontinued operation is a division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Bank does not have any discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of the balance sheet date, there is no goodwill in the financial statements of the Bank.

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were 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 Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33,3% to 6,7%.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014 the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under equity.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (Continued)

Property and equipment (except for properties) are presented in the financial statements over their remaining cost after deducting accumulated depreciation from cost amounts, if any, and after deducting accumulated depreciation from their fair values. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The amortization method applied in the current period has not been changed.

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

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

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Leases in Accordance with TFRS 16

The Bank measures the lease liabilities based on the present value of the lease payments that have not been paid at the date of lease is actually started, in accordance with TFRS 16. Lease payments are discounted by using the Bank’s incremental borrowing rate. 2-year government bond indicator interest rates are used for Turkish Lira rentals, and Eurobond indicator interest rates are used for foreign currency leasing transactions for ongoing contracts.

After the lease actually started, the Bank; Increases the carrying amount to reflect the interest in the lease obligation, reduce the carrying value to reflect the lease payments made, and re-measure the carrying value to reflect reassessments and changes to the lease, or to reflect fixed lease payments in revised core.

The interest on the lease liability for each period of the lease term, is the amount calculated by charging a fixed periodic interest rate on remaining balance of lease liability.

After the date of lease actually started, the Bank remeasures the lease liability to reflect the changes in lease payments. The Bank reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

The Bank uses a revised discount rate that reflects changes in the interest rate if there is a change in the initial lease period or the use of the purchase option

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Leases in Accordance with TFRS 16 (Continued)

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate for a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification. The revised discount rate is determined as the alternative borrowing interest rate at the effective date of the modification. The Bank decreases carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

The Bank does not apply the standard provisions for leases shorter than 1 year in line with the exception provisions of the relevant standard. The Bank reflects the lease payments associated with these leases linearly throughout the lease period and reflects them in the financial statements.

Tangible assets that are acquired under 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 assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible assets that are acquired under financial leasing are charged to liability account “Lease Liabilities”, whereas interests are recognized in “Deferred Leasing Expenses” account. At installment payments, principal and interest amount of installment amount are debited to “Lease Payables” account, whereas interest is credited in “Deferred Leasing Expenses” account and recorded to the “Other Interest Expenses”.

The Bank does not perform financial operations as “Lessor”.

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

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

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Employment Termination and Vacation Benefits

The Bank recognizes its liabilities of employment terminations and vacation benefits in accordance with TAS 19 “Turkish Accounting Standard about Benefits for Employee” and estimates the net present value of future liabilities arising from employment terminations and vacation benefits and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement bonus pension/severance payments are calculated for the hours that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 30 September 2021, retirement benefit obligation is TL 1.297.903 (31 December 2020: TL 1.230.590).

	Current Period	Prior Period
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 gain amounting to TL 176.003 was classified under shareholders’ equity in the financials. (31 December 2020: TL 12.616 loss).

Unused vacation liability is calculated based on number of unused vacation days which is calculated by subtracting used vacation days of all personnel from legally deserved vacation days.

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

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

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees’ Pension Fund (“Fund”) which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

The technical balance sheet report as of 31 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 Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION

Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings. (between 1 January 2018-31 December 2020 it was applied as 22% according to law No. 7061.) The Corporate Tax rate, which is 20% in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on 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 second corporate tax declaration period 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 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.

Taxes which does 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).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

Current Tax (Continued)

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.

Deferred Tax

In accordance with TAS 12 “Turkish Accounting Standards Relating to Income Tax” and taking into account the additional regulation introduced by the Law No. 7316 of 22 April 2021, the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation. In accordance with the relevant law, the Corporate Tax rate has been increased to 25% for the taxation period starting from 1 January 2021, starting with the declarations that must be submitted as of 1 July 2021, and this rate will be applied as 23% for the period of 2022. As of 31 December 2020, deferred tax is calculated over 20%.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. In the deferred tax calculation, the Bank estimates the time when temporary differences will be taxable / deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect as of the end of the reporting period (balance sheet date), the 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 provided 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

Deferred Tax (Continued)

Deferred tax asset and deferred tax liability are presented as net in these unconsolidated 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.

XVIII. EXPLANATIONS ON BORROWING

The Bank recognizes its debt instruments in accordance with TFRS 9 “Financial Instruments” and all financial liabilities are carried at amortized cost by using effective interest rate method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods. The Bank has issued no convertible bonds to shares and has no instruments representing its own borrowings.

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT GRANTS

There are no government incentives utilized by the Bank as of the balance sheet date.

XXII. CASH AND CASHEQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less following the date of acquisition, which is readily convertible to a known amount of cash, and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. FC cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIII. EXPLANATIONS ON SEGMENT REPORTING

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

XXIV. EXPLANATIONS ON OTHER MATTERS

Profit distribution

According to the Bank's Ordinary General Assembly Meeting dated 26 March 2021;

In accordance with paragraph 1 of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; has been set aside 5% (TL 391.251) of the remaining legal reserve from the net profit of TL 7.825.019, Real estate sales revenue exception calculated in accordance with the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520 after deducting 50% of its base, TL 18.462, to be transferred to a special fund account under equities to be monitored until the end of the fifth year following the sale to leave the remaining TL 7.415.306 within the Bank.

Being monitored in the profit of previous years; within the scope of the transfer of Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. to Türkiye Varlık Fonu Finansal Yatırımlar A.Ş. reported with the transfer of TL 2.495.459 to TL 1.980.523 the 5/1-e clause of the Corporate Tax Law no. 5520 to be included in a special fund account under equity to be monitored until the end of the fifth year following the year in which the sale was made, except for adding to the capital, since the provisions of the tax exemption of the participation share sales earnings have been utilized, reclassification of some stocks in the Bank's portfolio with the remaining TL 514.936 5% (TL 38.545) of legal reserves from the previous years' profit amounting to TL 770.897, which is the total of TL 255.961 recorded as a result, and transferring the remaining TL 732.352 to extraordinary reserves.

TL 115.389, which is 50% of the real estate sales income exemption base calculated according to the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520, out of TL 766.550, which arises from real estate valuation differences and is monitored in the profit of previous years as required by TAS-16 to be monitored until the end of the fifth year following the year in which the sale was made, to a special fund account under equity, 5% (TL 32.558) of the remaining TL 651.161 to be allocated as legal reserves, and the remaining TL 618.603 to be decided to transfer to extraordinary reserves.

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SECTION FOUR

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

I EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY

Shareholders' equity amount and capital adequacy standard ratio are calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, BRSA regulations dated 16 September 2021 and numbered 9795. According to the latest regulations;

- 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 to be considered in the equity amount, which is valid for the previous period, has been terminated.

As of 30 September 2021, Bank’s total regulatory capital has been calculated as TL 112.213.871 (31 December 2020: TL 111.583.042), capital adequacy ratio is 15,99% (31 December 2020: 18,22%). This ratio is well above the minimum ratio required by the legislation.

1. Information Related to The Components of Shareholders' Equity

	Current Period 30 September 2021	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	67.627.159	-
Gains recognized in equity as per TAS	13.189.962	-
Profit	3.072.714	-
Current Period Profit	3.019.950	-
Prior Period Profit	52.764	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	82.025	-
Common Equity Tier 1 Capital Before Deductions	97.071.860	-
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	5.632.682	-
Improvement costs for operating leasing	9.445	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.216.210	1.216.210
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-

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

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

1. Information Related To The Components Of Shareholders' Equity (Continued)

	Current Period 30 September 2021	Amount as per the regulation before 01/01/2014*
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	6.858.337	-
Total Common Equity Tier I Capital	90.213.523	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	14.247.380	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	14.247.380	-
Deductions From Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	14.247.380	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	104.460.903	-
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	7.770.532	-
Tier II Capital Before Deductions	7.770.532	-
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	7.770.532	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	112.231.435	-

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I EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS EQUITY (Continued)

1. Information Related To The Components Of Shareholders Equity (Continued)

	Current Period 30 September 2021	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	112.231.435	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	17.564	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	112.213.871	-
Total Risk Weighted Assets	701.879.530	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	12,85	-
Tier I Capital Ratio (%)	14,88	-
Capital Adequacy Ratio (%)	15,99	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,028	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	8,35	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	213.553	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	64.880	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	2.816.617	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand)	12.579.553	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	7.770.532	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(*) Amounts considered within transition provisions.

(**) The systemic significant bank buffer ratio has been shown as “-” in the unconsolidated financial report since it is necessary to fill in the systematic significant banks that are not required to prepare financial statements in the context of the 4th paragraph of Article 4 of the “Regulation on Systemic Significant Banks”.

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

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

1. Information Related To The Components Of Shareholders' Equity (Continued)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums		
Reserves	58.398.544	-
Gains recognized in equity as per TAS	11.472.959	-
Profit	11.342.988	-
Current Period Profit	7.825.019	-
Prior Period Profit	3.517.969	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	17.388	-
Common Equity Tier 1 Capital Before Deductions	94.331.879	-
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	1.003.700	-
Improvement costs for operating leasing	10.044	-
Goodwill (net of related tax liability)		
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.002.206	1.002.206
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk		
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision		
Gains arising from securitization transactions		
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities		
Defined-benefit pension fund net assets		
Direct and indirect investments of the Bank in its own Common Equity		
Shares obtained contrary to the 4th clause of the 56th Article of the Law		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank		
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank		
Portion of mortgage servicing rights exceeding 10% of the Common Equity		
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity		
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks		
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital		
Excess amount arising from mortgage servicing rights		

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE
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I EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY (Continued)

1. Information Related To The Components Of Shareholders' Equity (Continued)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	2.015.950	-
Total Common Equity Tier I Capital	92.315.929	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	12.611.340	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	12.611.340	-
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	12.611.340	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	104.927.269	-
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	6.675.614	-
Tier II Capital Before Deductions	6.675.614	-
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	6.675.614	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	111.602.883	-

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

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

1. Information Related To The Components Of Shareholders' Equity (Continued)

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	11.602.883	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movable and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	19.841	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	11.583.042	-
Total Risk Weighted Assets	612.418.790	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	15,07	-
Tier I Capital Ratio (%)	17,13	-
Capital Adequacy Ratio (%)	18,22	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,032	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	10,57	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	199.294	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	247.408	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	9.697.213	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6.675.614	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 01 January 2018-01 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(*) Amounts considered within transition provisions.

(**) The systemic significant bank buffer ratio has been shown as “-” in the unconsolidated financial report since it is necessary to fill in the systematic significant banks that are not required to prepare financial statements in the context of the 4th paragraph of Article 4 of the “Regulation on Systemic Significant Banks”.

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

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

2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	14.247
Nominal value of instrument (TL million)	14.247
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of noncompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

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

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

	Current Period	Prior Period
Balance Sheet - Equity	91.439.178	93.278.260
Operational Leasing Development Costs	(9.445)	(10.044)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.216.210)	(1.002.206)
TIER 2 Capital (Provisions)	7.770.532	6.675.614
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	14.247.380	12.611.340
Other deductions from common equity	(17.564)	(19.841)
Other regulations	-	49.919
Amount recognized in regulatory capital	112.213.871	111.583.042

II. EXPLANATIONS ON THE CURRENCY RISK

1. Whether the Bank is Exposed to Foreign Currency Risk, Whether The Effects of This Matter are Estimated, Whether Limits for The Daily Followed Positions are Determined by The Board of Directors

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

2. Hedge Against Foreign Exchange Debt Instruments and Net Foreign Exchange Investments by Hedging Derivative Instruments, if Material

None.

3. Management Policy for Foreign Currency Risk

Periodic "Liquidity Gap Analysis" and "Repricing Gap Analysis" to determine the liquidity and structural interest rate risks in the US Dollar and Euro, which are the most important foreign currencies in which the Bank operates, and the historical renewal rates of foreign exchange deposit accounts. "Structural Liquidity Gap Analysis" is performed. In addition, daily VAR analysis for the follow-up of the currency risk and within the scope of legal reporting, Foreign Currency Net General Position/Equity Standard Ratio and Foreign Currency Liquidity Position are regularly monitored. The Bank manages the Turkish Lira or foreign currency risks that may occur in domestic and international markets and follow the transactions that create these risks, and manages these risks at the optimum level within the framework of market exceptions and within the scope of its strategies by considering the balance with other financial risks. Sensitivity analysis regarding the currency risk that the Group is exposed to is explained in Note 6.

