

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI  
ANONİM ŞİRKETİ**

**UNCONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES AS OF 31 MARCH 2023  
WITH AUDITORS' REVIEW REPORT  
(CONVENIENCE TRANSLATION OF UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
ORIGINALLY ISSUED IN TURKISH)**



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

### *Introduction*

We have reviewed the unconsolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi ("the Bank") at 31 March 2023 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 three-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 unconsolidated 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 explained in Section Five Part II. 9.3 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 March 2023 include a free provision amounting to TL 17.300.000 thousand which consist of TL 28.300.000 thousand provided in prior periods and TL 11.000.000 thousand reversed in the current period 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 do not present fairly in all material respects the unconsolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi at 31 March 2023 and the results of its unconsolidated operations and its unconsolidated cash flows for the three-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:*

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 March 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Didem Demer Kaya, SMMM  
Partner

Istanbul, 11 May 2023



**THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF  
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 MARCH 2023**

The Bank's Headquarter Address: Hacıbayram Mahallesi Atatürk Bulvarı  
No:8 06050-Altındağ/ANKARA  
Phone: (312) 584 20 00  
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The unconsolidated financial report for the three-month 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 three month period 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,  
Member of the Audit Committee

\_\_\_\_\_  
Alpaslan ÇAKAR  
Member of the Board,  
CEO

\_\_\_\_\_  
Fazlı KILIÇ  
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 : Menşure BEŞKAYA / Financial Statements Manager  
Telephone Number : 0312 584 59 24  
Fax Number : 0312 584 59 38

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# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

### SECTION ONE

#### GENERAL INFORMATION ABOUT THE BANK

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “the Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. All shares of the Bank, which was given the authority to perform all the banking activities, belonged to the Republic of Türkiye Prime Ministry Undersecretariat of Treasury (“Treasury”) transferred to the Türkiye Wealth Fund with the decision of the Council of Ministers numbered 2017/9756 dated 24 January 2017. The Bank’s head office is located in 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 84.600.000. This capital is divided into 84.600.000.000 registered share with a nominal value of TL each and is fully paid. The Bank's sole and controlling shareholder is the Türkiye Wealth Fund.

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on March 29, 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on March 30, 2023. It was announced in the Trade Registry Gazette dated 30 March 2023 and numbered 10801. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

#### 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
<b>Members of the Board of Directors</b>	
Burhaneddin TANYERİ	Chairman
Alpaslan ÇAKAR	CEO and Member
Veysi KAYNAK	Vice Chairman and Member
Dr. Ahmet GENÇ	Member
Fazlı KILIÇ	Member
Feyzi ÇUTUR	Member
Serruh KALELİ	Member
<b>Audit Committee Members</b>	
Burhaneddin TANYERİ	Member
Fazlı KILIÇ	Member
<b>Executive Vice Presidents</b>	
Cüneyt SAĞLIK	Digital Banking and Payment Systems
Emrah GÜNDÜZ	Banking Operations and Corporate Communications
Ferhat PİŞMAF	Corporate Banking
Mehmet Şükrü TAŞCI	Credit Allocation and Management
Recep TÜRK	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

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.

Members of the Board of Directors Faruk ÇELİK and Mahmut KAÇAR resigned on 17.03.2023 and left their positions.

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

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Türkiye Wealth Fund	84.600.000	100	84.600.000	-

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

### GENERAL INFORMATION ABOUT THE BANK (Continued)

#### V. SUMMARY INFORMATION ON THE BANK’S ACTIVITIES AND SERVICES

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

As of 31 March 2023, the Bank has 1.733 domestic branches (31 December 2022: 1.733 domestic branches), London branch abroad in England, Baghdad and Erbil branches in Iraq, Athens, Komotini and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas 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, Taşkinköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus, with a total of 25 branches and a general total of 1.758 branches. As of 31 March 2023, the Bank’s number employee is 26.047 (31 December 2022: 24.484).

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

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

As Ziraat Teknoloji A.Ş. and Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş. are non-financial subsidiaries of the Bank, is not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. is non-financial associates of the Bank is not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş. as they are not financial institutions, they are not consolidated. All other associates and subsidiaries are fully consolidated.

With the Bank's Extraordinary General Assembly Resolution dated 13 December 2022, it was decided to establish Ziraat Bankası Eğitim Vakfı (Foundation). The Foundation was established on 30 December 2022 to carry the Bank's deep-rooted education experience, which has been going on for nearly 100 years, to a different point. The Bank will continue to contribute to the Turkish Banking Sector with the Education Foundation, which will become operational after the legal processes are completed.

#### 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
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# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

### UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 MARCH 2023

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

	I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS	Note (Section Five I)	Current Period 31 March 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>FINANCIAL ASSETS (Net)</b>		<b>260.065.343</b>	<b>597.249.438</b>	<b>857.314.781</b>	<b>236.867.343</b>	<b>592.221.704</b>	<b>829.089.047</b>
<b>1.1</b>	<b>Cash and Cash Equivalents</b>		<b>34.160.758</b>	<b>353.211.634</b>	<b>387.372.392</b>	<b>34.126.115</b>	<b>357.118.201</b>	<b>391.244.316</b>
1.1.1	Cash and Balances with Central Bank	(1)	33.485.026	338.482.721	371.967.747	28.245.022	346.153.321	374.398.343
1.1.2	Banks	(4)	276.849	14.729.741	15.006.590	505.686	10.965.746	11.471.432
1.1.3	Money Markets Receivables		403.377	-	403.377	5.380.282	-	5.380.282
1.1.4	Expected Loss Provision (-)		4.494	828	5.322	4.875	866	5.741
<b>1.2</b>	<b>Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>8.550.049</b>	<b>32.443.161</b>	<b>40.993.210</b>	<b>4.302.137</b>	<b>28.992.742</b>	<b>33.294.879</b>
1.2.1	Government Debt Securities		166.165	31.009.210	31.175.375	198.276	27.692.529	27.890.805
1.2.2	Equity Instruments		-	-	-	-	-	-
1.2.3	Other Financial Assets		8.383.884	1.433.951	9.817.835	4.103.861	1.300.213	5.404.074
<b>1.3</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	(5),(6)	<b>213.757.255</b>	<b>207.163.529</b>	<b>420.920.784</b>	<b>195.185.687</b>	<b>200.487.478</b>	<b>395.673.165</b>
1.3.1	Government Debt Securities		212.244.521	206.254.896	418.499.417	193.770.230	199.565.626	393.335.856
1.3.2	Equity Instruments		983.251	43.855	1.027.106	885.974	41.654	927.628
1.3.3	Other Financial Assets		529.483	864.778	1.394.261	529.483	880.198	1.409.681
<b>1.4</b>	<b>Derivative Financial Assets</b>	(3)	<b>3.597.281</b>	<b>4.431.114</b>	<b>8.028.395</b>	<b>3.253.404</b>	<b>5.623.283</b>	<b>8.876.687</b>
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		3.597.281	4.431.114	8.028.395	3.253.404	5.623.283	8.876.687
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II.</b>	<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>1.257.828.085</b>	<b>392.300.023</b>	<b>1.650.128.108</b>	<b>983.847.530</b>	<b>393.877.661</b>	<b>1.377.725.191</b>
<b>2.1</b>	<b>Loans</b>	(7)	<b>1.079.683.705</b>	<b>361.863.917</b>	<b>1.441.547.622</b>	<b>916.747.756</b>	<b>349.603.094</b>	<b>1.266.350.850</b>
<b>2.2</b>	<b>Lease Receivables</b>	(12)	-	-	-	-	-	-
<b>2.3</b>	<b>Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4</b>	<b>Other Financial Assets Measured at Amortized Cost</b>	(8)	<b>205.865.795</b>	<b>46.287.307</b>	<b>252.153.102</b>	<b>114.911.984</b>	<b>44.439.493</b>	<b>159.351.477</b>
2.4.1	Government Debt Securities		202.712.264	45.192.528	247.904.792	111.764.300	43.408.245	155.172.545
2.4.2	Other Financial Assets		3.153.531	1.094.779	4.248.310	3.147.684	1.031.248	4.178.932
<b>2.5</b>	<b>Expected Credit Loss (-)</b>		<b>27.721.415</b>	<b>15.851.201</b>	<b>43.572.616</b>	<b>47.812.210</b>	<b>164.926</b>	<b>47.977.136</b>
<b>III.</b>	<b>NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS” (Net)</b>	(15)	<b>6.912.159</b>	-	<b>6.912.159</b>	<b>6.853.866</b>	-	<b>6.853.866</b>
3.1	Held for Sale Purpose		6.912.159	-	6.912.159	6.853.866	-	6.853.866
3.2	Held from Discontinued Operations		-	-	-	-	-	-
<b>IV.</b>	<b>EQUITY INVESTMENTS</b>		<b>31.181.096</b>	<b>8.308.619</b>	<b>39.489.715</b>	<b>35.291.161</b>	<b>7.913.605</b>	<b>43.204.766</b>
<b>4.1</b>	<b>Investments in Associates (Net)</b>	(9)	<b>336.152</b>	-	<b>336.152</b>	<b>216.867</b>	-	<b>216.867</b>
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		336.152	-	336.152	216.867	-	216.867
<b>4.2</b>	<b>Subsidiaries (Net)</b>	(10)	<b>30.844.944</b>	<b>7.138.381</b>	<b>37.983.325</b>	<b>35.074.294</b>	<b>7.006.700</b>	<b>42.080.994</b>
4.2.1	Unconsolidated Financial Subsidiaries		30.709.985	7.138.381	37.848.366	34.939.335	7.006.700	41.946.035
4.2.2	Unconsolidated Non-Financial Subsidiaries		134.959	-	134.959	134.959	-	134.959
<b>4.3</b>	<b>Entities under Common Control (Joint Ventures) (Net)</b>	(11)	-	<b>1.170.238</b>	<b>1.170.238</b>	-	<b>906.905</b>	<b>906.905</b>
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	1.170.238	1.170.238	-	906.905	906.905
<b>V.</b>	<b>PROPERTY AND EQUIPMENT (Net)</b>	(16)	<b>16.702.829</b>	<b>104.018</b>	<b>16.806.847</b>	<b>16.137.593</b>	<b>85.466</b>	<b>16.223.059</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS (Net)</b>		<b>2.505.292</b>	<b>43.528</b>	<b>2.548.820</b>	<b>2.229.670</b>	<b>42.931</b>	<b>2.272.601</b>
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		2.505.292	43.528	2.548.820	2.229.670	42.931	2.272.601
<b>VII.</b>	<b>INVESTMENT PROPERTY (Net)</b>	(14)	-	-	-	-	-	-
<b>VIII.</b>	<b>CURRENT TAX ASSET</b>		-	-	-	-	-	-
<b>IX.</b>	<b>DEFERRED TAX ASSET</b>		-	-	-	-	-	-
<b>X.</b>	<b>OTHER ASSETS (Net)</b>	(20)	<b>52.743.236</b>	<b>3.610.751</b>	<b>56.353.987</b>	<b>31.548.535</b>	<b>4.747.959</b>	<b>36.296.494</b>
	<b>TOTAL ASSETS</b>		<b>1.627.938.040</b>	<b>1.001.616.377</b>	<b>2.629.554.417</b>	<b>1.312.775.698</b>	<b>998.889.326</b>	<b>2.311.665.024</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF 31 MARCH 2023)**

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES	Note (Section Five II)	Current Period 31 March 2023			Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	1.061.227.031	858.405.591	1.919.632.622	917.910.341	821.358.519	1.739.268.860
<b>II. FUNDS BORROWED</b>	(3)	3.847.138	100.221.445	104.068.583	10.407.287	99.798.785	110.206.072
<b>III. MONEY MARKETS BORROWINGS</b>	(4)	100.605.473	51.900.772	152.506.245	21.024.860	64.037.829	85.062.689
<b>IV. SECURITIES ISSUED (Net)</b>	(5)	1.010.690	36.391.751	37.402.441	1.010.690	26.757.289	27.767.979
4.1 Bills		-	645.888	645.888	-	644.547	644.547
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	35.745.863	36.756.553	1.010.690	26.112.742	27.123.432
<b>V. FUNDS</b>		46.811	-	46.811	34.703	-	34.703
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		46.811	-	46.811	34.703	-	34.703
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	(2)	158.602	3.087.033	3.245.635	230.714	2.925.405	3.156.119
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		158.602	3.087.033	3.245.635	230.714	2.925.405	3.156.119
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(7)	1.738.286	40.971	1.779.257	1.367.826	40.791	1.408.617
<b>X. PROVISIONS</b>	(9)	34.775.331	1.602.853	36.378.184	48.706.257	32.511	48.738.768
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		6.890.591	-	6.890.591	6.744.741	-	6.744.741
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		27.884.740	1.602.853	29.487.593	41.961.516	32.511	41.994.027
<b>XI. CURRENT TAX LIABILITY</b>	(10)	7.687.393	29.012	7.716.405	7.769.264	29.300	7.798.564
<b>XII. DEFERRED TAX LIABILITY</b>	(10)	2.904.543	-	2.904.543	279.092	-	279.092
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS” (Net)</b>	(11)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	(12)	-	30.498.394	30.498.394	-	28.949.062	28.949.062
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	30.498.394	30.498.394	-	28.949.062	28.949.062
<b>XV. OTHER LIABILITIES</b>	(6)	60.480.248	11.814.719	72.294.967	45.004.077	11.510.559	56.514.636
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	285.225.771	(24.145.441)	261.080.330	227.943.969	(25.464.106)	202.479.863
16.1 Paid-in capital		84.600.000	-	84.600.000	34.900.000	-	34.900.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		37.167.508	(5.537.991)	31.629.517	40.631.246	(5.661.848)	34.969.398
16.4 Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		41.793.379	(18.607.450)	23.185.929	37.318.737	(19.802.258)	17.516.479
16.5 Profit Reserves		73.956.519	-	73.956.519	73.956.519	-	73.956.519
16.5.1 Legal Reserves		5.779.782	-	5.779.782	5.779.782	-	5.779.782
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		68.176.737	-	68.176.737	68.176.737	-	68.176.737
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		47.708.365	-	47.708.365	41.137.467	-	41.137.467
16.6.1 Prior Periods' Profit or (Loss)		41.162.132	-	41.162.132	45.090	-	45.090
16.6.2 Current Period Profit or (Loss)		6.546.233	-	6.546.233	41.092.377	-	41.092.377
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1.559.707.317</b>	<b>1.069.847.100</b>	<b>2.629.554.417</b>	<b>1.281.689.080</b>	<b>1.029.975.944</b>	<b>2.311.665.024</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS**  
**AS OF 31 MARCH 2023**