4. Current Foreign Exchange Bid Rates of The Bank for The Last 5 Business Days Prior to The Financial Statement Date

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	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

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II EXPLANATIONS ON THE CURRENCY RISK (Continued)

5. Simple Arithmetic Average of The Bank’s Current Foreign Exchange Bid Rates for The Last 30 Days Prior to The Balance Sheet Date

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
8.4753	9.9770	6.2029	1.3421	0.9813	9.1912	6.6924	0.9794	11.6468	2.2599	7.6965

6. Information on The Foreign Currency Risk of The Bank

	EUR	USD	Other FC	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	43.176.770	39.226.399	19.108.745	101.511.914
Banks ⁽⁷⁾	2.455.123	3.503.882	939.920	6.898.925
Financial Assets at Fair Value Through Profit and Loss ⁽¹⁾	-	686.510	15.365.910	16.052.420
Money Market Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	10.077.012	95.400.758	135.718	105.613.488
Loans ⁽²⁾	71.592.803	94.082.370	209.218	165.884.391
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	2.407.693	1.297.102	-	3.704.795
Financial Assets Measured at Amortised Cost	15.907.202	4.255.914	36.872	20.199.988
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	20.705	3.300	17.763	41.768
Intangible Assets	7.990	4.484	14.215	26.689
Other Assets ⁽⁴⁾	978.767	1.929.581	105.254	3.013.602
Total Assets⁽⁵⁾	146.624.065	240.390.300	35.933.615	422.947.980
Liabilities				
Interbank Deposits	16.733.065	3.477.013	438.456	20.648.534
Foreign Currency Deposits	166.598.038	142.747.704	54.615.760	363.961.502
Money Market Borrowings	-	33.446.537	-	33.446.537
Funds Provided from Other Financial Institutions	13.356.553	28.465.128	685.841	42.507.522
Issued Marketable Securities ⁽⁶⁾	14.557.973	17.083.234	754.898	32.396.105
Miscellaneous Payables	342.038	192.955	19.897	554.890
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities ⁽⁶⁾	822.986	3.482.830	141.776	4.447.592
Total Liabilities	212.410.653	228.895.401	56.656.628	497.962.682
Net Balance Sheet Position	(65.786.588)	11.494.899	(20.723.013)	(75.014.702)
Net Off-Balance Sheet Position⁽³⁾	66.994.984	(17.210.364)	21.895.078	71.679.698
Financial Derivative Assets	80.465.648	100.815.620	25.400.921	206.682.189
Financial Derivative Liabilities	13.470.664	118.025.984	3.505.843	135.002.491
Non-Cash Loans	48.222.624	69.178.075	9.801.257	127.201.956
Prior Period				
Total Assets	116.710.858	204.482.758	30.538.370	351.731.986
Total Liabilities	173.493.271	190.527.094	51.436.530	415.456.895
Net Balance Sheet Position	(56.782.413)	13.955.664	(20.898.160)	(63.724.909)
Net Off-Balance Sheet Position⁽³⁾	57.139.395	(22.147.912)	25.675.120	60.666.603
Financial Derivative Assets	65.979.466	80.811.919	26.837.704	173.629.089
Financial Derivative Liabilities	8.840.071	102.959.831	1.162.584	112.962.486
Non-Cash Loans	41.442.739	50.275.804	7.993.955	99.712.498

(1) TL 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 19.358 (31 December 2020: TL 26.213) equivalent of loans granted is USD and TL 10.059 (31 December 2020: TL 9.709) equivalent of balance is caused by foreign currency indexed loans.

(3) Indicates the net balance of receivables and payables on derivative financial instruments.

(4) Prepaid expenses in other assets amounting to TL 7.022 are not included in the table.

(5) Expected loss provisions for financial assets and other assets are reflected in related items.

(6) Includes subordinated debt instruments.

(7) 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 OF THE BANK (Continued)

II EXPLANATIONS ON THE CURRENCY RISK (Continued)

6. Information on The Foreign Currency Risk of The Bank (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 accounting periods ending on 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	(564.413)	(694.722)	(1.993.233)	(2.119.716)
EUR	(695)	(240.866)	(14.196)	(224.985)
Other currencies	(478)	(478)	7.024	7.024
Total (Net) (**)	(565.586)	(936.066)	(2.000.405)	(2.337.677)

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the TL against the relevant foreign currencies.

(**) Associates, subsidiaries and entities under common control are included in the profit or loss statement impact calculation, but not in equity impact calculation. Tangible and intangible assets are not included in the equity and profit or loss statement impact calculation.

The effect of 10% appreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the nine-month accounting periods ending on 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	564.413	694.722	1.993.233	2.119.716
EUR	695	240.866	14.196	224.985
Other currencies	478	478	(7.024)	(7.024)
Total (Net) (**)	565.586	936.066	2.000.405	2.337.677

(*) 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.

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

III. EXPLANATIONS ON THE INTEREST RATE RISK

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

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	10.888.437	-	-	-	-	103.459.932	114.348.369
Banks ⁽⁷⁾	1.924.594	19.554	45.813	44.417	-	6.192.157	8.226.535
Financial Assets at Fair Value Through Profit and Loss	566.990	10.585	5.872.005	9.011.067	9.964	1.838.559	17.309.170
Money Market Receivables	271.657	-	-	-	-	-	271.657
Financial Assets at Fair Value Through Other Comprehensive Income	11.285.381	31.582.601	58.438.349	66.081.442	47.109.155	1.009.198	215.506.126
Loans Given ⁽⁵⁾	196.038.119	63.793.286	126.763.392	191.824.636	54.917.148	3.397.671	636.734.252
Financial Assets Measured at Amortised Cost	125.583	47.124	8.703.011	17.627.400	4.394.961	-	30.898.079
Other Assets ⁽²⁾	432.038	1.880.947	236.300	240.361	516.933	41.586.181	44.892.760
Total Assets^{(1) (5)}	221.532.799	97.334.097	200.058.870	284.829.323	106.948.161	157.483.698	1.068.186.948
Liabilities							
Interbank Deposits	31.801.769	7.077.830	5.816.591	-	-	3.330.021	48.026.211
Other Deposits	297.393.930	112.936.499	47.681.278	2.143.363	-	242.332.190	702.487.260
Money Market Borrowings	86.458.308	11.473.427	6.059.679	2.030.413	-	-	106.021.827
Miscellaneous Payables	-	-	-	-	-	14.328.161	14.328.161
Issued Marketable Securities ⁽⁶⁾	615	1.168.917	5.599.569	26.637.694	-	-	33.406.795
Funds Provided from Other Financial Institutions	18.616.563	9.624.872	6.847.320	7.472.027	395.667	-	42.956.449
Other Liabilities ⁽⁴⁾	1.816.689	1.468.033	531.006	1.401.547	5.422.860	110.320.110	120.960.245
Total Liabilities⁽¹⁾	436.087.874	143.749.578	72.535.443	39.685.044	5.818.527	370.310.482	1.068.186.948
Balance Sheet Long Position	-	-	127.523.427	245.144.279	101.129.634	-	473.797.340
Balance Sheet Short Position	(214.555.075)	(46.415.481)	-	-	-	(212.826.784)	(473.797.340)
Off-Balance Sheet Long Position	-	2.047.300	-	3	-	-	2.047.303
Off-Balance Sheet Short Position	(1.218.523)	-	(777.793)	-	(1.015.345)	-	(3.011.661)
Total Position	(215.773.598)	(44.368.181)	126.745.634	245.144.282	100.114.289	(212.826.784)	(964.358)

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

(2) Deferred tax asset is shown under the “Non-Interest Bearing” column.

(3) Net balance of loans under follow-up is shown under the “Non-Interest Bearing” column in loans given.

(4) Total shareholders’ equity is shown under the “Non-Interest Bearing” column.

(5) Allowance for expected losses for financial assets and other assets are reflected in the related items.

(6) Includes subordinated debt instruments.

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

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

III EXPLANATIONS ON THE 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
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	5.830.015	-	-	-	-	82.212.849	88.042.864
Banks	1.079.605	104.894	112.877	-	-	1.491.234	2.788.610
Financial Assets at Fair Value Through Profit and Loss	250.900	4.396.058	6.723.384	2.398.967	9.077	527.066	14.305.452
Money Market Receivables	206.435	-	-	-	-	-	206.435
Financial Assets at Fair Value Through Other Comprehensive Income	26.009.961	16.164.458	38.157.150	58.375.032	42.531.283	391.046	181.628.930
Loans Given ⁽³⁾	122.011.018	71.398.275	119.619.314	212.051.697	53.196.055	3.630.883	581.907.242
Financial Assets Measured at Amortised Cost	2.778.965	60.954	7.786.418	15.217.930	3.838.421	-	29.682.688
Other Assets ⁽²⁾	830.466	2.178.911	964.216	138.986	1.135.581	38.790.883	44.039.043
Total Assets ⁽¹⁾⁽⁵⁾	158.997.365	94.303.550	173.363.359	288.182.612	100.710.417	127.043.961	942.601.264
Liabilities							
Interbank Deposits	21.112.800	5.321.633	5.335.367	-	-	2.224.762	33.994.562
Other Deposits	257.500.079	91.543.192	48.934.500	1.783.318	1.136	196.117.421	595.879.646
Money Market Borrowings	109.114.222	5.135.012	849.452	1.302.783	-	-	116.401.469
Miscellaneous Payables	-	-	-	-	-	13.178.530	13.178.530
Issued Marketable Securities ⁽⁶⁾	-	54.086	4.197.437	23.151.207	-	-	27.402.730
Funds Provided from Other Financial Institutions	2.505.516	13.857.820	13.773.586	6.268.843	544.448	-	36.950.213
Other Liabilities ⁽⁴⁾	1.838.258	683.454	924.266	1.137.094	5.779.625	108.431.417	118.794.114
Total Liabilities ⁽¹⁾	392.070.875	116.595.197	74.014.608	33.643.245	6.325.209	319.952.130	942.601.264
Balance Sheet Long Position	-	-	99.348.751	254.539.367	94.385.208	-	448.273.326
Balance Sheet Short Position	(233.073.510)	(22.291.647)	-	-	-	(192.908.169)	(448.273.326)
Off-Balance Sheet Long Position	-	2.499.236	94.500	-	-	-	2.593.736
Off-Balance Sheet Short Position	(779.445)	-	-	-	(1.015.345)	-	(1.794.790)
Total Position	(233.852.955)	(19.792.411)	99.443.251	254.539.367	93.369.863	(192.908.169)	798.946

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

⁽²⁾ Deferred tax asset is shown under the “Non-Interest Bearing” column.

⁽³⁾ Net balance of loans under follow-up is shown under the “Non-Interest Bearing” column in loans given.

⁽⁴⁾ Total shareholders’ equity is shown under the “Non-Interest Bearing” column.

⁽⁵⁾ Allowance for expected losses for financial assets and other assets are reflected in the related items.

⁽⁶⁾ Includes subordinated debt instruments.

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

III. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)

2. Average Interest Rate Applied to the Monetary Financial Instruments (%)

	EUR	USD	JPY	TL
Current Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	12,50
Banks	4,30	-	-	18,58
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	17,36
Financial Assets at Fair Value Through Other Comprehensive Income	3,28	4,83	-	13,17
Loans Given ⁽²⁾	4,77	5,70	6,00	13,01
Financial Assets Measured at Amortised Cost	4,79	7,47	-	12,06
Liabilities				
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 ⁽³⁾	5,08	5,01	-	16,99
Funds Provided from Other Financial Institutions	1,69	2,37	-	15,14

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

(2) Credit card loan balances are not included.

(3) Subordinated debt instruments are included

(4) Foreign branches are excluded.

	EUR	USD	JPY	TL
Prior Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Market Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given ⁽²⁾	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortised Cost	4,87	7,47	-	15,86
Liabilities				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Market Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽³⁾	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

1) The rate on TL column denotes the interest rates applied for required reserve at CBRT.

(2) Credit card loans balances are not included.

(3) Subordinated debt instruments are included

(4) Foreign branches are excluded.

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

IV. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS

1. Equity Instruments Position Risk Derived from Banking Books

Comparison with the market value if the market value is significantly different from the fair value for balance sheet, fair and market values of equity shares

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	1.135.608	1.135.608	1.135.608
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	4.913.690	4.913.690	4.913.690
Traded on Stock Exchange ⁽¹⁾	4.913.690	4.913.690	4.913.690
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽²⁾	279.481	279.481	-

⁽¹⁾ Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş., one of the subsidiaries of the Bank, was offered to the public and its shares started to be traded on Borsa İstanbul AŞ on 6 May 2021.

⁽²⁾ The said stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

Investments in Equity Instruments - Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽¹⁾	257.435	257.435	-

⁽¹⁾ The said stock investments are not traded on the stock exchange and there is no stock market price since they are not publicly traded.

The breakdown of capital requirements on the basis of related investments in equity instruments depending on the method of the calculation of capital requirement which is chosen by Bank among approaches that are allowed to be used within the Communiqué regarding Credit Risk Standard Method or the Calculation of Counterparty Credit Risk based upon Internal Rating Approaches

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 279.481 and 100% of them are risk weighted (31 December 2020: TL 257.435 and 100% of them are risk weighted).

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

IV. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS (Continued)

1. Equity Instruments Position Risk Derived from Banking Books (Continued)

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	-	1.785.808	1.785.808	-	-	-
3. Other Stocks	-	54.842	54.842	-	-	-
4. Total	-	1.840.650	1.840.650	-	-	-

V. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

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

The Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Bank. The renewal rates used in the analysis are taken into account on a daily basis. In addition, the Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Bank's liquidity risk level with the sector.

1. Liquidity Risk

Explanations related to the liquidity risk management including the Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines

The Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Bank's “Regulations of Risk Management, Stress Test Program and ICAAP Regulations” of the Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank

Continuously the information exchange is actualized about the liquidity need and surpluses between the Bank and its subsidiaries, the necessary guidance and procedures are moderated by Treasury Management and International Banking Group Presidency in order to manage liquidity need and surplus in effective way.

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

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

1. Liquidity Risk (Continued)

***Information on the Bank’s funding strategy, including policies on diversity of funding sources and
duration***

The Bank’s main funding resource is deposit and the strategy of preserving the granular deposit structure is sustained. Moreover, within the diversification of funding strategy, long-term and cost-effective non-deposit funding is also targeted. In the non-deposit funding; repurchase agreements, post finance, syndication loan facility, loans from international financial institutions, marketable securities issuances, subordinated debt instruments and bilateral loan agreements are at the forefront.

***Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate
liabilities of the Bank***

The Bank’s total liabilities are consisted of mostly TL, USD and EUR currencies. Besides these currencies, for other currencies, daily and long-term cash flows are monitored and future projections are made for effective liquidity management purposes.

Information related to the techniques about the reduction of current liquidity risk

The Bank’s source of funds is mainly formed of deposits. The Bank’s deposits do not fluctuate considerably in line with the broadly dispersed customer network and the granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

As for the asset side of the 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, periodical stress tests being done in order to test the endurance of the bank. These actions have been shared with Bank management and all related departments for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Bank’s estimated financial position for the next period, the progress of regulatory ratios and the liquidity need in short and long terms as part of budget practices

General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and

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

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 365,66 in the week of 13 August 2021; and for the total 150,36 in the week of 6 August 2021. The highest ratios that took place were for FC as 626,02 in the week of 17 September 2021 and for the total as 168,40 in the week of 24 September 2021 (31 December 2020: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 300,59 in the week of 30 October 2020; and for the total 128,26 in the week of 27 November 2020. As for the highest ratios that took place were; for FC as 494,83 in the week of 27 November 2020 and for the total as 145,69 in the week of 30 October 2020.)

Current Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			210.593.767	126.457.515
CASH OUTFLOWS				
Retail and Small Business Customers, of which:	489.511.285	255.998.605	42.420.266	25.599.861
Stable deposits	130.617.255	-	6.530.863	-
Less stable deposits	358.894.030	255.998.605	35.889.403	25.599.861
Unsecured wholesale funding, of which:	213.608.983	93.295.413	98.603.113	45.924.709
Operational deposit	17.428.011	672.279	4.357.003	168.070
Non-operational deposits	170.185.536	83.884.873	77.224.652	37.109.246
Other unsecured funding	25.995.436	8.738.261	17.021.458	8.647.393
Secured funding			-	-
Other cash outflows, of which:	116.933.049	19.252.254	13.938.013	11.273.049
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.789.843	7.908.246	4.789.843	7.908.246
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	112.143.206	11.344.008	9.148.170	3.364.803
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	58.047.810	39.937.031	3.402.900	1.996.852
TOTAL CASH OUTFLOWS			158.364.292	84.794.471
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	39.606.717	15.145.356	23.297.126	10.429.484
Other cash inflows	1.440.817	48.025.495	1.440.817	48.025.495
Total Cash Inflows	41.047.534	63.170.851	24.737.943	58.454.979
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			210.593.767	126.457.515
TOTAL NET CASH OUTFLOWS			133.626.349	27.190.389
LIQUIDITY COVERAGE RATIO (%)			157,60	465,08

^(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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

2. Liquidity Coverage Ratio (Continued)

Prior Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			176.160.109	94.505.452
Cash Outflows				
Retail and Small Business Customers, of which:	421.696.662	232.573.780	36.591.414	23.257.378
Stable deposits	111.565.029	-	5.578.251	-
Less stable deposits	310.131.633	232.573.780	31.013.163	23.257.378
Unsecured wholesale funding, of which:	220.191.646	80.840.972	101.957.530	40.475.036
Operational deposit	14.973.485	508.825	3.743.371	127.206
Non-operational deposits	182.217.900	71.969.102	81.687.319	32.046.125
Other unsecured funding	23.000.261	8.363.045	16.526.840	8.301.705
Secured funding				
Other cash outflows, of which:	88.521.841	12.494.819	11.819.381	6.084.029
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.619.402	3.255.634	4.619.402	3.255.634
Obligations related to structured financial products		-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	83.902.439	9.239.185	7.199.979	2.828.395
Other revocable off-balance sheet commitments and contractual obligations		-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	50.702.605	34.645.449	3.004.196	1.732.272
Total Cash Outflows			153.372.521	71.548.715
Cash Inflows				
Secured lending				-
Unsecured lending	38.144.659	15.775.744	24.364.039	12.321.110
Other cash inflows	1.465.124	38.153.600	1.465.124	38.153.600
Total Cash Inflows	39.609.783	53.929.344	25.829.163	50.474.710
Total HQLA Stock			Upper Limit Applied Amounts	
Total Net Cash Outflows			127.543.358	23.781.414
Liquidity Coverage Ratio (%)			138,12	397,39

^(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

3. Explanations on Liquidity Coverage Ratio

Important points affecting the results of liquidity coverage ratio and the changes of the considered items in the course of time to calculate this ratio

While 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 amount of the total deposits has an increasing trend.

Although they have low conversion into cash rate, non-cash loans also have a remarkable extent in proportion to financial statement, they have an impact on the calculation of liquidity coverage ratio. Comparing to previous periods, non-cash loans are in increasing 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 OF THE BANK (Continued)

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

3. Explanations on Liquidity Coverage Ratio (Continued)

The content of high quality liquid assets

All of the high-quality liquid assets in the calculation of liquidity coverage ratio are first quality liquid assets. These are; cash, the accounts in Central Bank, reserve requirements and securities portfolio (the important part of bonds and T-bills issued by Ministry of Treasury and Finance and other bonds).

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

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

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

Derivative operations in Bank are carried out on the purpose of protection from the risks that may exist or occur in the balance sheet, liquidity management, or meeting customer demand. Customer operations are carried out under the “Framework Agreement on Purchase and Sale of Derivative Instruments” or ISDA (International Swaps and Derivatives Association) and CSA (Credit Support Annex), as well as transactions with banks are performed again under ISDA and CSA agreements signed. Operations performed under the said contracts in the determined periods are subject to daily market valuation and additional cash margining. Operations could create additional collateral inflow or outflow depending on market valuation.

The concentration limits regarding collateral and counterparty and product based fund resources

For the counterparty and product based concentration limits are determined under Regulation on Risk Management, Stress Test Program and the Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”) with the approval of Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

Liquidity risk and needed funding on the basis of the bank itself, the branches in foreign countries and the partnerships consolidated by considering operational and legal factors preventing liquidity transfer

The needed and surplus of liquidity of the branches in foreign countries of the bank and partnerships consolidated are followed and managed regularly. There is no constraint of operational and legal factors preventing liquidity transfer. In the analysis made, it is observed that the impact of the foreign branches and subsidiaries on the Bank’s liquidity structure remain limited comparing to the size of the balance sheet. The need and surplus of the liquidity is encountered properly between partnerships, as well as the branches abroad.

Explanations of cash in-flow and cash out-flow items that are considered to be related to liquidity profile of the Bank and to be placed on the calculation of liquidity coverage ratio but not on the second paragraph of the disclosure template

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ⁽¹⁾	Total
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	38.690.616	75.657.753	-	-	-	-	-	114.348.369
Banks ⁽⁴⁾	6.192.157	1.924.594	19.554	45.813	44.417	-	-	8.226.535
Financial Assets at Fair Value Through Profit and Loss	-	566.990	10.585	5.872.005	9.011.067	9.964	1.838.559	17.309.170
Money Market Placements	-	271.657	-	-	-	-	-	271.657
Financial Assets at Fair Value Through Other Comprehensive Income	-	2.139.547	4.637.971	26.335.884	110.378.667	71.733.734	280.323	215.506.126
Loans Given	-	23.245.025	58.607.974	248.841.732	234.079.756	68.562.094	3.397.671	636.734.252
Investments Held-to-Maturity	-	125.583	47.124	104.176	17.627.400	12.993.796	-	30.898.079
Other Assets	5.935.604	431.968	1.601.336	236.412	422.309	614.555	35.650.576	44.892.760
Total Assets ⁽²⁾	50.818.377	104.363.117	64.924.544	281.436.022	371.563.616	153.914.143	41.167.129	1.068.186.948
Liabilities								
Interbank Deposits	3.330.021	31.801.769	7.077.830	5.816.591	-	-	-	48.026.211
Other Deposits	242.332.190	297.382.758	112.911.715	47.611.139	2.245.806	3.652	-	702.487.260
Funds Provided from Other Financial Institutions	-	754.080	2.375.133	16.684.851	19.044.122	4.098.263	-	42.956.449
Money Market Borrowings	-	86.458.308	11.473.427	6.059.679	2.030.413	-	-	106.021.827
Issued Marketable Securities	-	615	1.168.917	5.599.569	26.637.694	-	-	33.406.795
Miscellaneous Payables	1.751.260	12.576.901	-	-	-	-	-	14.328.161
Other Liabilities ⁽³⁾	9.222.552	2.700.259	2.162.215	365.799	1.586.607	7.170.637	97.752.176	120.960.245
Total Liabilities	256.636.023	431.674.690	137.169.237	82.137.628	51.544.642	11.272.552	97.752.176	1.068.186.948
Liquidity Gap	(205.817.646)	(327.311.573)	(72.244.693)	199.298.394	320.018.974	142.641.591	(56.585.047)	-
Net Off-Balance Sheet Position	-	(1.409.376)	(815.300)	(123.430)	3	521.383	-	(1.826.720)
Financial Derivative Assets	-	115.433.382	57.117.387	12.439.912	1.523.682	1.536.728	-	188.051.091
Financial Derivative Liabilities	-	116.842.758	57.932.687	12.563.342	1.523.679	1.015.345	-	189.877.811
Non-cash Loans	56.052.872	5.503.587	18.354.588	62.341.990	29.287.070	4.615.361	-	176.155.468
Prior Period								
Total Assets	40.060.689	85.495.268	63.937.326	194.530.140	360.683.190	161.273.133	36.621.518	942.601.264
Total Liabilities	209.261.081	400.550.856	107.927.866	74.104.310	40.521.416	11.067.335	99.168.400	942.601.264
Liquidity Gap	(169.200.392)	(315.055.588)	(43.990.540)	120.425.830	320.161.774	150.205.798	(62.546.882)	-
Net Off-Balance Sheet Position	-	(963.027)	1.397.741	94.499	-	269.733	-	798.946
Financial Derivative Assets	-	110.395.898	32.821.678	7.736.121	1.972	1.285.078	-	152.240.747
Financial Derivative Liabilities	-	111.358.925	31.423.937	7.641.622	1.972	1.015.345	-	151.441.801
Non-cash Loans	45.889.502	5.141.023	12.280.900	40.839.942	32.670.733	5.916.627	-	142.738.727

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

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

(3) Includes subordinated debt instruments.

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

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

VI EXPLANATIONS ON LEVERAGE

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Bank’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 7,79% (31 December 2020: 8,43%). The decrease on leverage results occur from the increase in risk amount. The regulation sentenced the minimum leverage as 3%.

Balance sheet assets	Current Period (*)	Prior Period (*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.049.080.345	944.433.692
(Assets deducted in determining Tier 1 capital)	(5.568.508)	(3.944.023)
Total on-balance sheet risks (sum of lines 1 and 2)	1.043.511.837	940.489.669
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit Derivatives	2.840.932	6.430.645
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.306.034	1.955.716
Total risks of derivative financial instruments and credit derivatives	5.146.966	8.386.361
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets	15.232.036	15.485.935
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	15.232.036	15.485.935
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	287.392.634	231.183.107
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	287.392.634	231.183.107
Capital and total risks		
Tier 1 capital	105.275.668	100.839.255
Total risks	1.351.283.473	1.195.545.072
Leverage ratio		
Leverage ratio %	7,79	8,43

(*) Three months average of the amounts in the table are taken into account.

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VII. EXPLANATIONS ON RISK MANAGEMENT

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

1. Explanations on Risk Management and Risk Weighted Amount

Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	604.753.445	515.397.894	48.380.276
2	Standardised approach	604.753.445	515.397.894	48.380.276
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	8.807.269	10.286.294	704.582
5	Standardised approach for counterparty credit risk	8.807.269	10.286.294	704.582
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies-look through approach	-	-	-
9	Investments made in collective investment companies-mandate-based approach	8.081.835	8.364.963	646.547
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	33.323.378	38.928.246	2.665.870
17	Standardised approach	33.323.378	38.928.246	2.665.870
18	Internal model approaches	-	-	-
19	Operational risk	46.913.603	39.441.393	3.753.088
20	Basic Indicator approach	46.913.603	39.441.393	3.753.088
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	701.879.530	612.418.790	56.150.363

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

VIII. EXPLANATIONS ON HEDGE PROCEDURES

Along with the hedge accounting, it is aimed to hedge the capital amounts allocated to foreign partnerships in the unconsolidated financial statements of the Bank from the currency risk effect due to changes in foreign exchange rates. Within the scope of fair value hedge accounting, the fair value changes of the hedging instrument are recognized in the income statement together with the fair value changes of the hedged item.

The efficiency test is performed using the “Amount balancing method” (“Dollar off-set method”) to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are 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.

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 OPERATING SEGMENTS

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 “Operating Segments”.

The Bank has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

Known as having the most extensive branch network in retail banking sector, the Bank renders services, such as; deposits, consumer loans, loans originated from public funds whose risk does not belong to the Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By “Anahtar” IT system, which is working in a centralized manner, the Bank has the technical infrastructure required by modern banking to meet its clients’ needs.

In the context of corporate and commercial banking, the Bank allocates working capital loans, mid-term and long-term investment loans, foreign trade financing loans, letter of credits and guarantees in Turkish Lira and foreign currencies; renders project financing, other corporate finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

As the Bank is the main financial institution that meets the financing needs of agricultural sector in Turkey, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

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

IX. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

Treasury transactions and international banking activities are conducted by the Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also the Bank's liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers' trade finance are other responsibilities. The Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and other portfolio management companies'. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks and relations with international investors so as to diversify its funding base are among the responsibilities of the department.