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

III.	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 March 2023			Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>692.361.285</b>	<b>993.870.453</b>	<b>1.686.231.738</b>	<b>443.044.881</b>	<b>926.343.332</b>	<b>1.369.388.213</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>195.049.354</b>	<b>285.479.305</b>	<b>480.528.659</b>	<b>139.416.948</b>	<b>275.237.703</b>	<b>414.654.651</b>
1.1	Letters of Guarantee		152.350.038	211.420.216	363.770.254	123.250.008	197.439.272	320.689.280
1.1.1	Guarantees Subject to State Tender Law		4.071.129	31.966.956	36.038.085	3.652.771	28.243.145	31.895.916
1.1.2	Guarantees Given for Foreign Trade Operations		122.881.968	149.374.063	272.256.031	97.271.017	133.916.200	231.187.217
1.1.3	Other Letters of Guarantee		25.396.941	30.079.197	55.476.138	22.326.220	35.279.927	57.606.147
1.2	Bank Acceptances		2.066.905	8.616.637	10.683.542	1.808.014	10.394.731	12.202.745
1.2.1	Import Letter of Acceptance		2.066.905	8.598.027	10.664.932	1.808.014	10.376.020	12.184.034
1.2.2	Other Bank Acceptances		-	18.610	18.610	-	18.711	18.711
1.3	Letters of Credit		861.891	64.468.083	65.329.974	1.446.907	65.974.036	67.420.943
1.3.1	Documentary Letters of Credit		861.891	64.424.016	65.285.907	1.446.907	65.931.029	67.377.936
1.3.2	Other Letters of Credit		-	44.067	44.067	-	43.007	43.007
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		39.770.520	974.369	40.744.889	12.912.019	1.429.664	14.341.683
1.5.1	Endorsements to the Central Bank of Türkiye		39.770.520	974.369	40.744.889	12.912.019	1.429.664	14.341.683
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>(1)</b>	<b>388.925.252</b>	<b>87.324.010</b>	<b>476.249.262</b>	<b>198.675.812</b>	<b>27.851.451</b>	<b>226.527.263</b>
2.1	Irrevocable Commitments		388.925.252	87.324.010	476.249.262	198.675.812	27.851.451	226.527.263
2.1.1	Asset Purchase and Sales Commitments		75.815.546	82.026.131	157.841.677	16.255.671	22.607.820	38.863.491
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		150.000	-	150.000	-	-	150.000
2.1.4	Loan Granting Commitments		60.491.060	2.157	60.493.217	51.521.682	3.956	51.525.638
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		17.083.579	-	17.083.579	10.117.968	-	10.117.968
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		208.471.181	-	208.471.181	100.861.357	-	100.861.357
2.1.10	Commitments for Credit Cards and Banking Services Promotions		250.685	-	250.685	162.372	-	162.372
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		26.663.201	5.295.722	31.958.923	19.606.762	5.239.675	24.846.437
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>108.386.679</b>	<b>621.067.138</b>	<b>729.453.817</b>	<b>104.952.121</b>	<b>623.254.178</b>	<b>728.206.299</b>
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		108.386.679	621.067.138	729.453.817	104.952.121	623.254.178	728.206.299
3.2.1	Forward Foreign Currency Buy/Sell Transactions		162.401	2.829.320	2.991.721	1.079.526	1.022.713	2.102.239
3.2.1.1	Forward Foreign Currency Transactions-Buy		81.455	1.415.288	1.496.743	898.509	229.297	1.127.806
3.2.1.2	Forward Foreign Currency Transactions-Sell		80.946	1.414.032	1.494.978	181.017	793.416	974.433
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		106.575.218	609.298.329	715.873.547	100.584.309	610.138.769	710.723.078
3.2.2.1	Foreign Currency Swap-Buy		9.148.442	299.652.932	308.801.374	22.688.302	282.745.839	305.434.141
3.2.2.2	Foreign Currency Swap-Sell		97.276.776	206.732.547	304.009.323	77.616.007	222.289.742	299.905.749
3.2.2.3	Interest Rate Swap-Buy		75.000	51.456.425	51.531.425	140.000	52.551.594	52.691.594
3.2.2.4	Interest Rate Swap-Sell		75.000	51.456.425	51.531.425	140.000	52.551.594	52.691.594
3.2.3	Foreign Currency, Interest rate and Securities Options		1.649.060	8.939.489	10.588.549	2.588.463	11.531.741	14.120.204
3.2.3.1	Foreign Currency Options-Buy		824.530	4.469.744	5.294.274	1.205.579	5.851.074	7.056.653
3.2.3.2	Foreign Currency Options-Sell		824.530	4.469.745	5.294.275	1.382.884	5.680.667	7.063.551
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	699.823	560.955	1.260.778
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	560.955	560.955
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	699.823	-	699.823
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>3.995.284.910</b>	<b>987.409.515</b>	<b>4.982.694.425</b>	<b>3.379.520.046</b>	<b>847.760.601</b>	<b>4.227.280.647</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>636.750.346</b>	<b>209.708.493</b>	<b>846.458.839</b>	<b>585.210.290</b>	<b>198.435.705</b>	<b>783.645.995</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		16.122.682	95.897.280	112.019.962	23.400.765	84.080.210	107.480.975
4.3	Cheques Received for Collection		61.620.749	2.442.914	64.063.663	54.866.609	2.720.301	57.586.910
4.4	Commercial Notes Received for Collection		43.210.088	1.999.855	45.209.943	37.245.905	2.216.300	39.462.205
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		353.615.417	22.063.711	375.679.128	370.354.780	4.478.652	374.833.432
4.7	Other Items Under Custody		162.170.945	87.304.733	249.475.678	99.331.766	104.940.242	204.272.008
4.8	Custodians		1.649	-	1.649	1.649	-	1.649
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>3.356.392.677</b>	<b>764.192.331</b>	<b>4.120.585.008</b>	<b>2.792.249.655</b>	<b>638.206.635</b>	<b>3.430.456.290</b>
5.1	Marketable Securities		3.634.082	4.140.151	7.774.233	3.633.077	3.962.984	7.596.061
5.2	Guarantee Notes		43.293.089	4.649.888	47.942.977	37.835.013	4.706.254	42.541.267
5.3	Commodity		919.630	292.832	1.212.462	919.630	283.969	1.203.599
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		2.799.809.183	488.619.228	3.288.428.411	2.292.712.885	394.481.029	2.687.193.914
5.6	Other Pledged Items		508.731.484	266.420.293	775.151.777	457.143.841	234.704.393	691.848.234
5.7	Pledged Items-Depository		5.209	69.939	75.148	5.209	68.006	73.215
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>2.141.887</b>	<b>13.508.691</b>	<b>15.650.578</b>	<b>2.060.101</b>	<b>11.118.261</b>	<b>13.178.362</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>4.687.646.195</b>	<b>1.981.279.968</b>	<b>6.668.926.163</b>	<b>3.822.564.927</b>	<b>1.774.103.933</b>	<b>5.596.668.860</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AS OF 31 MARCH 2023**

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

IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1 January- 31 March 2023	Prior Period 1 January- 31 March 2022
<b>I. INTEREST INCOME</b>	(1)	<b>58.294.967</b>	<b>35.249.515</b>
1.1 Interest on Loans		39.004.547	23.331.289
1.2 Interest on Reserve Requirements		2.896	368.517
1.3 Interest on Banks		1.396.408	50.473
1.4 Interest on Money Market Transactions		14.777	88
1.5 Interest on Marketable Securities Portfolio		17.631.268	11.347.212
1.5.1 Fair Value Through Profit or Loss		183.849	141.198
1.5.2 Fair Value Through Other Comprehensive Income		11.110.200	9.280.584
1.5.3 Measured at Amortised Cost		6.337.219	1.925.430
1.6 Financial Lease Interest Income		-	-
1.7 Other Interest Income		245.071	151.936
<b>II. INTEREST EXPENSE (-)</b>	(2)	<b>38.724.205</b>	<b>17.757.996</b>
2.1 Interest on Deposits		30.486.527	12.650.735
2.2 Interest on Funds Borrowed		1.556.472	418.791
2.3 Interest Expense on Money Market Transactions		1.754.234	3.446.144
2.4 Interest on Securities Issued		908.977	682.921
2.5 Interest on Leases		61.496	38.047
2.6 Other Interest Expenses		3.956.499	521.358
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>19.570.762</b>	<b>17.491.519</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>5.411.723</b>	<b>2.244.156</b>
4.1 Fees and Commissions Received		6.770.967	3.005.920
4.1.1 Non-cash Loans		957.269	470.119
4.1.2 Other		5.813.698	2.535.801
4.2 Fees and Commissions Paid (-)		1.359.244	761.764
4.2.1 Non-cash Loans		262	218
4.2.2 Other		1.358.982	761.546
<b>V. DIVIDEND INCOME</b>		<b>-</b>	<b>805</b>
<b>VI. TRADING PROFIT/(LOSS) (Net)</b>	(3)	<b>(177.099)</b>	<b>163.963</b>
6.1 Trading Gains / (Losses) on Securities		(582.423)	447.598
6.2 Gains / (Losses) on Derivative Financial Transactions		(2.159.466)	(1.807.278)
6.3 Foreign Exchange Gains / (Losses)		2.564.790	1.523.643
<b>VII. OTHER OPERATING INCOME</b>	(4)	<b>21.170.816</b>	<b>1.698.339</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>45.976.202</b>	<b>21.598.782</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	(5)	<b>2.408.400</b>	<b>3.851.647</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	(5)	<b>125.916</b>	<b>1.976.778</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>5.200.463</b>	<b>2.035.677</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	(6)	<b>30.208.230</b>	<b>3.125.262</b>
<b>XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>8.033.193</b>	<b>10.609.418</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>	(7)	<b>8.033.193</b>	<b>10.609.418</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(8)	<b>(1.486.960)</b>	<b>(3.880.632)</b>
18.1 Current Tax Provision		(32.903)	(12.584.667)
18.2 Deferred Tax Expense Effect (+)		(5.434.141)	(875.536)
18.3 Deferred Tax Income Effect (-)		3.980.084	9.579.571
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	(9)	<b>6.546.233</b>	<b>6.728.786</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
20.3 Income from Other Discontinued Operations		-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
<b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/(LOSS) (XIX+XXIV)</b>	(10)	<b>6.546.233</b>	<b>6.728.786</b>
Earnings/(Loss) per share (in TL full)		0,182	0,385