Besides, the Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

As of 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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IX. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSE						
Interest Income	14.568.369	22.153.020	9.078.626	22.628.883	176.367	68.605.265
Interest Income from Loans	14.568.369	22.153.020	9.078.626	4.812.477	-	50.612.492
Interest Income from Banks	-	-	-	95.662	-	95.662
Interest Income from Securities	-	-	-	16.780.981	-	16.780.981
Other Interest Income	-	-	-	939.763	176.367	1.116.130
Interest Expense	18.588.522	8.837.605	-	18.242.088	409.726	46.077.941
Interest Expense on Deposits	18.588.522	8.837.605	-	3.078.097	-	30.504.224
Interest Expense on Funds Borrowed	-	-	-	777.280	-	777.280
Interest Expense on Money Market Transactions	-	-	-	13.053.564	-	13.053.564
Interest Expense on Securities Issued	-	-	-	1.333.147	-	1.333.147
Other Interest Expense	-	-	-	-	409.726	409.726
Net Interest Income/Expense	(4.020.153)	13.315.415	9.078.626	4.386.795	(233.359)	22.527.324
Net Fees and Commission Income/Expense	2.463.561	2.173.509	127.903	(1.380.139)	215.701	3.600.535
Fees and Commissions Received	2.463.561	2.173.509	127.903	13	389.068	5.154.054
Fees and Commissions Paid	-	-	-	1.380.152	173.367	1.553.519
Dividend Income	-	-	-	112.535	-	112.535
Trading Profit/Loss (Net)	-	-	-	(8.303.749)	-	(8.303.749)
Other Operating Income	22.361	146.973	33.303	4.764	3.242.643	3.450.044
Provision for Expected Loss (-)	1.696.954	3.854.179	1.093.615	-	-	6.644.748
Other Provision Expenses (-)	-	-	-	84.892	15.400	100.292
Personnel Expenses (-)	-	-	-	-	3.793.415	3.793.415
Other Operating Expense	2.903.545	65.780	78.040	-	3.445.938	6.493.303
Net Operating Profit/Loss	(6.134.730)	11.715.938	8.068.177	(5.264.686)	(4.029.768)	4.354.931
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(1.334.981)	(1.334.981)
Net Profit/Loss	(6.134.730)	11.715.938	8.068.177	(5.264.686)	(5.364.749)	3.019.950
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	17.309.170	-	17.309.170
Banks and Money Markets	-	-	-	8.498.192	-	8.498.192
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	215.506.126	-	215.506.126
Loans	166.302.379	352.933.057	107.268.046	10.230.770	-	636.734.252
Financial Assets Measured at Amortised Cost (Net)	-	-	-	30.898.079	-	30.898.079
Derivative Financial Assets	-	-	-	2.944.672	-	2.944.672
Associates, Subsidiaries and Entities under Common Control	-	-	-	15.509.383	-	15.509.383
Other Assets	8.156	5.026.628	126.307	109.524.120	26.101.863	140.787.074
Total Segment Assets	166.310.535	357.959.685	107.394.353	410.420.512	26.101.863	1.068.186.948
SEGMENT LIABILITIES						
Deposits	540.878.860	115.350.893	-	48.026.211	46.257.507	750.513.471
Derivative Financial Liabilities Held for Trading	-	-	-	3.768.887	-	3.768.887
Funds Borrowed	-	-	-	42.956.449	-	42.956.449
Money Markets Borrowing	5.589	62.857.021	-	43.159.217	-	106.021.827
Securities Issued (Net)	-	-	-	18.848.822	-	18.848.822
Provisions	-	1.954.706	-	-	5.372.298	7.327.004
Other Liabilities	-	-	-	-	47.311.310	47.311.310
Shareholders' Equity	-	-	-	-	91.439.178	91.439.178
Total Segment Liabilities	540.884.449	180.162.620	-	156.759.586	190.380.293	1.068.186.948

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

IX. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

1. Table for Segment Reporting (Continued)

Prior Period - 30 September 2020	Retail Banking	Corporate/ Entrepreneur Banking	Specialize d Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
OPERATING INCOME/EXPENSE						
Interest Income	11.152.229	16.306.959	6.288.910	15.884.508	136.916	49.769.522
Interest Income from Loans	11.152.229	16.306.959	6.288.910	4.734.563	-	38.482.661
Interest Income from Banks	-	-	-	42.386	-	42.386
Interest Income from Securities	-	-	-	10.987.563	-	10.987.563
Other Interest Income	-	-	-	119.996	136.916	256.912
Interest Expense	9.215.298	4.747.307	-	6.293.945	1.100.283	21.356.833
Interest Expense on Deposits	9.215.298	4.747.307	-	1.106.110	-	15.068.715
Interest Expense on Funds Borrowed	-	-	-	941.415	-	941.415
Interest Expense on Money Market Transactions	-	-	-	3.048.898	-	3.048.898
Interest Expense on Securities Issued	-	-	-	1.197.522	-	1.197.522
Other Interest Expense	-	-	-	-	1.100.283	1.100.283
Net Interest Income/Expense	1.936.931	11.559.652	6.288.910	9.590.563	(963.367)	28.412.689
Net Fees and Commission Income/Expense	1.800.568	1.362.787	91.534	(828.355)	(258.523)	2.168.011
Fees and Commissions Received	1.800.568	1.362.787	91.534	3.869	223.846	3.482.604
Fees and Commissions Paid	-	-	-	832.224	482.369	1.314.593
Dividend Income	-	-	-	1.113.605	-	1.113.605
Trading Profit/Loss (Net)	-	-	-	(7.041.047)	-	(7.041.047)
Other Operating Income	38.455	177.637	18.548	3.984	1.982.745	2.221.369
Provision for Expected Loss (-)	2.088.209	4.076.151	984.363	-	-	7.148.723
Other Provision Expenses(-)	-	-	-	20.670	2.019.100	2.039.770
Personnel Expenses (-)	-	-	-	-	3.436.198	3.436.198
Other Operating Expense	2.482.233	59.969	52.808	-	3.436.029	6.031.039
Net Operating Profit/Loss	(794.488)	8.963.956	5.361.821	2.818.080	(8.130.472)	8.218.897
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(2.129.711)	(2.129.711)
Net Profit/Loss	(794.488)	8.963.956	5.361.821	2.818.080	(10.260.183)	6.089.186
SEGMENT ASSETS						
31 December 2020						
Financial Assets at FV Through P/L	-	-	-	14.305.452	-	14.305.452
Banks and Money Markets	-	-	-	2.995.045	-	2.995.045
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	181.628.930	-	181.628.930
Loans	173.129.897	314.637.857	85.643.924	8.495.564	-	581.907.242
Financial Assets Measured at Amortised Cost (Net)	-	-	-	29.682.688	-	29.682.688
Derivative Financial Assets	-	-	-	5.027.200	-	5.027.200
Associates, Subsidiaries and Joint Ventures	-	-	-	14.325.922	-	14.325.922
Other Assets	8.689	5.128.416	122.567	83.076.640	24.392.473	112.728.785
Total Segment Assets	173.138.586	319.766.273	85.766.491	339.537.441	24.392.473	942.601.264
SEGMENT LIABILITIES						
31 December 2020						
Deposits	433.056.944	118.847.626	-	33.994.562	43.975.076	629.874.208
Derivative Financial Liabilities Held for Trading	-	-	-	3.487.652	-	3.487.652
Funds Borrowed	-	-	-	36.950.213	-	36.950.213
Money Markets Borrowings	9.029	22.701.248	-	93.691.192	-	116.401.469
Securities Issued (Net)	-	-	-	14.354.533	-	14.354.533
Provisions	-	1.852.945	-	-	5.205.689	7.058.634
Other Liabilities	-	-	-	-	41.196.295	41.196.295
Shareholders' Equity	-	-	-	-	93.278.260	93.278.260
Total Segment Liabilities	433.065.973	143.401.819	-	182.478.152	183.655.320	942.601.264

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SECTION FIVE

INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I EXPLANATIONS AND NOTES RELATED TO ASSETS

1. Information related to cash equivalents and the account of the Central Bank of the Republic of Turkey (the “CBRT”)

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.007.328	2.814.389	2.202.449	2.594.570
Central Bank of the Republic of Turkey	10.830.356	98.445.214	5.751.620	77.325.020
Other	-	252.311	-	170.140
Total	12.837.684	101.511.914	7.954.069	80.089.730

Information on Required Reserves

Banks that are established in Turkey or performing their operations by opening branches in Turkey are subject to Communiqué on Required Reserves of Central Bank of the Republic of Turkey’s numbered 2013/15. Based on accounting standards and registration layout for banks and financing companies, the items specified within the Communiqué, except from liabilities to Central Bank, Treasury, Domestic banks, and head offices and branches in Turkey of the banks established by international agreements, constitute required reserves liabilities.

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned 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	10.279.140	23.315.454	5.542.420	21.462.853
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	917	-	370
Other ⁽¹⁾	551.216	75.128.843	209.200	55.861.797
Total	10.830.356	98.445.214	5.751.620	77.325.020

⁽¹⁾ 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 7.490.393 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 8.216.847 of the current period’s FC required reserve is the part of the TL required reserves that are held in FC).

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	15.422.590	13.708.749
Total	15.422.590	13.708.749

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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	124.691	5.435	68.126	21.750
Swap Transactions	1.486.566	1.262.852	2.845.156	2.086.150
Futures Transactions	-	-	6.018	-
Options	-	65.128	-	-
Other	-	-	-	-
Total	1.611.257	1.333.415	2.919.300	2.107.900

4. Information on Banks and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	1.001.621	121.342	-	39.671
Foreign Banks (*)	326.535	6.777.975	578.131	2.171.195
Foreign Head Office and Branches	-	-	-	-
Total	1.328.156	6.899.317	578.131	2.210.866

(*) 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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	103.509.293	52.130.594
Assets Blocked/Given as Collateral	53.257.001	83.881.708
Total	156.766.294	136.012.302

6 Information on Financial Assets at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	222.334.658	183.265.822
Quoted in Stock Exchange	221.945.205	182.967.908
Not Quoted in Stock Exchange	389.453	297.914
Share Certificates	314.757	287.293
Quoted in Stock Exchange	1.130	1.216
Not Quoted in Stock Exchange	313.627	286.077
Provision for Impairment (-)	7.143.289	1.924.185
Total	215.506.126	181.628.930

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(Continued)**

I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans

7.1. Information on All Types of Loans and Advances Given to Shareholders and Employees of The Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ⁽¹⁾⁽²⁾	664.112	-	596.552	-
Total	664.112	-	596.552	-

(1) Interest rediscount and interest accrual amounting TL 5.998, are not included (31 December 2020: Interest rediscount and interest accrual amounting TL 4.105 are not included).

(2) Since the balance of overdraft accounts related to employees amounting TL 26.997, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above. (31 December:2020: Since the balance of overdraft accounts related to employees amounting TL 20.875, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above.)

7.2. Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Current Period	Loans Under Close Monitoring ⁽³⁾			
	Standard Loans	Not Under the Scope of Restructuring	Loans under restructuring	
			Loans with revised contract terms	Refinancing
Cash Loans				
Non-Specialized Loans	484.982.128	20.340.773	116.581	22.193.274
Commercial Loans	298.873.834	16.665.279	116.581	21.918.393
Export Loans	4.705.232	1.074.100	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.451.438	-	-	-
Consumer Loans	145.583.069	2.207.562	-	273.151
Credit Cards	29.155.783	385.881	-	1.730
Other	2.212.772	7.951	-	-
Specialized Lending ⁽¹⁾⁽²⁾	98.512.890	1.001.815	-	1.161.299
Other Receivables	-	-	-	-
Interest Income Accruals	12.741.280	2.620.958	40.659	1.080.362
Total	596.236.298	23.963.546	157.240	24.434.935

(1) Funds 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 2.203.316 with a delay of more than 90 days.

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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.2 Information on the First and Second Group Loans and Other Receivables Including Restructured or Rescheduled Loans

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans under restructuring	
			Loans with revised contract terms	Refinancing
Cash Loans				
Non-Specialized Loans	460.467.346	19.048.049	184.004	13.926.858
Commercial Loans	273.100.542	16.975.575	110.465	13.819.195
Export Loans	3.417.374	494.365	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.583.825	-	-	-
Consumer Loans	160.435.372	1.342.607	73.539	104.309
Credit Cards	17.660.050	232.321	-	3.354
Other	1.270.183	3.181	-	-
Specialized Lending ^{(1) (2)}	79.035.186	1.188.468	764	1.216.456
Other Receivables	-	-	-	-
Interest Income Accruals	9.324.019	1.631.473	10.378	731.840
Total	548.826.551	21.867.990	195.146	15.875.154

- (1) Funds originated agricultural loans are shown in specialized lendings.
(2) Agricultural loans to support farmers are shown in specialized lendings.
(3) It includes a loan amounting to TL 2.182.795 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	2.103.280	-	2.526.931	-
Significant Increase in Credit Risk	-	9.352.158	-	5.961.551

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(Continued)**

I EXPLANATIONS AND NOTES RELATED TO 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	883.773	144.562.846	145.446.619
Mortgage Loans ⁽²⁾	10.220	86.084.812	86.095.032
Automotive Loans	7.439	773.123	780.562
Consumer Loans ⁽²⁾	866.114	57.704.911	58.571.025
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	1.237	75.892	77.129
Mortgage Loans	-	8.816	8.816
Automotive Loans	-	-	-
Consumer Loans	1.237	67.076	68.313
Other	-	-	-
Retail Credit Cards-TL	15.833.076	198.252	16.031.328
With Installment	4.489.378	177.158	4.666.536
Without Installment	11.343.698	21.094	11.364.792
Retail Credit Cards-FC	1.252	-	1.252
With Installment	-	-	-
Without Installment	1.252	-	1.252
Personnel Loans-TL	15.983	423.862	439.845
Mortgage Loans	-	85	85
Automotive Loans	-	-	-
Consumer Loans	15.983	423.777	439.760
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	217.065	7.120	224.185
With Installment	65.463	6.519	71.982
Without Installment	151.602	601	152.203
Personnel Credit Cards-FC	82	-	82
With Installment	-	-	-
Without Installment	82	-	82
Overdraft Accounts-TL (Real Person)	2.100.189	-	2.100.189
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	19.052.657	145.267.972	164.320.629

⁽¹⁾ TL 1.215.529 of interest income rediscount and accrual is not included.

⁽²⁾ Funds originated consumer loans amounting to TL 4.033.257 are included.

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I. EXPLANATIONS AND NOTES RELATED TO 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	663.273	159.074.421	159.737.694
Mortgage Loans ⁽²⁾	7.519	90.893.282	90.900.801
Automotive Loans	6.474	891.934	898.408
Consumer Loans ⁽²⁾	649.280	67.289.205	67.938.485
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	975	64.305	65.280
Mortgage Loans	-	7.790	7.790
Automotive Loans	-	-	-
Consumer Loans	975	56.515	57.490
Other	-	-	-
Retail Credit Cards-TL	9.902.518	199.306	10.101.824
With Installment	3.323.580	184.004	3.507.584
Without Installment	6.578.938	15.302	6.594.240
Retail Credit Cards-FC	697	-	697
With Installment	-	-	-
Without Installment	697	-	697
Personnel Loans-TL	13.880	399.400	413.280
Mortgage Loans	-	117	117
Automotive Loans	-	-	-
Consumer Loans	13.880	399.283	413.163
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	176.012	7.237	183.249
With Installment	63.297	6.883	70.180
Without Installment	112.715	354	113.069
Personnel Credit Cards-FC	23	-	23
With Installment	-	-	-
Without Installment	23	-	23
Overdraft Accounts-TL (Real Person)	1.739.573	-	1.739.573
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	12.496.951	159.744.669	172.241.620

⁽¹⁾ TL 1.004.958 of interest income rediscount and accrual is not included.

⁽²⁾ Funds originated consumer loans amounting to TL 3.914.794 are included.

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.4. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short - Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	2.169.265	88.474.055	90.643.320
Mortgage Loans	464	718.592	719.056
Automotive Loans	67.343	2.358.790	2.426.133
Consumer Loans	2.101.458	85.396.673	87.498.131
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	67.255	48.749.086	48.816.341
Mortgage Loans	-	5.237	5.237
Automotive Loans	-	1.380	1.380
Consumer Loans	67.255	48.742.469	48.809.724
Other	-	-	-
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	1.188	-	1.188
With Installment	-	-	-
Without Installment	1.188	-	1.188
Overdraft Account-TL (Legal Entity)	1.404.381	-	1.404.381
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	16.754.612	137.395.977	154.150.589

(1) Accrual and rediscount amounts related to loans in the table are not included in the table.

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.4. Information on Commercial Installment Loans and Corporate Credit Cards (Continued)

Prior Period	Short - Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	2.351.775	105.569.410	107.921.185
Mortgage Loans	676	696.291	696.967
Automotive Loans	48.277	1.676.926	1.725.203
Consumer Loans	2.302.822	103.196.193	105.499.015
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	29.141	44.967.931	44.997.072
Mortgage Loans	-	52.338	52.338
Automotive Loans	-	1.986	1.986
Consumer Loans	29.141	44.913.607	44.942.748
Other	-	-	-
Corporate Credit Cards-TL	7.533.999	75.399	7.609.398
With Installment	3.278.089	75.279	3.353.368
Without Installment	4.255.910	120	4.256.030
Corporate Credit Cards-FC	534	-	534
With Installment	-	-	-
Without Installment	534	-	534
Overdraft Account -TL (Legal Entity)	940.273	-	940.273
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	10.855.722	150.612.740	161.468.462

⁽¹⁾ Accrual and rediscount amounts related to loans are not included in the table.

7.5. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	622.773.852	570.374.992
Foreign Loans	5.534.908	4.692.139
Interest Income Accruals of Loans	16.483.259	11.697.710
Total	644.792.019	586.764.841

7.6. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	3.253.986	2.513.483
Indirect loans granted to subsidiaries and associates	-	-
Total	3.253.986	2.513.483

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

	Current Period	Prior Period
Loans and other receivables with limited collectability	28.236	472.234
Loans and other receivables with doubtful collectability	755.949	506.735
Uncollectible loans and other receivables	10.373.715	9.285.267
Total	11.157.900	10.264.236

7.8. Information on Non-performing Loans (Net)

7.8.1. Information on Non-performing Loans Restructured or Rescheduled and other Receivables

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Gross amounts before the provisions	913	234.759	1.624.500
Restructured loans	913	234.759	1.624.500
Prior Period			
Gross amounts before the provisions	13.582	109.533	1.003.768
Restructured loans	13.582	109.533	1.003.768

7.8.2. Information on the Movement of Total Non-performing Loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period Ending Balance	1.001.292	1.094.338	11.799.489
Additions (+)	828.249	1.692.474	1.385.592
Transfers from Other Categories of Loans under Follow-Up (+)	-	1.647.925	1.978.660
Transfers to Other Categories of Loans under Follow-Up (-)	1.647.925	1.978.660	-
Collections (-) ⁽¹⁾	104.373	575.685	2.565.805
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	77.243	1.880.392	12.597.936
Provision (-)	28.236	755.949	10.373.715
Net Balance on Balance Sheet	49.007	1.124.443	2.224.221

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

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.8.3. Information on Non-performing Loans Granted as Foreign Currency Loans

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	1.345	7.075	42.140
Provision (-)	396	5.006	40.726
Net Balance on Balance Sheet	949	2.069	1.414
Prior Period:			
Period Ending Balance	2.739	2.188	36.279
Provision (-)	1.035	1.681	35.385
Net Balance on Balance Sheet	1.704	507	894

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

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	49.007	1.124.443	2.224.221
Loans to Real Persons and Legal Entities (Gross)	77.243	1.880.392	12.440.966
Provisions (-)	28.236	755.949	10.216.745
Loans to Real Persons and Legal Entities (Net)	49.007	1.124.443	2.224.221
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	156.970
Provisions (-)	-	-	156.970
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	529.058	587.603	2.514.222
Loans to Real Persons and Legal Entities (Gross)	1.001.292	1.094.338	11.651.023
Provisions (-)	472.234	506.735	9.136.801
Loans to Real Persons and Legal Entities (Net)	529.058	587.603	2.514.222
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (Net)	-	-	-

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

**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**

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	2.074	55.063	163.656
Interest Accruals and Valuation Differences	3.436	107.619	661.458
Provisions (-)	1.362	52.556	497.802
Prior Period (Net)	137.864	31.348	142.756
Interest Accruals and Valuation Differences	254.910	74.478	646.891
Provisions (-)	117.046	43.130	504.135

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	-	-	-	-
Total	358.258	2.640.474	3.315.575	1.802.748

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	-	-	-	-
Total	8.651.038	17.386.912	8.723.020	14.875.540

8.2 Information on Government Debt Securities

	Current Period	Prior Period
Government Bonds	30.476.407	29.445.712
Treasury Bills	-	-
Other Public Sector Debt Securities	187.654	95.224
Total	30.664.061	29.540.936

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

8. Financial Assets Measured at Amortised Cost (Continued)

8.3. Information on Financial Assets Measured at Amortised Cost

	Current Period	Prior Period
Debt securities	30.902.251	29.686.696
Quoted at Stock Exchange	30.664.061	29.540.936
Unquoted at Stock Exchange	238.190	145.760
Provision for Impairment (-)	-	-
Total	30.902.251	29.686.696

8.4. The Movements of Financial Assets Measured at Amortised Cost

	Current Period	Prior Period
Balance at the Beginning of the Period	29.686.696	17.550.083
Foreign Currency Differences on Monetary Assets	2.340.580	4.217.972
Purchases During the Year ⁽¹⁾	1.523.546	8.771.752
Disposals through Sales and Redemptions	(2.648.571)	(853.111)
Provision for Impairment (-)	-	-
Balance at the End of the Period	30.902.251	29.686.696

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

9. Information on Investments in Associates (Net)

9.1. Information on Investment in Associates

	Description	Address (City/ Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/Turkey	15,43	15,43
2	Platform Ortak Kartlı Sistemler A.Ş.	İstanbul/Turkey	20,00	20,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Turkey	33,34	33,34

^(*) Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. within the scope of the BRSA’s Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

	Total Assets⁽²⁾	Shareholders Equity⁽²⁾	Total Non- Current Assets⁽²⁾⁽³⁾	Interest Income⁽²⁾	Income from Marketable Securities⁽²⁾	Current Period Profit/ Loss⁽²⁾	Prior Period Profit/ Loss⁽²⁾	Fair Value⁽¹⁾
1	7.043.106	1.275.730	149.045	181.032	84.805	129.574	73.109	-
2	5.545	5.250	41	-	-	754	-	-
3	201.419	158.291	99.255	13.103	-	154	1.852	-

⁽¹⁾ There is no fair value due to the fact that associates are not traded in the stock exchange

⁽²⁾ The current period financial statement information of the associates is obtained from the unaudited financial statements dated 30 September 2021, and the profit/loss figures for the previous period are obtained from the reviewed financial statements dated 30 September 2020.

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

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

9 Information on Investments in Associates (Net)

9.2. Movement Schedule of Investments in Associates (Net)

	Current Period	Prior Period
Balance at the Beginning of the Period	88.846	88.846
Movement During the Period	-	-
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	88.846	88.846
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

9.3. Sectoral Information and Related Amounts of Financial Associates

	Current Period	Prior Period
Banks	88.846	88.846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

9.4. Associates Quoted to a Stock Exchange

None (31 December 2020: None).

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

10. Information Related to Subsidiaries (Net)

10.1. Information on Subsidiaries

Financial subsidiaries are followed in the unconsolidated financial statements at fair value within the scope of "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" in accordance to IFRS 9 Financial Instruments. The valuation differences determined for these partnerships are accounted for under equity.

	Description	Address (City/ Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	100,00	100,00
6	Ziraat Teknoloji A.Ş.	İstanbul / Turkey	100,00	100,00
7	Ziraat Bank International A.G.	Frankfurt / Germany	100,00	100,00
8	Ziraat Bank BH d.d.	Sarajevo / Bosnia Herzegovina	100,00	100,00
9	Ziraat Bank (Moscow) JSC	Moscow / Russia	99,91	99,91
10	Kazakhstan Ziraat Int. Bank	Almaty / Kazakhstan	99,75	99,75
11	Ziraat Bank Azerbaycan ASC	Baku / Azerbaijan	99,98	100,00
12	Ziraat Bank Montenegro AD	Podgorica / Montenegro	100,00	100,00
13	JSC Ziraat Bank Georgia	Tbilisi / Georgia	100,00	100,00
14	Ziraat Bank Uzbekistan JSC	Tashkent / Uzbekistan	100,00	100,00

(*) Onko İlaç Sanayi ve Ticaret A.Ş., which was previously a subsidiary, and Koşel İlaç Sanayi ve Ticaret A.Ş. and Rineji Rize Elektrik Üretim A.Ş. Within the scope of the BRSAs Uniform Chart of Accounts amendments, it has been classified under the fixed assets held for sale in the current period.

	Total Assets	Shareholders' Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Income / Loss	Prior Period Profit / Loss	Fair Value	Shareholder's equity amount 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	104.918	14.410	6.836	1.075	37	(3.448)	(372)	56.467	-
7	14.279.722	2.797.422	32.504	306.122	15.097	136.677	64.669	1.920.615	-
8	6.466.920	633.510	46.244	115.042	-	22.092	5.865	314.875	-
9	972.438	460.023	20.567	54.272	413	34.739	25.016	268.876	-
10	2.583.329	738.265	231.166	116.002	-	52.041	70.960	436.922	-
11	1.757.962	392.511	119.369	76.041	6.951	19.305	3.746	228.372	-
12	665.943	172.984	9.953	19.140	1.767	1.066	2.540	131.655	-
13	396.825	166.602	17.662	13.800	1.842	5.006	1.097	113.798	-
14	1.194.843	289.169	20.093	59.964	3.490	30.355	26.796	183.936	-

(1) The amounts shown in the interest income column of Ziraat Katılım Bankası include profit share income.

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

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

10. Information Related to Subsidiaries (Net) (Continued)

10.1. Information on Subsidiaries (Continued)

	Current Period	Prior Period
Balance at the Beginning of the Period	13.901.878	7.335.025
Movements During the Period	1.292.389	6.566.853
Additions to Scope of Consolidation	-	-
Purchases ⁽¹⁾	463.532	2.499.959
Bonus Shares Obtained	45.620	-
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase ⁽²⁾	879.173	4.738.323
Impairment Provision (-)	95.936	671.429
Transfer (-)	-	-
Balance at the End of the Period⁽⁴⁾	15.194.267	13.901.878
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) The paid capital increases during the period are shown in the "Purchases" line. The amount of TL 463.532 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.

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

(3) Non-financial subsidiaries are not included.