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.****TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME AS OF 31 MARCH 2023**

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

V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period	Prior Period
	1 January-31 March 2023	1 January-31 March 2022
<b>I. PROFIT (LOSS)</b>	<b>6.546.233</b>	<b>6.728.786</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>2.329.569</b>	<b>24.291.360</b>
<b>2.1 Other Comprehensive Income That will Not Be Reclassified To Profit or Loss</b>	<b>(3.339.881)</b>	<b>1.573.488</b>
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	(46.646)	(35.304)
2.1.2 Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(4.008.217)	2.003.412
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	714.982	(394.620)
<b>2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss</b>	<b>5.669.450</b>	<b>22.717.872</b>
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	7.555.826	28.394.401
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	(1.886.376)	(5.676.529)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>8.875.802</b>	<b>31.020.146</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 MARCH 2023**

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			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				
<b>CURRENT PERIOD</b>														
<b>31 March 2023</b>														
<b>I. Prior Period End Balance</b>	34.900.000	-	-	-	13.239.005	(2.780.427)	24.510.820	-	17.516.479	-	73.956.519	41.137.467	-	202.479.863
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	34.900.000	-	-	-	13.239.005	(2.780.427)	24.510.820	-	17.516.479	-	73.956.519	41.137.467	-	202.479.863
<b>IV. Total Comprehensive Income (loss)</b>	-	-	-	-	(407.261)	-	(2.932.620)	-	5.669.450	-	-	-	6.546.233	8.875.802
<b>V. Capital Increase in Cash</b>	49.700.000	-	-	-	-	-	-	-	-	-	-	-	-	49.700.000
<b>VI. Capital Increase Through Internal Reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase / (decrease) Through Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	24.665	-	24.665
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	84.600.000	-	-	-	12.831.744	(2.780.427)	21.578.200	-	23.185.929	-	73.956.519	41.162.132	6.546.233	261.080.330

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

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

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

4. Exchange Differences on Translation

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 31 MARCH 2022**

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

VII. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			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				
<b>PRIOR PERIOD</b>														
<b>31 March 2022</b>														
<b>I. Prior Period End Balance</b>	<b>13.100.000</b>	-	-	-	<b>4.760.771</b>	<b>203.462</b>	<b>10.889.174</b>	-	<b>(5.835.815)</b>	-	<b>67.627.159</b>	<b>6.355.008</b>	-	<b>97.099.759</b>
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	<b>13.100.000</b>	-	-	-	<b>4.760.771</b>	<b>203.462</b>	<b>10.889.174</b>	-	<b>(5.835.815)</b>	-	<b>67.627.159</b>	<b>6.355.008</b>	-	<b>97.099.759</b>
<b>IV. Total Comprehensive Income (loss)</b>	-	-	-	-	<b>(31.773)</b>	-	<b>1.605.261</b>	-	<b>22.717.872</b>	-	-	-	<b>6.728.786</b>	<b>31.020.146</b>
<b>V. Capital Increase in Cash</b>	<b>21.800.000</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>21.800.000</b>
<b>VI. Capital Increase Through Internal Reserves</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in Capital Inflation Adjustment Difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase / (decrease) Through Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	<b>34.890</b>	-	<b>34.890</b>
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	<b>25.648</b>	-	-	-	<b>6.329.360</b>	<b>(6.355.008)</b>	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	<b>6.291.309</b>	<b>(6.291.309)</b>	-	-	-
11.3 Other	-	-	-	-	-	-	<b>25.648</b>	-	-	<b>38.051</b>	<b>(63.699)</b>	-	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>34.900.000</b>	-	-	-	<b>4.728.998</b>	<b>203.462</b>	<b>12.520.083</b>	-	<b>16.882.057</b>	-	<b>73.956.519</b>	<b>34.890</b>	<b>6.728.786</b>	<b>149.954.795</b>

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

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

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

4. Exchange Differences on Translation

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF 31 MARCH 2023**

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

<b>VII. STATEMENT OF CASH FLOWS</b>	<b>Note</b>	<b>Current Period 1 January- 31 March 2023</b>	<b>Prior Period 1 January- 31 March 2022</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 <b>Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>12.654.669</b>	<b>9.387.478</b>
1.1.1 Interest Received		54.017.608	29.837.482
1.1.2 Interest Paid		(38.117.276)	(15.439.201)
1.1.3 Dividend Received		-	805
1.1.4 Fees and Commissions Received		11.018.385	4.122.847
1.1.5 Other Income		438.511	1.055.895
1.1.6 Collections from Previously Written-off Loans and Other Receivables		903.135	1.176.965
1.1.7 Cash Payments to Personnel and Service Suppliers		(5.746.924)	(2.857.025)
1.1.8 Taxes Paid		-	(98.917)
1.1.9 Other		(9.858.770)	(8.411.373)
1.2 <b>Changes in Operating Assets and Liabilities</b>		<b>26.567.806</b>	<b>(54.218.218)</b>
1.2.1 Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(7.564.593)	(967.008)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(294.337)	(12.080.771)
1.2.3 Net (Increase) / Decrease in Loans		(150.300.275)	(59.870.655)
1.2.4 Net (Increase) / Decrease in Other Assets		(20.324.728)	(3.369.765)
1.2.5 Net Increase / (Decrease) in Bank Deposits		2.208.368	(2.467.981)
1.2.6 Net Increase / (Decrease) in Other Deposits		142.748.503	85.982.178
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		(9.446.452)	1.973.849
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		69.541.320	(63.418.065)
<b>I. Net Cash Provided from Banking Operation</b>		<b>39.222.475</b>	<b>(44.830.740)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>(106.113.302)</b>	<b>(28.348.423)</b>
2.1 Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(119.286)	(436.857)
Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	-
2.2 Purchases of Property and Equipment		(738.662)	(201.973)
2.3 Disposals of Property and Equipment		12.870	827.877
2.4 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(39.420.203)	(9.936.997)
2.5 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		21.609.966	7.868.752
2.6 Purchase of Financial Assets Measured at Amortized Cost		(89.883.562)	(26.839.405)
2.7 Sale of Financial Assets Measured at Amortized Cost		2.425.575	370.180
2.8 Other		-	-
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>58.463.320</b>	<b>22.721.793</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		10.016.754	1.105.108
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(1.091.163)	(97.820)
3.3 Issued Equity Instruments		49.700.000	21.800.000
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(162.271)	(85.495)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>2.139.978</b>	<b>617.501</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(6.287.529)</b>	<b>(49.839.869)</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>196.275.719</b>	<b>100.775.019</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>189.988.190</b>	<b>50.935.150</b>

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



# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### 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”) Interim Financial Reporting Standard 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 under the historical cost convention, except for the financial assets and liabilities carried at fair value.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### I. BASIS OF PRESENTATION (Continued)

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 March 2023, by taking into account the change in probability of default and loss given default.