10.2. Sectoral Information on Financial Subsidiaries and the Related Carrying Amounts

	Current Period	Prior Period
Banks	6.877.022	6.558.371
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	8.317.245	7.343.507

10.3. Subsidiaries Quoted to a Stock Exchange

	Current Period	Prior Period
Quoted at domestic stock exchanges ⁽¹⁾	6.049.298	-
Quoted at international stock exchanges	-	-

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

11. Information on Entities Under Common Control (Joint Ventures)

Investments on entities under common control are monitored at fair value in the unconsolidated financial statements within the scope of "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" according to TFRS 9 Financial Instruments Standard. Fair values were determined with the valuation reports prepared for these joint ventures and were accounted under equity as of the valuation date.

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

11. Information on Entities Under Common Control (Joint Ventures) (Continued)

Entities under Common Control (Joint Ventures) ⁽¹⁾	Parent Bank's Share (%)	Group's Share (%)	Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	6.432.998	26.698	26.770	186.037	73.813

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

12. Information on Lease Receivables

The Bank has no financial lease receivables.

13. Information on the Hedging Derivative Financial Assets

The Bank has no hedging derivative financial assets.

14. Information on the Investment Property

None

15. Information on Property and Equipment Held For Sale And Related to Discontinued Operations

Bank does not have any discontinuing operations. The assets held for sale consist of partnership shares acquired by the Bank due to its receivables, commercial and agricultural loans and immovables for which has no necessity of usage exists by the Bank. Those immovables considered for sales are announced at the web site of the Bank.

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş., 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 Bank's immovables acquired amount to TL 5.161.091 (31 December 2020: TL 5.259.672) consisting of TL 8.156 (31 December 2020: TL 8.689) due to consumer loans, TL 5.026.628 (31 December 2020: TL 5.128.416) 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 4.072 (31 December 2020: TL 1.207). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.556.077 (31 December 2020: TL 1.544.625).

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I EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Operational Leasing Development Costs	Other Tangibles	Total
Prior Period End							
Cost	6.385.763	819.210	1.448.796	213.585	261.065	-	9.128.419
Accumulated Depreciation (-)	894.097	138.544	1.006.198	88.051	251.021	-	2.377.911
Impairment (-)	2.153	-	-	-	-	-	2.153
Net Book Value	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Current Period End							
Net Book Value at the Beginning of the Period	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Change During the Period (Net)	(148.452)	(66.023)	117.487	(35.818)	(600)	-	(133.406)
- Cost	(117.576)	(41.015)	263.496	7.834	5.627	-	118.366
- Depreciation – net (-)	30.505	25.008	146.009	43.652	6.227	-	251.401
- Impairment (-)	371	-	-	-	-	-	371
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	6.268.186	778.195	1.712.292	221.419	266.692	-	9.246.784
Accumulated Depreciation at Period End (-)	924.602	163.552	1.152.207	131.703	257.247	-	2.629.311
Impairment (-)	2.524	-	-	-	-	-	2.524
Closing Net Book Value	5.341.060	614.643	560.085	89.716	9.445	-	6.614.949

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	1.229	935
Banks and Receivables from Money Markets	938	387
Financial Assets Measured at Amortized Cost	4.172	4.008
Other assets	30.410	59.695
Total	36.749	65.025

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 LIABILITIES

1. Information on Deposits/Funds Collected

1.1. Information on Maturity Structure of the Deposits

Current Period	Demand	7 Day Call	Up to 1	1-3	3-6	6 Months-	1 Year	Cumulative	Total
	Accounts	Month	Months	Months	1 Year	and Over	Deposits		
Saving Deposits	62.512.493		13.127.814	114.805.315	22.801.022	2.348.318	7.439.912	201.984	223.236.858
Foreign Currency Deposits	103.172.935		30.644.133	117.262.818	18.912.403	11.028.327	36.612.023	9.363	317.642.002
Residents in Turkey	84.886.639		29.730.831	103.586.658	13.600.152	5.740.386	16.533.626	8.222	254.086.514
Residents Abroad	18.286.296		913.302	13.676.160	5.312.251	5.287.941	20.078.397	1.141	63.555.488
Public Sector Deposits	17.752.194		4.352.054	9.652.918	625.687	293.504	89.037	-	32.765.394
Commercial Inst. Deposits	18.561.393		21.652.795	18.672.094	974.401	1.718.007	927.654	-	62.506.344
Other Inst. Deposits	2.612.972		3.363.333	11.011.482	1.734.492	1.050.723	306.153	-	20.079.155
Precious Metals Deposit	37.720.203		865.651	6.455.150	519.874	395.389	301.240	-	46.257.507
Interbank Deposits	3.330.021		29.763.956	3.541.433	26.540	8.413.932	2.950.329	-	48.026.211
The CBRT	1.526		-	-	-	-	-	-	1.526
Domestic Banks	262.618		28.651.566	5	-	-	2.035.494	-	30.949.683
Foreign Banks	2.460.013		58.634	3.541.428	26.540	8.413.932	914.835	-	15.415.382
Participation Banks	605.864		1.053.756	-	-	-	-	-	1.659.620
Other	-		-	-	-	-	-	-	-
Total	245.662.211		103.769.736	281.401.210	45.594.419	25.248.200	48.626.348	211.347	750.513.471

Prior Period	Demand	7 Day Call	Up to 1	1-3	3-6	6 Months-	1 Year	Cumulative	Total
	Accounts	Month	Months	Months	1 Year	and Over	Deposits		
Saving Deposits	47.445.710		7.101.407	86.333.174	20.458.566	2.696.747	5.249.838	209.210	169.494.652
Foreign Currency Deposits	84.598.180		22.682.226	97.260.057	15.375.465	10.563.076	33.073.118	10.170	263.562.292
Residents in Turkey	71.987.667		21.867.751	85.353.584	10.451.291	5.346.528	13.457.962	8.374	208.473.157
Residents Abroad	12.610.513		814.475	11.906.473	4.924.174	5.216.548	19.615.156	1.796	55.089.135
Public Sector Deposits	9.612.544		17.703.596	10.564.284	648.670	96.690	74.892	-	38.700.676
Commercial Inst. Deposits	15.140.391		21.299.054	18.021.905	397.778	3.118.357	48.458	-	58.025.943
Other Inst. Deposits	2.869.693		2.764.170	15.201.005	605.124	396.468	284.547	-	22.121.007
Precious Metals Deposit	36.450.903		726.639	5.688.505	495.330	350.570	263.129	-	43.975.076
Interbank Deposits	2.224.762		18.607.137	5.636.556	2.147.238	3.491.271	1.887.598	-	33.994.562
The CBRT	1.026		-	-	-	-	-	-	1.026
Domestic Banks	217.688		18.589.118	45.050	-	-	1.801.788	-	20.653.644
Foreign Banks	1.426.482		18.019	5.591.506	2.147.238	3.491.271	85.810	-	12.760.326
Participation Banks	579.566		-	-	-	-	-	-	579.566
Other	-		-	-	-	-	-	-	-
Total	198.342.183		90.884.229	238.705.486	40.128.171	20.713.179	40.881.580	219.380	629.874.208

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II. EXPLANATIONS AND NOTES RELATED TO 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

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits				
Saving Deposits ⁽¹⁾	137.913.662	111.238.745	84.437.122	57.562.720
Foreign Currency Saving Deposits ⁽¹⁾	93.655.660	90.621.370	163.562.933	128.265.371
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance ⁽²⁾	2.537.823	2.089.213	1.155.190	638.133
Off-Shore Banking Regions’ and under Foreign Authorities’ Insurance	-	-	-	-

(1) Related deposit balances do not include foreign branches.

(2) In Bulgaria and Greece, since both real person and legal entity’s saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, the legal entity saving deposits amounting to TL 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).

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 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 Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where The Head Office is Located

The Bank’s head office is located in Turkey.

1.4 Saving Deposits of Real Persons which are Not Under the Guarantee of Saving Deposit Insurance Fund

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	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	24.406	32.513
Deposits Obtained through Illegal Acts Defined in the 282 nd 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	-	-

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	112.761	5.263	46.748	1.467
Swap Transactions	582.518	3.003.915	1.417.814	2.021.623
Futures Transactions	-	-	-	-
Options	-	64.430	-	-
Other	-	-	-	-
Total	695.279	3.073.608	1.464.562	2.023.090

3. Information on Banks and Other Financial Institutions

3.1 General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	433.177	6.083.590	1.063.233	4.891.638
Foreign Banks, Institutions and Funds	15.750	36.423.932	228.249	30.767.093
Total	448.927	42.507.522	1.291.482	35.658.731

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	432.378	4.123.288	1.062.458	3.671.112
Medium and Long-Term	16.549	38.384.234	229.024	31.987.619
Total	448.927	42.507.522	1.291.482	35.658.731

3.3. Further Information is Disclosed for the Areas Of Liability Concentrations. Main Liability Concentration Areas are Fund Suppliers, Sector Groups or other Risk Concentration Criteria

70,26% of the Bank's total liabilities and shareholders' equity consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	72.575.290	-	92.831.730	-
Financial Institutions and Organizations	72.371.260	-	91.872.390	-
Other Institutions and Organizations	198.443	-	950.313	-
Real Person	5.587	-	9.027	-
From Overseas Operations	-	33.446.537	-	23.569.739
Financial Institutions and Organizations	-	33.446.537	-	23.569.739
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	72.575.290	33.446.537	92.831.730	23.569.739

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II EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	1.048.215	-	-
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	16.789.917	1.010.690	13.343.843
Total	1.010.690	17.838.132	1.010.690	13.343.843

6. If Other Foreign Liabilities exceed 10% of The Total Balance Sheet, Names and Amounts of Sub Accounts That Make Up At Least 20% of These

Other liabilities do not exceed 10% of the balance sheet total.

7. Information on Financial Leasing Agreements

Information on financial lease liabilities represented in the table below:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	33.689	27.509	36.216	18.549
Between 1-4 Years	365.701	320.106	584.944	318.521
More than 4 Years	703.200	395.427	751.894	484.915
Total	1.102.590	743.042	1.373.054	821.985

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities.

9. Information on Provisions

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

There is no foreign exchange loss provisions on foreign currency indexed loans and financial 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 Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 30 September 2021, unpaid vacation liability amounted to TL 350.866 and employment termination amounted to TL 1.297.903 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2020: unpaid vacation liability amounted to TL 278.450, and employment termination amounted to TL 1.230.590 are presented under the “Employee Benefits Provision” in the financial statements).

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II EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

9. Information on Provisions (Continued)

9.3. Information on Other Provisions

Except for the requirements of BRSA Accounting and Financial Reporting Legislation, the Bank management provided free provision of TL 3.460.000, 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 Bank has provided provision amounting to TL 1.954.706 for possible losses arising from the off-balance sheet items. (31 December 2020: These financial statements include a free provision amounting to TL 3.460.000 which consist of TL 830.000 provided in prior year and TL 2.630.000 reversed in the current year by the Bank 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 Bank officials. The Bank has provided provision amounting to TL 1.852.945 for possible losses arising from the off-balance sheet items in the current period.)

Regarding the Bank's lawsuit files, a total amount of TL 161.166 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 71.400 but not yet finalized (31 December 2020: For the lawsuits filed against the Bank amounting to TL 131.255, a provision of TL 56.000 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 30 September 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 798.519 (As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 943.399).

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	798.519	943.399
Taxation on Income From Securities	401.916	268.092
Property Tax	1.642	1.663
Banking Insurance Transactions Tax (BITT)	325.567	248.321
Foreign Exchange Transactions Tax	18.028	19.803
Value Added Tax Payable	12.717	17.646
Other	81.409	113.887
Total	1.639.798	1.612.811

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II EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

10. Explanations on Tax Liability (Continued)

10.1. Explanations on Current Tax Liability (Continued)

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums – Employee	65	54
Social Security Premiums – Employer	86	72
Bank Social Aid Pension Fund Premium - Employee	21.137	17.743
Bank Social Aid Pension Fund Premium - Employer	30.969	26.008
Pension Fund Membership Fees and Provisions - Employee	2	2
Pension Fund Membership Fees and Provisions - Employer	11	4
Unemployment Insurance - Employee	1.515	1.274
Unemployment Insurance - Employer	3.031	2.549
Other	-	-
Total	56.816	47.706

10.2. Information on Deferred Tax Liability

The Bank does not have any deferred tax liability.

11. Information on liabilities related to non-current assets “held for sale” and “held from discontinued operations”

The Bank does not have any payables for assets held for sale and discontinued operations.

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	14.557.973	-	13.048.197
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	14.557.973	-	13.048.197
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	-	14.557.973	-	13.048.197

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

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	-	-

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II EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

13. Information on Shareholders’ Equity (Continued)

13.2. Amount of Paid-In Capital, Explanation As to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Bank does not have a registered capital system.

13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital 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 Bank has no capital commitments.

13.6. The effects of anticipations based on the financial figures for prior periods regarding the Bank’s income, profitability and liquidity, and possible effects of these future assumptions on the Bank’s equity due to uncertainties at these indicators;

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

13.7. Information on Privileges Given to Shares Representing The Capital

The Bank has no preferred shares.

13.8. Information on Marketable Securities Value Increase Fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	3.790.980	(982.943)	3.376.855	(941.492)
Valuation Difference	(1.151.984)	(3.457.355)	(108.006)	956.316
Foreign Exchange Difference	2.262.057	-	2.262.057	-
Total	4.901.053	(4.440.298)	5.530.906	14.824

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

1. Explanations on Off-Balance Sheet Commitments

1.1. Nature and Amount Of Irrevocable Commitments

	Current Period	Prior Period
Asset Purchase Commitments	15.076.890	14.083.382
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	18.505.380	14.668.990
Commitments for Cheque Payments	6.229.448	4.830.167
Commitments for Credit Card Expenditure Limits	60.367.561	44.590.857
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	92.818	68.631
Other Irrevocable Commitments	20.570.217	20.523.305
Total	120.845.464	98.768.482

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

The Bank has provided provision amounting to TL 1.954.706 for possible losses arising from the off-balance sheet items in the current period. (31 December 2020: TL 1.852.945).