In this context, the Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters. The Bank increased the weight of the adverse scenario in the expected credit loss calculation.

On January 20, 2022, the Public Oversight Authority made a statement on whether the Financial Reporting Standard (“TAS 29”) in Hyperinflationary Economies shall be applied within the scope of Türkiye Financial Reporting Standards. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of the preparation date of these financial statements, no new announcement has been made by the Public Oversight Authority in this context, and no inflation adjustment has been made in the financial statements dated 31 March 2023 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies.

The Bank has a subsidiary operating in Russia with the title of “Ziraat Bank (Moscow) JSC”. The tension between Russia and Ukraine for a long time turned into a hot conflict in the first quarter of 2022. In the process that started with Russia's intervention in Ukraine, international sanctions against the Russian Federation and countermeasures implemented by Russia against them had significant effects on financial markets. Ziraat Bank (Moscow) JSC, the subsidiary of the bank, did not encounter any difficulties.

The new measures and practices introduced by the Central Bank of Russia were especially aimed at reducing the foreign exchange outflow from the country and keeping the credit channels provided to the real sector open. All financial services previously provided by Ziraat Bank (Moscow) JSC are maintained in line with the rules of the local regulatory authority.

The crisis is not expected to have a negative impact on the Bank's operations. Developments that may occur on a global scale, their possible repercussions on the global and regional economy, and their effects on the Bank's operations are closely monitored and considered with the best estimation approach in the preparation of financial statements.

#### Benchmark Interest Rate Reform

The Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, has been implemented. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. The Bank has participated in international protocols within the scope of IBOR transformation. Indicator Interest Rates have started to be used in new transactions with variable interest rates, and contract amendment processes regarding existing transactions are continuing. In addition, real and legal person customers who use Reference Interest Rates such as USD LIBOR, EUR LIBOR, GBP LIBOR, JPY LIBOR, EURIBOR, or TRLIBOR in the calculation of interest rates in loan, derivative products and securities transactions regarding the changes in Reference Interest Rates has been informed on the website. The date on which the publication of LIBOR benchmark interest rates in US Dollars (USD) for overnight, 1-month, 3-month, 6-month and 12-month maturities will cease to be published or will cease to be representative is June 30, 2023.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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 336.627 thousand (31 December 2022: EUR 336.627 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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### 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 Türkiye Accounting Standard 27 (TAS 27)" and the scope of TFRS 9 Financial Instruments Standard. The fair values were determined with the valuation reports prepared for the mentioned partnerships and the changes in the fair values were accounted under equity as of the valuation date.

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

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

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

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

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by taking into account the market values or by applying the cash flow model discounted with market rates.

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

#### V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

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

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

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

#### VII. EXPLANATIONS ON FINANCIAL ASSETS

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

The Bank classifies and recognizes its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at 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.

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

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

Financial Assets at Fair value through profit or loss are the assets that are managed by 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 Türkiye, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank's portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

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

##### **Financial Assets at Measured at Amortized Cost**

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

Measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the effective interest rate method. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

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

The estimated inflation rate used during the year can be updated if necessary. In this context, as of March 31, 2023, the valuation of the assets was made according to the annual inflation forecast of 25%. At the end of the year, the actual inflation rate is used. A 5% increase in the CPI estimate will increase pre-tax profit by TL 1.583 billion as of March 31, 2023, while a 5% decrease will decrease it by TL 1.650 billion.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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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. The repayments of foreign exchange indexed loans, which were extended in TL at the Bank's counter foreign exchange buying rate valid on the date of use, are collected in TL equivalents calculated over the Bank's counter foreign exchange selling rate valid on the installment collection date.

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

##### Explanations on Expected Loss Provisions

The Bank sets aside the expected loss provision for its loans and receivables by taking into consideration the “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside” published in the Official Gazette dated 22 June 2016 and numbered 29750. In this context, the Bank takes into consideration the general structure of the loan portfolio, the financial structure of the customers, the non-financial data, and the economic conjuncture in line with the credit risk policies and prudence principle when determining its estimates.

In calculating the expected loss provision for its loans, the Bank has also taken into account the possible difficulties that the uncertainties related to the earthquake disaster experienced on 6 February 2023 may cause in the cash flows or payments of the customers.

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

- 12-Month Expected Loss Provision (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2 and Stage 3) is applied when there is a significant increase in credit risk.

In addition, the Bank made provision on the model outputs for customer groups, which it believed that the model did not statistically respond to credit risk factors, using expert opinion. The reserve will be reviewed in the following reporting periods, taking into account the loan portfolio and changes in future expectations.

##### Impairment

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans, and securities) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument and the following aspects are important for the measurement.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Impairment (Continued)

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Time value of the money,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions at the time of reporting.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

##### *12 Month Expected Credit Losses (Stage 1)*

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

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

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

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

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

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

Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Bank considers the debt to be in default in the following two cases:

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information.
- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.



**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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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)*

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

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

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

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

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

**Probability of Default (PD)**

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

**Exposure at Default (EAD)**

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

**Loss Given Default (LGD)**

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

**Future Expectations**

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. The Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during the estimation are the Gross Domestic Product (GDP) and the Consumer Price Index (CPI), and the risk parameters are updated if deemed necessary, taking into account the compatibility with the portfolio. In addition to macroeconomic indicators, the Bank preferred the precautionary approach by adding expert opinion while creating macroeconomic models, taking into account the economic conditions, and the numerical effects of these risks were also included in the models.

**The Methodology of Behavioral Maturity Calculation**

The loans in Stage 1, expected loss provision is calculated until their maturity for the ones which have less than one year to due date and for 1 year which have more than one year to due date. The loans in Stage 2, expected loss provision is calculated for lifetime (until maturity date) of the loan. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products with no maturity information. Expected loss provisions are calculated based on these maturities depending on the type of loan.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Write-off Policy

The amendment with respect to the regulation "Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These" entered into force with its publication in the Official Gazette No.31533 on 6 July 2021. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) within the period deemed appropriate by the bank specific to the situation of the debtor, if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable.

#### IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

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

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

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

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

#### XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND RELATED TO 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.

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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS (Continued)

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

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

#### XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were revalued over their remaining amounts after deducting the accumulated depreciation and, if any, the accumulated depreciation from the cost value in the period following their recording.

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

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

#### XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014, the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. The valuation differences resulting from the valuations of real estates made by independent appraisal firms are accounted for in the revaluation differences account of tangible fixed assets under shareholders' equity.

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

	Estimated Useful Lives (Year)	Amortization Rate
Buildings	50	2%
Safe-deposit boxes	50	2%
Other movable properties	3-15	4-33,33%
Assets held under leases	4-5	20-25%

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

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

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

#### XIV. EXPLANATIONS ON LEASING TRANSACTIONS

##### Leases in TFRS 16

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

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

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

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

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

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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

##### Leases in TFRS 16 (Continued)

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

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

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

#### XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

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

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

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

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

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

### 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 time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 31 March 2023, retirement benefit obligation is TL 6.205.656 (31 December 2022: TL 5.997.944).

	Current Period	Prior Period
Discount Rate	10,60%	19,20%
Inflation	10,08%	14,30%

The Bank recognize its actuarial profit and loss under shareholders’ equity in accordance with the revised TAS 19 Turkish Accounting Standard for Employee Benefits, which entered into force as of January 1, 2013. The Bank has reclassified actuarial loss of TL 2.780.427 after deferred tax effect under shareholders’ equity in the financials (31 December 2022: TL 2.780.427 loss).

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

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

##### Liability of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund

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

With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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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 (Continued)

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 2022 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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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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..

However;

- Pursuant to Article 25 of Law No. 7394 published in the Official Gazette dated April 15, 2022 and numbered 31810; Corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. This provision entered into force on April 15, 2022 to be applied to corporate earnings for the 2022 taxation period, and as of December 31, 2022, the corporate tax rate was applied as 25% in the financial statements.

The corporate tax rate is applied to the tax base to be found as a result of the addition of the non-deductible expenses in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Türkiye or to resident corporations are not subject to withholding tax. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations calculate advance tax quarterly on their financial profits at the corporate tax rate valid for that year and declare and pay until the 17th day of the second month following that period. Advance tax paid by corporations for the current period is offset against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be used to offset any other financial liabilities to the government.

According to 5.1.e. article of Corporation Tax Law which is important tax exemption that is applied by banks, corporations' 50% of revenues that occur from selling of their real estates, are in assets, that belong to the corporations at least two years (730 days), 75% of revenues that occur from selling their founding bonds that are belong to the corporations as long as time of participation stocks, redeemed shares and option to call are exempted from corporation tax (It was changed with 89th article of code 7061 that entries into force in 5 December 2017).



# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XVII. EXPLANATIONS ON TAXATION (Continued)

##### Current Tax (Continued)

This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered tax loss.

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

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warranters' real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors' revenues that used for against debts or transferring to SDIF, 50% of the profits arising from the sale of the said assets obtained by the banks in this way, and 75% of the profits arising from the sale of others are exempted from corporation tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the end of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings. As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met. It has been enacted that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XVII. EXPLANATIONS ON TAXATION (Continued)

##### Deferred Tax

The Bank calculates deferred tax for the temporary differences between the applied accounting policies and valuation principles and the tax base value determined in accordance with the tax legislation, in accordance with TAS 12 “Turkish Accounting Standard on Income Taxes”, taking into account the additional regulation introduced with the Law No. 7316 dated April 22, 2021. and accounting.

With the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 2022 and numbered 31810, and the Law on Amendments to Some Laws and Decree-Laws, Article 26 With the paragraph added to the temporary article 13 of the Corporate Tax Law No. 5520, it is stated that the Corporate Tax rate will be rearranged for the corporate earnings of the 2022 taxation period and the tax rate will be applied as 25% for the banks.

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation. As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, As of 31 March 2023, the Bank has deferred tax calculations were made based on rates varying 25% on assets and liabilities. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled, or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity.

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XVII. EXPLANATIONS ON TAXATION (Continued)

##### Deferred Tax (Continued)

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 is not calculated.

#### XVIII. EXPLANATIONS ON BORROWING

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

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

#### XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank.

#### XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

#### XXI. EXPLANATIONS ON GOVERNMENT GRANTS

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

#### XXII. CASH AND CASH EQUIVALENTS

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

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

#### XXIII. EXPLANATIONS ON SEGMENT REPORTING

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

#### XXIV. EXPLANATIONS ON OTHER MATTERS

##### *Profit Distribution*

As the Bank's Ordinary General Assembly Meeting for 2022 has not been held as of the report date, profit distribution for 2022 has not been made yet.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

### SECTION FOUR

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

##### I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY

Shareholders' equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the following regulations of the BRSA.

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 28 April 2022 and numbered 10188, the Central Bank's foreign exchange buying rate of 31 December 2022 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- Within the framework of the regulation dated December 21, 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of “Financial Assets at Fair Value through Other Comprehensive Income” are negative, these differences may not be taken into consideration in the calculation of equity amount. The said exception was not used in the calculation of equity on 31 March 2023.

As of 31 March 2023, Bank’s total regulatory capital has been calculated as TL 308.137.990 (31 December 2022: TL 244.685.816), capital adequacy ratio is 16,35% (31 December 2022: 16,53%). This ratio is well above the minimum ratio required by the legislation.

##### 1. Information Related to The Components of Shareholders’ Equity

	Current Period 31 March 2023	Prior Period 31 December 2022
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	84.600.000	34.900.000
Share issue premiums	-	-
Reserves	73.956.519	73.956.519
Gains recognized in equity as per TAS	82.585.863	81.600.342
Profit	47.708.365	41.137.467
Current Period Profit	6.546.233	41.092.377
Prior Period Profit	41.162.132	45.090
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	573.509	279.341
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>289.424.256</b>	<b>231.873.669</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	28.343.926	29.393.805
Improvement costs for operating leasing	10.010	10.269
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.548.820	2.272.601
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

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

	Current Period 31 March 2023	Prior Period 31 December 2022
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>30.902.756</b>	<b>31.676.675</b>
<b>Total Common Equity Tier I Capital</b>	<b>258.521.500</b>	<b>200.196.994</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	29.119.860	27.979.840
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>29.119.860</b>	<b>27.979.840</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of 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 (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>29.119.860</b>	<b>27.979.840</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>287.641.360</b>	<b>228.176.834</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	20.520.369	16.524.427
<b>Tier II Capital Before Deductions</b>	<b>20.520.369</b>	<b>16.524.427</b>
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>20.520.369</b>	<b>16.524.427</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>308.161.729</b>	<b>244.701.261</b>

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2023

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

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

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

##### 1. Information Related to The Components Of Shareholders' Equit (Continued)

	Current Period 31 March 2023	Prior Period 31 December 2022
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>308.161.729</b>	<b>244.701.261</b>
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	23.739	15.445
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	308.137.990	244.685.816
Total Risk Weighted Assets	1.884.379.685	1.480.273.848
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	13,72	13,52
Tier I Capital Ratio (%)	15,27	15,42
Capital Adequacy Ratio (%)	16,35	16,53
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2,528	2,531
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific countercyclical buffer requirement (%)	0,028	0,031
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,22	9,02
<b>Amounts Lower than Excesses as per Deduction Rules</b>		
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	316.403	311.791
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	139.177	135.876
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	-	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per the thousand)	39.285.159	44.106.096
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	20.520.369	16.524.427
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	-	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)</b>		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(\*) 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**  
**(Continued)**

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

**2. Items Included in Capital Calculation**

<b>Information about instruments included in total capital calculation-Current Period</b>	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN etc.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TLmillion, as of most recent reporting date)	29.120
Nominal value of instrument (TL million)	29.120
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24.04.2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24.04.2019
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	24.04.2024
<b>Interest/dividend payment</b>	
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
<b>Convertible into equity shares</b>	
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
<b>Write-down feature</b>	
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 incompliance 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**  
**(Continued)**

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance Sheet - Equity</b>	<b>261.080.330</b>	<b>202.479.863</b>
Operational Leasing Development Costs	(10.010)	(10.269)
Goodwill and Other Intangible Assets and Related		
Deferred Taxes Liabilities	(2.548.820)	(2.272.601)
TIER 2 Capital (Provisions)	20.520.369	16.524.427
Debt Instruments and the Related Issuance Premiums		
Defined by the BRSA TIER 2 Capital (Provisions)	29.119.860	27.979.840
Other deductions from common equity	(23.739)	(15.445)
Other regulations	-	-
<b>Amount recognized in regulatory capital</b>	<b>308.137.990</b>	<b>244.685.816</b>

**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 Director**

The Bank’s policy is to avoid carrying significant position by means of foreign currency management. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, Value at Risk (VAR) is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit approved by the Board of Directors is also monitored on daily basis. Additionally, dealer’s position and operational limits for foreign exchange transactions are under the authorization of the Board of Directors.

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

None.