**1.2.1 Non-Cash Loans Including Guarantees, Bank Acceptances, Collaterals and Others that are
Accepted as Financial Commitments and Other Letter of Credits**

	Current Period	Prior Period
Letters of Guarantee	130.806.448	110.741.419
Letters of Credit	35.131.441	23.274.697
Bank Acceptances	8.468.539	7.202.148
Endorsements	1.749.040	1.520.463
Total	176.155.468	142.738.727

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

	Current Period	Prior Period
Letters of Certain Guarantees	81.657.521	66.820.813
Letters of Advance Guarantees	20.513.237	19.339.621
Letters of Temporary Guarantees	3.875.404	3.293.464
Letters of Guarantees Given to Customs Offices	1.646.537	1.612.223
Other Letters of Guarantees	23.113.749	19.675.298
Total	130.806.448	110.741.419

1.3. Informations on Non-Cash Loans

1.3.1. Total Amount of Non-Cash Loans

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	19.761.525	16.698.879
With Original Maturity of One Year or Less	13.285.877	10.564.285
With Original Maturity of More than One Year	6.475.648	6.134.594
Other Non-Cash Loans	156.393.943	126.039.848
Total	176.155.468	142.738.727

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

1. Information on Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans⁽¹⁾	44.028.876	6.583.616	32.605.811	5.876.850
Short Term Loans	11.720.768	578.586	6.454.838	409.344
Medium and Long Term Loans	31.652.044	6.005.030	25.531.199	5.467.498
Interest on Under Follow-up Loans	656.064	-	619.774	8
Premiums from Resource Utilization Support Fund	-	-	-	-

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

1.2. Information on Interest Income on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	688	11	7.274	261
Foreign Banks	84.475	10.488	19.484	15.367
From Headquarters and Branches Abroad	-	-	-	-
Total	85.163	10.499	26.758	15.628

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	216.699	1.601	133.872	1.141
Financial Assets at Fair Value Through Other Comprehensive Income	11.051.352	3.582.885	7.276.924	2.205.470
Financial Assets Measured at Amortized Cost	1.179.535	748.909	713.312	656.844
Total	12.447.586	4.333.395	8.124.108	2.863.455

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	168.356	171.501

2. Information on Interest Expense

2.1. Information of Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks⁽¹⁾	93.445	683.835	201.319	740.096
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	46.785	126.332	158.306	130.336
Foreign Banks	46.660	557.503	43.013	609.760
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	93.445	683.835	201.319	740.096

(1) Includes fees and commissions expenses on cash loans.

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued)

2. Information on Interest Expense

2.2 Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	196.977	137.724

2.3 Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	127.424	1.205.723	293.684	903.838

2.4 Maturity Structure of the Interest Expense on Deposits

Current Period Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year		
TL								
Bank Deposit	-	2.998.416	1.653	2.709.853	312.476	791.805	8.075	3.000.069
Saving Deposit	1	1.177.916	12.237.826	2.709.853	312.476	791.805	8.075	17.237.952
Public Sector Deposit	590	890.614	795.015	54.145	19.554	7.242	-	1.767.160
Commercial Deposit	114	2.445.784	2.286.416	65.908	515.916	12.257	-	5.326.395
Other Deposit	-	272.542	1.250.166	102.009	81.607	37.726	-	1.744.050
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	705	7.785.272	16.571.076	2.931.915	929.553	849.030	8.075	29.075.626
FC								
Foreign Currency Deposit	2.021	151.780	823.527	88.840	71.271	183.315	2	1.320.756
Bank Deposit	38	1.425	30.348	1.013	12.989	32.216	-	78.029
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2.959	22.557	1.846	1.446	1.005	-	29.813
Total	2.059	156.164	876.432	91.699	85.706	216.536	2	1.428.598
Grand Total	2.764	7.941.436	17.447.508	3.023.614	1.015.259	1.065.566	8.077	30.504.224

Prior Period Account Name	Demand Deposit	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year		
TL								
Bank Deposit	-	1.069.956	1.389	-	213	-	-	1.071.558
Saving Deposit	-	357.096	4.840.815	2.115.574	186.187	761.875	15.259	8.276.806
Public Sector Deposit	314	730.301	322.003	41.708	98.613	235	-	1.193.174
Commercial Deposit	71	1.128.550	1.155.334	34.051	346.107	51.914	-	2.716.027
Other Deposit	-	164.049	464.201	116.690	74.386	18.780	-	838.106
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	385	3.449.952	6.783.742	2.308.023	705.506	832.804	15.259	14.095.671
FC								
Foreign Currency Deposit	1.093	88.934	515.575	51.611	63.173	201.732	5	922.123
Bank Deposit	11	7.002	13.802	5.028	7.936	772	-	34.551
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1.304	11.279	1.248	1.394	1.145	-	16.370
Total	1.104	97.240	540.656	57.887	72.503	203.649	5	973.044
Grand Total	1.489	3.547.192	7.324.398	2.365.910	778.009	1.036.453	15.264	15.068.715

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued)

3. Explanation on Trading Income/Loss (Net)

	Current Period	Prior Period
Profit	162.554.421	120.201.398
Trading Gains on Securities	81.357	4.827.140
Gains on Derivative Financial Transactions	5.714.552	5.131.222
Foreign Exchange Profits	156.758.512	110.243.036
Loss (-)	170.858.170	127.242.445
Trading Losses on Securities	26.415	10.907
Losses on Derivative Financial Transactions	14.667.306	8.900.262
Foreign Exchange Loss	156.164.449	118.331.276

4. Explanation on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 2.676.849 and income from sales of assets amounting to TL 205.779 (30 September 2020: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.594.082 and income from sales of assets amounting to TL 158.132).

5. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provisions	6.644.748	7.148.723
12 month expected credit loss (stage 1)	12.863	748.763
Significant increase in credit risk (stage 2)	3.623.403	3.611.787
Non-Performing loans (stage 3)	3.008.482	2.788.173
Marketable Securities Impairment Provision	84.892	20.670
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	84.892	20.670
Subsidiaries, Associates and Joint Ventures Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	15.400	2.019.100
Total	6.745.040	9.188.493

(*) The prior period includes free provision expense amounting to TL 2.010.000.

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued)

6. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	303.504	221.439
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	374.060	295.263
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	93.743	73.266
Impairment Expense of Equity Shares for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	3.292.962	2.844.617
Leasing Expenses Related to TFRS 16 Exceptions	59.969	55.808
Maintenance Expenses	149.320	90.636
Advertisement Expenses	190.774	159.379
Other Expenses	2.892.899	2.538.794
Loss on Sales of Assets	2.797	2.038
Other ⁽¹⁾	2.426.237	2.594.416
Total	6.493.303	6.031.039

(1) TL 1.218.767 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 769.390 consists of taxes, duties and charges expense (30 September 2020: TL 1.008.117 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 736.553 consists of taxes, duties and charges expense)

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

The Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	22.527.324	28.412.689
Net Fees and Commissions Income	3.600.535	2.168.011
Other Operating Income	3.450.044	2.221.369
Dividend Income	112.535	1.113.605
Trading Profit/Loss (Net)	(8.303.749)	(7.041.047)
Personnel Expenses (-)	3.793.415	3.436.198
Expected Credit Loss (-)	6.644.748	7.148.723
Other Provision Expenses (-)	100.292	2.039.770
Other Operating Expenses (-)	6.493.303	6.031.039
Profit / (Loss) From Continuing Operations	4.354.931	8.218.897

8. Information on Tax Provision for Continued and Discontinued Operations

As of 30 September 2021, TL 1.334.981 of the Bank’s total tax provision expense amounting to TL 2.671.281 consists of current tax expense while remaining balances amounting to TL 1.336.300 consists of deferred tax expense. (As of 30 September 2020, TL 1.345.576 TL of the Bank’s total tax provision expense amounting to TL 2.129.711 consists of current tax expense while remaining balances amounting to TL 784.135 consists of deferred tax income)

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued)

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

The Bank’s net operating income after tax amounts to TL 3.019.950 (30 September 2020: TL 6.089.186).

10. Information 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 Bank in The Current Period

The Bank, mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations and insurance agencies.

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.

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

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

1.1 Information on Loans of the Bank’s Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Current Period						
Loans						
Beginning Balance	2.513.483	7.410.848	-	-	-	-
Ending Balance	3.253.986	7.013.222	-	-	-	-
Interest and Commissions Income	168.356	385	-	-	-	-

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Prior Period						
Loans						
Beginning Balance	2.388.776	3.494.739	-	-	-	-
Ending Balance	2.513.483	7.410.848	-	-	-	-
Interest and Commissions Income	171.501	763	-	-	-	-

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V. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE BANK BELONGS TO (Continued)

1. Information on the Volume of Transactions Relating to the Bank’s Risk Group, Outstanding Loan and Deposit Transactions and Profit and Loss of the Period (Continued)

1.2. Information on Deposits of the Bank’s Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	1.674.595	3.724.118	-	-	-	-
Ending Balance	4.455.652	1.674.595	-	-	-	-
Interest Expense on Deposits ⁽¹⁾	196.977	137.724	-	-	-	-

1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Bank’s Risk Group

	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through Profit or Loss						
Beginning Balance	1.126.974	1.161.358	-	-	-	-
Ending Balance	421.913	1.126.974	-	-	-	-
Total Profit/Loss	(32.677)	80.951	-	-	-	-
Risk Protection Oriented Processes						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

1.4. Information Regarding Benefits Provided to the Bank’s Key Management

The total amount of benefits provided to the top management of the bank is TL 13,336 (30 September 2020: TL 11.121).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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SECTION SIX

EXPLANATION ON AUDITOR’S REVIEW REPORT

I. EXPLANATIONS ON AUDIT REPORT

As of 30 September 2021, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were audited by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Limited 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 836 billion TL.

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.

Ziraat Bank offers its customers from corporate, commercial and retail banking superior and quality services with;

- 1.751 domestic and foreign branch,
- 24.556 employees,
- Domestic and foreign ATMs,
- Internet Banking (Retail and Corporate Internet Branch),
- Mobile Banking (Ziraat Mobile, Ziraat Tablet)
- Telephone Banking
- Bankkart Mobile
- Merchant Platform
- SMS Banking

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. The 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 Bank.

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

V. Main Financial Indicators

ASSETS (TL Million)	30.09.2021	31.12.2020
Cash and Cash Equivalents	122.847	91.038
Securities Portfolio	263.718	225.621
Cash Loans	659.348	600.660
Other Assets	22.274	25.282
Total Assets	1.068.187	942.601
LIABILITIES (TL Million)	30.09.2021	31.12.2020
Deposits	750.513	629.874
Non-deposits Funds	182.385	180.754
Other Liabilities	43.850	38.695
Shareholders' Equity	91.439	93.278
Total Liabilities	1.068.187	942.601
SUMMARY OF PROFIT OR LOSS TABLE (TL Million)	30.09.2021	30.09.2020
Net Interest Income	22.527	28.413
Net Fees and Commission Income	3.601	2.168
Other Operations Income	3.450	2.221
Other Operations Expense	6.493	6.031
Allowance for Expected Credit Losses	6.645	7.149
Net Profit/Losses	3.020	6.089
RATIOS (%)	30.09.2021	31.12.2020
Capital Adequacy Ratio	15,99	18,22
Equity / Total Assets	8,6	9,9
Cash Loans (Gross) / Total Assets	61,7	63,7
Loans under follow-up (Gross) / Total Loans	2,2	2,3
Liquid Assets / Total Assets	11,5	9,7

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

VI 2021 III. Interim Period Operations

Credit Rating Agencies

International credit rating agency Fitch Ratings, following Turkey's long-term rating outlook revision from Negative to Stable on February 19, 2021, revised Ziraat Bank's long-term local currency the rating outlook from Negative to Stable on February 26, 2021. Other ratings have been affirmed. All ratings of Ziraat Bank were confirmed by Fitch Ratings on May 04, 2021. The ratings of the Bank as of 30 September 2021 are as follows:

Credit Rating Agency	Category	Credit Grade	Date
Fitch Ratings	FC Long Term IDR	B+	May 2021
	Outlook	Negative	
	FC Short Term IDR	B	
	TL Long Term IDR	BB-	
	Outlook	Stable	
	TL Short Term IDR	B	
	National Long Term	AA	
	Outlook	Stable	
	Support	4	
	Support Rating Floor	B	
	Viability Rating	b+	
Moody's	Outlook	Negative	December 2020
	Long Term Deposit- FC	B2	
	Short Term Deposit –FC	Not-Prime	
	Long Term Deposit- TL	B2	
	Short Term Deposit- TL	Not-Prime	
	Long Term Issuer- FC	B2	
	Baseline Credit Assesment	caal	
	Adjusted Baseline Credit Assesment	caal	
JCR Eurasia	Long Term International FC	BB+	December 2020
	Outlook	Negative	
	Long Term International TL	BB+	
	Outlook	Negative	
	Long Term National	AAA (Trk)	
	Outlook	Stable	
	Short Term International FC	B	
	Outlook	Negative	
	Short Term International TL	B	
	Outlook	Negative	
	Short Term National	A-1+ (Trk)	
	Sponsor Support	1	
	Stand Alone	A	

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(Unless otherwise stated amounts are expressed in Turkish Lira Full (“TL”).)

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VI. 2021 III. Interim Period Operations (Continued)

Bonds Issuance in Global Markets

The Bank's USD 7 billion GMTN (Global Medium Term Notes) program has been updated as of May 5, 2021, for borrowing from international capital markets, within the scope of diversifying the Bank's resources and providing cost-effective, long-term funding.

The Bank continued to provide foreign resources through private placement under the GMTN (Global Medium Term Notes) program in the third quarter of 2021.

Financing of Agriculture Sector

As Ziraat Bank we continue to provide financial support to the agricultural sector on the one hand, and develop projects aimed at the solution of structural problems of the sector and facilitating access to finance. We have been working with related institutions, and agricultural organizations. In this context, facilitating access to direct finance especially to small-scale farmers, which constitute the most important link in the agricultural value chain, is one of the top priorities.

Contractual production model, controlled greenhouse agriculture, increasing the production of products that will reduce imports, bringing agricultural enterprises to the economic scale, evaluating idle business capacities, increasing the level of agricultural mechanization of enterprises, using technology to increase productivity in agriculture, will create added value in agricultural production and Investments and activities aimed at increasing the capacity of storage, processing, packaging and marketing of agricultural enterprises' own products, especially the investment projects that can respond, and licensed warehousing and cold storage investments, stand out among the target production areas of the Bank.

TL 98,9 billion of loans for financing the agricultural sector

Ziraat Bank has allocated TL 57,9 billion loans in the first nine months of 2021 to more than 453 thousand customers from its own funds for financing the agricultural sector and number of the customers and within the period more than 58 thousand new customers have been added to the portfolio.

The balance of agricultural loans extended from the bank's funds reached TL 98.9 billion as of the end of the third quarter of 2021, and the number of loan customers exceeded 715 thousand.

36% of the Bank's agricultural loan portfolio consists of investment loans and 64% working capital loans.

On the other hand, through the funds provided by various institutions in the first nine months of 2021, intermediary payments were made to a total of TL 37.4 million made to 623 customers determined by the relevant institutions. By the end of the third quarter of 2021, the balance of loan payments originated from intermediated funds is TL 1.8 billion and the number of customers is over 65 thousand.

When evaluated as a whole, the sum of the loans extended by Ziraat Bank from its own resources for the financing of the agricultural sector and the intermediated fund sourced loans reached TL 100.7 billion as of the third quarter of 2021, and the number of loan customers reached approximately 781 thousand.

Low Interest Rates on Agricultural Loans

In line with the Decree and Communiqué published on subsidized (interest-discounted) loans in 2020, customers operating in the agriculture sector within the subsidy rates determined based on product groups continue to use loans with favorable interest rates.

In the third half of 2021, approximately 312 thousand producers and businesses operating in the agricultural sector were provided with a subsidized loan (interest discount) of TL 44.4 billion

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VI 2021 III. Interim Period Operations (Continued)

Financing of Agriculture Sector (Continued)

I Have Many Reasons To Live In My Village Project

In the last quarter of 2020, the scale of the enterprises operating in the field of small cattle breeding, bringing idle business capacities into production, ensuring regional development with domestic sheep breeds, increasing the demand for domestically born female animals, while creating a market on the one hand, reducing animal imports and providing financial solution alternatives for small businesses. In the first nine months of 2021, a protocol was signed with 6 governorships within the scope of the “I Have Many Reasons to Live in My Village” project, which was put into practice in order to diversify the environment. As of the end of the third quarter of 2021; The number of governorships with which the protocol was signed reached 36, the number of producers benefiting from the project reached 4,352, the loan amount extended within the scope of the project reached 587 million TL and the number of animals obtained with these loans reached 400 thousand heads.

Young Farmer’s Academy

The social responsibility project, which was launched in September 2018 under the name of Ziraat Bank Young Farmer’s Academy, continues to grow and develop. The number of participants who have successfully completed the “dairy cattle breeding”, “greenhouse cultivation” and “sheep breeding” trainings organized with 6 universities that have been collaborated within the scope of the project, which received over 19 thousand applications, has reached 300.

28 young farmers who graduated from the Young Farmer’s Academy have established their own businesses in different fields and participated in agricultural production.

Although the new education period could not be initiated due to the interruption of education in universities due to the effect of the worldwide pandemic, the application continues to be received. It is planned to start the Academy trainings with the universities starting face-to-face education by taking the pandemic process under control.

Risk Management

Bank’s risk management operations, within the frame of BRSB legislations and Basel regulations, are targeted for the best risk management function by applying risk culture alongside the Bank and maintaining the improvement of employee quality and information technologies.

Risk management policy is identified as measurement and monitoring of credit risk, market risk, operational risk, balance sheet risk in accordance with the volume, type and complexity of Bank’s transactions, conducting stress tests, scenario analysis and reporting the outcomes from these studies. Policies and application methods of risk management are carried out in accordance with the decisions by the Board of Directors.

PD, LGD, EAD modeling studies for the calculation of credit risk with an internal rating-based approach within the scope of the "Credit Risk Management Project with Advanced Methods", which will make positive contributions to the determination of the bank's credit policies and balance sheet management, as well as the determination of customer-oriented strategies have been completed.

Within the scope of the validation of IRB models and TFRS-9 integration project, IRB model validations have been completed as of the end of March 2021, and macroeconomic modeling and TFRS-9 integration of IRB models to be used in TFRS-9 provision calculations are ongoing.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VI. 2021 III. Interim Period Operations (Continued)

Risk Management (Continued)

By the end of 2020, by establishing the Credit Risk Control Unit (CRCU) and the Bank's validation methodology structure as a separate unit under the risk management unit to carry out activities responsible for the design or selection of rating systems, their implementation, supervision, performance, regular analysis of the results and reporting the results of the analyzes. Under the risk management unit to carry out the validation of the management models, operational risk models, market risk & ALM models and ICAAP validations, and the validation of the data quality, implementation plan compliance and the results of all validated models to the top management, especially the validation of IDD models. an independent Validation Unit has been established.

VII. Other Important Activities

Tourism, which provides KGF-backed loans within the framework of the Treasury Supported Guarantee System, in order to finance the needs of businesses that carry out accommodation and food service activities, travel agencies, tour operators and other reservation services and related activities in the tourism sector, and businesses that provide goods and services to these businesses. Credit disbursements continued within the scope of the Support Package.

Pursuant to the protocol signed between the Bank and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the Credit Guarantee Fund (KGF) in order to provide working capital financing and surety support to SME customers at the beginning of June; 2021- TOBB Nefes Credit Package product was commissioned, and 621 million TL was provided to approximately 5 thousand customers until the end of September.

Loss of life and property has occurred due to flood disasters and fire disasters in our country, and these disasters have adversely affected the people of the region and the operating businesses. Within the framework of the Bank's strategy of being a social responsibility and moral bank for our country, the loans of its customers in the regions declared as “Disaster Zones” have been postponed without any interest in order to eliminate their grievances. The Tourism Sector Fire Support Package has been prepared in order to relieve the financial grievances of tourism businesses operating in regions where fire disasters are experienced intensely.

Edirne Province Emergency Support Loan, Western Black Sea Emergency Support Loan, Artvin Provincial Emergency Support Loan and Forest Fires Emergency Support Loan products have been put into operation, pursuant to the protocols signed between KOSGEB and the Bank, in order to provide financial support to businesses approved for registration in KOSGEB Database

Bankkart Brand is growing

As of the end of the third quarter of 2021, the number of credit cards of the Bank was 10.29 million, the market share of credit cards was 12,53% and the monthly turnover market was 10.09%. The development is expected to continue in the medium and long term. The number of debit cards reached 41.96 million and the sector leadership of the bank continued with a market share of 21.58% monthly turnover.

As of the end of the third quarter of 2021, the number of member workplaces of the Bank is 902 thousand and the total number of physical terminals is 654 thousand. The third quarter total turnover of the merchant is 78 billion TL, and the Bank's turnover market share in September 2021 was 15.53%. With the rapid expansion of the card and member merchant network, the Bankkart brand's journey towards leadership continues, and the Bank's efforts to expand the card systems market continue. Social benefit activities of Ziraat Bank continue. Ziraat Bank continues its works aiming to develop the individual and society in various fields, especially in culture, art, education and sports. The Bank, which has undertaken projects that will contribute to the cultural accumulation of the society, continues to take its mission one step further each year.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VII. Other Important Activities (Continued)

Advertising Activities

With the sponsorship of the bank and the great support of its employees, the volleyball team became the champion of the Efeler League in the 2020-2021 season and achieved great success by playing in the final in Europe. Ziraat Bank Sports Club, which has left behind a magnificent season and will represent our country in the CEV Champions League this season, continues its sponsorship support in the 2021/2022 season.

Ziraat Bank, as the sponsor of the last 12 football season since 2009, continues to give its name to 2020-2021 football season of Turkey Cup in order to contribute to Turkish football.

The Bank supported the establishment of the Medeniyet University Library, which will become the largest library in Istanbul when construction completed, in order to reinforce its contribution to the socio-cultural and economic development of our country and to leave another permanent work. The library will serve under the name of the "Istanbul Medeniyet University Ziraat Bank Library". The Istanbul Medeniyet University Ziraat Bank Library, which is considered to be an important social responsibility project, is planned to be completed and opened in 2021.

Cultural Values are protected

Ziraat Bank has been supporting cultural and artistic fields continuously, acting with the spirit of social sharing for 157 years. Within the framework of these values, the Bank provided necessary support to health, education, culture, service and sports activities in the third quarter of 2021 as part of its social responsibility.

Supporting art is a tradition at Ziraat Bank

Ziraat Bank defining the importance it gives to art and artist since its establishment with the motto ‘‘Art in Art’’, continues to engage in various activities in all branches of art.

Ziraat Bank continues to support the arts through the Kuğulu, Tünel and Çukurambar Art Galleries. In the third quarter of 2021, Ankara Kuğulu and Istanbul-Tünel Art Galleries were temporarily closed to exhibitions and visits of artists / art lovers due to the Covid-19 outbreak.

However, our Çukurambar Art Gallery, located in Ankara Next Level Mall, is open to art lovers in accordance with the social distance rules within the framework of the strict measures taken within the scope of the Covid-19 pandemic. The "New Paintings - New Touches " Exhibition, which opened in the Gallery on November 2, 2020, featuring the works specially designed for 2020 by Artist Devrim Erbil, one of the important representatives of Turkish painting art, was extended until September 6, 2021 due to intense interest. At the same time, art lovers can visit the exhibition with the Devrim Erbil Exhibition Virtual Tour, which can be accessed on the Bank's website.

The State Theaters Stage of Ziraat, which is realized with the cooperation of the Bank and the State Theaters, which aims to support culture and arts, is at the service of theater lovers.

The First Banking Museum

Ziraat Bank Museum is the first Banking museum of Turkey as witnessing every stage of Republic that exhibited the deep-rooted history of Ziraat Bank.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VII. Other Important Activities(Continued)

The First Banking Museum (Continued)

Ziraat Bank Museum was opened in 1981 in the ground floor Honor Hall of the Ziraat Bank Head Office in the Ulus district of Ankara, one of the buildings of the First National Architecture Period built by Italian Architect Giulio Mongeri in 1929 in order to transfer the know-how and experience of the bank to the future. Starting from today, Turkey's commercial banking system, economic, political, cultural, artistic, educational exchanges and in the past which have the ability to show the progress to date Ziraat Bank Museum, many antique objects used in hosting and banking systems of these properties are exhibited in a historical atmosphere.

Our museum, enriched with digital elements in line with the modern museum understanding, has been temporarily closed to visitors due to the coronavirus pandemic. With the Ziraat Bank Museum Virtual Tour, which is prepared by digitalizing all sections and details with 3-D imaging technology and accessed on the Bank's website, the museum can be visited and experienced step by step through a computer or mobile phone.

In the virtual tour, information and visuals about the objects and ephemera (historical papers / documents) exhibited in the museum are included, as well as the works of the Ziraat Bank Art Collection, thanks to the application prepared using special techniques, offers the opportunity to examine them in ultra high resolution with the finest detail.

Digital Platforms and Field Research

Ziraat Bank's corporate website, ziraatbank.com.tr, features user-friendly menus that provide easy access to content, and features such as the most up-to-date financial data, campaigns, announcements, products, and calculation tools. Ziraat Assistant chatbot application provides easy access to Ziraat Bank services and functions, and the functionality of the corporate website is increased by integrating the innovations brought by technology into the website.

In the social media channels operating in order to meet the demands and expectations in the best way and to keep the customer satisfaction at the highest level in every platform where the customers are located, it has become the most active bank in the sector on the Facebook page and as of the third quarter of 2021, more than 2.3 million likes and followers have been reached. The Bank has approximately 450 thousand followers on Twitter, more than 212 thousand followers on Instagram, with more than 81 million views on YouTube page and sharing on other platforms, the Bank's social media activity is increasing day by day.

In addition, as of the third quarter, the number of bank digital customers reached 22.5 million and the number of active digital customers reached 16 million.

Educational Activities

Trainings under the main headings of "First Step Trainings" in order for the newly recruited personnel to get to know the Bank, adapt to the corporate culture and acquire the necessary basic knowledge and skills, "Development Trainings" in order to meet the training needs of the Bank in line with the objectives and strategies of the Bank or to transfer new product / service / legislation information, "Career Trainings" in order to get them the required knowledge and skills and to prepare them for a higher position, arising from legislation, "Legal Obligation Trainings" have been organized.

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