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

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

**3. Management Policy for Foreign Currency Risk**

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

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.03.2023	19,0339	20,4611	12,6421	2,7327	1,8247	20,7187	13,8148	1,8122	23,2601	5,0672	14,5876
27.03.2023	19,0724	20,5562	12,6677	2,7399	1,8365	20,7981	13,9240	1,8153	23,4023	5,0788	14,5057
28.03.2023	19,0708	20,6580	12,7692	2,7737	1,8418	20,6965	13,9976	1,8344	23,4974	5,0785	14,5621
29.03.2023	19,1120	20,6911	12,7773	2,7784	1,8366	20,7734	14,0698	1,8334	23,5284	5,0875	14,4367
30.03.2023	19,1410	20,8850	12,8261	2,8042	1,8485	20,9546	14,1426	1,8397	23,6844	5,0968	14,4160
31.03.2023	19,1595	20,7999	12,7962	2,7930	1,8491	20,9616	14,1436	1,8300	23,6398	5,1020	14,3704

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

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
18,9641	20,2897	12,6626	2,7135	1,8084	20,4976	13,8511	1,7998	23,0099	5,0505	14,2090

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**(Continued)**

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

**6. Information on The Foreign Currency Risk of The Bank**

	EUR	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Türkiye	99.317.813	191.955.155	47.209.752	338.482.720
Banks <sup>(6)</sup>	3.227.032	8.414.693	3.087.189	14.728.914
Financial Assets at Fair Value Through Profit and Loss	27.561	1.453.296	30.962.304	32.443.161
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	14.551.366	192.318.298	293.865	207.163.529
Loans <sup>(1)</sup>	158.474.540	187.207.475	362.410	346.044.425
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	3.469.963	4.838.656	-	8.308.619
Financial Assets Measured at Amortised Cost	35.416.938	10.678.539	191.830	46.287.307
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	36.686	7.257	60.075	104.018
Intangible Assets	11.657	9.783	22.088	43.528
Other Assets <sup>(3)</sup>	1.340.536	6.491.275	199.229	8.031.040
<b>Total Assets <sup>(4)</sup></b>	<b>315.874.092</b>	<b>603.374.427</b>	<b>82.388.742</b>	<b>1.001.637.261</b>
<b>Liabilities</b>				
Interbank Deposits	28.308.009	8.360.720	712.674	37.381.403
Foreign Currency Deposits	329.925.225	356.419.979	134.678.984	821.024.188
Money Market Borrowings	7.827.489	44.073.283	-	51.900.772
Funds Provided from Other Financial Institutions	38.359.483	61.861.962	-	100.221.445
Issued Marketable Securities <sup>(5)</sup>	30.498.394	35.301.858	1.089.893	66.890.145
Miscellaneous Payables	4.451.247	1.251.566	48.288	5.751.101
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	3.287.255	6.783.950	752.282	10.823.487
<b>Total Liabilities</b>	<b>442.657.102</b>	<b>514.053.318</b>	<b>137.282.121</b>	<b>1.093.992.541</b>
<b>Net Balance Sheet Position</b>	<b>(126.783.010)</b>	<b>89.321.109</b>	<b>(54.893.379)</b>	<b>(92.355.280)</b>
<b>Net Off-Balance Sheet Position <sup>(2)</sup></b>	<b>123.091.326</b>	<b>(85.501.574)</b>	<b>55.331.888</b>	<b>92.921.640</b>
Financial Derivative Assets	145.888.036	149.948.122	61.158.231	356.994.389
Financial Derivative Liabilities	22.796.710	235.449.696	5.826.343	264.072.749
<b>Non-Cash Loans</b>	<b>97.689.974</b>	<b>165.112.672</b>	<b>22.676.659</b>	<b>285.479.305</b>
<b>Prior Period</b>				
Total Assets	302.354.197	625.330.476	71.218.584	998.903.257
Total Liabilities	435.412.765	504.715.466	115.311.819	1.055.440.050
<b>Net Balance Sheet Position</b>	<b>(133.058.568)</b>	<b>120.615.010</b>	<b>(44.093.235)</b>	<b>(56.536.793)</b>
<b>Net Off-Balance Sheet Position <sup>(2)</sup></b>	<b>130.762.635</b>	<b>(114.769.780)</b>	<b>44.630.485</b>	<b>60.623.340</b>
Financial Derivative Assets	160.463.664	131.768.443	49.706.652	341.938.759
Financial Derivative Liabilities	29.701.029	246.538.223	5.076.167	281.315.419
<b>Non-Cash Loans</b>	<b>96.706.419</b>	<b>155.445.406</b>	<b>23.085.878</b>	<b>275.237.703</b>

(1) TL 25.414 (31 December 2022: TL 26.837) equivalent of loans granted is USD and TL 6.295 (31 December 2022: TL 6.049) equivalent of EUR balance is caused by foreign currency indexed loans

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

(3) Prepaid expenses in other assets amounting to TL 10.825 are not included in the table.

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

(5) Includes subordinated debt instruments.

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

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

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

**6. EXPLANATIONS ON THE CURRENCY RISK (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 three-month accounting periods ending on 31 March 2023 and 31 March 2022 is shown in the table below.

This analysis has been prepared with the assumption that all other variables, especially interest rates, remain constant.

	Current Period - 31 March 2023		Prior Period - 31 March 2022	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	3.044	(480.822)	(312.065)	(593.428)
EUR	(543.206)	(890.202)	(45.636)	(434.834)
Other currencies	(45.320)	(45.320)	6.137	6.137
<b>Total (Net) (**)</b>	<b>(585.482)</b>	<b>(1.416.344)</b>	<b>(351.564)</b>	<b>(1.022.125)</b>

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

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

The effect of 10% appreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the three-month accounting periods ending on 31 March 2023 and 31 March 2022 is shown in the table below.

	Current Period - 31 March 2023		Prior Period - 31 March 2022	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	(3.044)	480.822	312.065	593.428
EUR	543.206	890.202	45.636	434.834
Other currencies	45.320	45.320	(6.137)	(6.137)
<b>Total (Net) (**)</b>	<b>585.482</b>	<b>1.416.344</b>	<b>351.564</b>	<b>1.022.125</b>

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

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT**  
**(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
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	28.480.070	-	-	-	-	343.483.703	371.963.773
Banks <sup>(7)</sup>	4.286.542	238.483	182.335	-	-	10.297.882	15.005.242
Financial Assets at Fair Value Through Profit and Loss	79.700	25.638	10.994.088	20.056.848	19.101	9.817.835	40.993.210
Money Markets Receivables	403.377	-	-	-	-	-	403.377
Financial Assets at Fair Value Through Other Comprehensive Income	12.865.020	70.154.035	186.798.851	79.535.469	68.633.330	2.934.079	420.920.784
Loans Given <sup>(3)</sup>	525.782.634	247.217.092	202.800.787	325.391.784	94.857.202	1.959.548	1.398.009.047
Financial Assets Measured at Amortised Cost	30.928.224	7.561.452	70.479.252	81.290.863	61.859.270	-	252.119.061
Other Assets <sup>(2)</sup>	3.584.394	3.929.858	665.873	323.812	66.890	121.569.096	130.139.923
<b>Total Assets <sup>(1)(5)</sup></b>	<b>606.409.961</b>	<b>329.126.558</b>	<b>471.921.186</b>	<b>506.598.776</b>	<b>225.435.793</b>	<b>490.062.143</b>	<b>2.629.554.417</b>
<b>Liabilities</b>							
Interbank Deposits	56.947.834	4.063.661	9.916.273	-	-	11.010.480	81.938.248
Other Deposits	775.259.725	250.686.353	130.467.989	4.185.825	11.704	677.082.778	1.837.694.374
Money Market Borrowings	126.583.560	6.277.203	11.894.672	7.750.810	-	-	152.506.245
Miscellaneous Payables	-	-	-	-	-	39.030.918	39.030.918
Issued Marketable Securities <sup>(6)</sup>	1.378.534	325.735	12.272.340	53.924.226	-	-	67.900.835
Funds Provided from Other Financial Institutions	43.237.764	40.427.824	16.791.219	3.128.810	482.966	-	104.068.583
Other Liabilities <sup>(4)</sup>	771.834	2.264.718	272.667	1.009.839	752.645	341.343.511	346.415.214
<b>Total Liabilities <sup>(1)</sup></b>	<b>1.004.179.251</b>	<b>304.045.494</b>	<b>181.615.160</b>	<b>69.999.510</b>	<b>1.247.315</b>	<b>1.068.467.687</b>	<b>2.629.554.417</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>25.081.064</b>	<b>290.306.026</b>	<b>436.599.266</b>	<b>224.188.478</b>	<b>-</b>	<b>976.174.834</b>
<b>Balance Sheet Short Position</b>	<b>(397.769.290)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(578.405.544)</b>	<b>(976.174.834)</b>
Off-Balance Sheet Long Position	2.433.361	3.136.535	225.247	14.012	-	-	5.809.155
Off-Balance Sheet Short Position	-	-	-	-	(1.015.345)	-	(1.015.345)
<b>Total Position</b>	<b>(395.335.929)</b>	<b>28.217.599</b>	<b>290.531.273</b>	<b>436.613.278</b>	<b>223.173.133</b>	<b>(578.405.544)</b>	<b>4.793.810</b>

(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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**(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
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	23.833.556	-	-	-	-	350.560.829	374.394.385
Banks	2.183.979	137.416	-	-	-	9.148.254	11.469.649
Financial Assets at Fair Value Through Profit and Loss	85.080	73.869	39.864	27.673.058	18.934	5.404.074	33.294.879
Money Markets Receivables	5.380.282	-	-	-	-	-	5.380.282
Financial Assets at Fair Value Through Other Comprehensive Income	96.599.354	21.764.806	124.793.492	76.978.487	73.459.368	2.077.658	395.673.165
Loans Given <sup>(3)</sup>	449.812.713	135.106.786	266.775.244	275.177.974	89.441.302	2.081.194	1.218.395.213
Financial Assets Measured at Amortised Cost	2.731.393	50.061.035	22.778.137	60.817.641	22.941.772	-	159.329.978
Other Assets <sup>(2)</sup>	4.570.330	2.350.830	2.072.668	386.820	71.640	104.275.185	113.727.473
<b>Total Assets <sup>(1)(5)</sup></b>	<b>585.196.687</b>	<b>209.494.742</b>	<b>416.459.405</b>	<b>441.033.980</b>	<b>185.933.016</b>	<b>473.547.194</b>	<b>2.311.665.024</b>
<b>Liabilities</b>							
Interbank Deposits	50.842.278	10.190.916	9.120.029	-	-	8.296.037	78.449.260
Other Deposits	748.232.969	239.271.172	102.969.345	3.829.858	29.287	566.486.969	1.660.819.600
Money Market Borrowings	50.167.586	20.373.383	6.970.742	7.550.978	-	-	85.062.689
Miscellaneous Payables	-	-	-	-	-	35.403.969	35.403.969
Issued Marketable Securities <sup>(6)</sup>	-	1.435.966	12.381.209	42.899.866	-	-	56.717.041
Funds Provided from Other Financial Institutions	25.344.316	47.016.823	24.468.356	9.814.082	3.562.495	-	110.206.072
Other Liabilities <sup>(4)</sup>	580.697	716.088	1.868.940	871.365	562.349	280.406.954	285.006.393
<b>Total Liabilities <sup>(1)</sup></b>	<b>875.167.846</b>	<b>319.004.348</b>	<b>157.778.621</b>	<b>64.966.149</b>	<b>4.154.131</b>	<b>890.593.929</b>	<b>2.311.665.024</b>
<b>Balance Sheet Long Position</b>	-	-	<b>258.680.784</b>	<b>376.067.831</b>	<b>181.778.885</b>	-	<b>816.527.500</b>
<b>Balance Sheet Short Position</b>	<b>(289.971.159)</b>	<b>(109.509.606)</b>	-	-	-	<b>(417.046.735)</b>	<b>(816.527.500)</b>
Off-Balance Sheet Long Position	3.604.188	2.684.526	262.625	-	-	-	6.551.339
Off-Balance Sheet Short Position	-	-	-	-	(1.015.345)	-	(1.015.345)
<b>Total Position</b>	<b>(286.366.971)</b>	<b>(106.825.080)</b>	<b>258.943.409</b>	<b>376.067.831</b>	<b>180.763.540</b>	<b>(417.046.735)</b>	<b>5.535.994</b>

(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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**(Continued)**

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

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

	EUR	USD	JPY	TL
<b>Current Period <sup>(3)</sup></b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,53	5,15	-	-
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	5,48	-	30,07
Financial Assets at Fair Value Through Other				
Comprehensive Income	3,70	5,30	-	22,19
Loans Given <sup>(1)</sup>	6,69	8,36	-	12,07
Financial Assets Measured at Amortised Cost	4,63	7,58	-	13,72
<b>Liabilities</b>				
Interbank Deposits	3,11	4,42	-	9,52
Other Deposits	0,94	3,12	-	16,57
Money Market Borrowings	3,81	5,65	-	9,17
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(2)</sup>	5,08	6,29	-	16,99
Funds Provided from Other Financial Institutions	3,77	6,26	-	9,58

<sup>(1)</sup> Credit card loan balances are not included.

<sup>(2)</sup> Subordinated debt instruments are included.

<sup>(3)</sup> Foreign branches are excluded.

	EUR	USD	JPY	TL
<b>Prior Period <sup>(3)</sup></b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,30	-	-	-
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	5,41	-	26,23
Financial Assets at Fair Value Through Other				
Comprehensive Income	3,70	5,16	-	26,73
Loans Given <sup>(1)</sup>	5,83	7,71	-	13,59
Financial Assets Measured at Amortised Cost	4,66	7,58	-	15,90
<b>Liabilities</b>				
Interbank Deposits	1,40	4,17	-	10,43
Other Deposits	1,03	3,44	-	15,67
Money Market Borrowings	3,52	5,58	-	9,17
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(2)</sup>	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	2,84	4,85	-	8,83

<sup>(1)</sup> Credit card loan balances are not included.

<sup>(2)</sup> Subordinated debt instruments are included.

<sup>(3)</sup> Foreign branches are excluded.

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**(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 share*

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	3.187.504	3.187.504	3.187.504
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	13.792.083	13.792.083	13.792.083
Traded on Stock Exchange	13.792.083	13.792.083	13.792.083
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other (*)	1.027.106	1.027.106	-

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

Investments in Equity Instruments - Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	4.033.616	4.033.616	4.033.616
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	17.453.146	17.453.146	17.453.146
Traded on Stock Exchange	17.453.146	17.453.146	17.453.146
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other (*)	927.626	927.626	-

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

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

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 1.027.106 and all of them are 100% risk weighted (31 December 2022: are amounted TL 927.626 and all of them are 100% risk weighted).

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

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	-	12.716.096	12.716.096	-	-	-
3. Other Stocks	-	583.204	583.204	-	-	-
<b>Total</b>	-	<b>13.299.300</b>	<b>13.299.300</b>	-	-	-

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**V. EXPLANATIONS ON THE LIQUIDITY RISK MANagements AND LIQUIDITY COVERAGE RATIO**

Matters related to liquidity and financial emergency management are determined in the Liquidity and Financial Emergency Management-Liquidity Funding Plan Approved by the Board of Directors.

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

**1. Liquidity Risk**

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

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

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

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

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

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

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

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



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

**1. Liquidity Risk (Continued)**

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

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

*Explanation regarding the usage of the stress test*

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the Bank’s estimated financial position for the next period, the progress of legal ratios and the liquidity need in short and long term as part of budget practices.

*General information on liquidity urgent and unexpected situation plan*

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of “Regulation on Risk Management, Stress Test Program and ICAAP Regulations”. In addition, matters related to liquidity and financial emergency management have been identified.

**2. Liquidity Coverage Ratio**

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. The lowest and highest unconsolidated rates in the last three months are shown in the table below.

**Current Period – 31 March 2023**

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
<b>The Lowest</b>	31 March 2023	376,13	31 March 2023	150,88
<b>The Highest</b>	17 February 2023	618,98	6 January 2023	183,73

**Prior Period - 31 December 2022**

Liquidity Coverage Ratio	FC		TL+FC	
	Date	Ratio	Date	Ratio
<b>The Lowest</b>	7 October 2022	336,22	7 October 2022	177,16
<b>The Highest</b>	23 December 2022	451,68	30 December 2022	203,51

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

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

Current Period	Total Unweighted Value (Average) <sup>(*)</sup>		Total Weighted Value (Average) <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			703.008.135	444.128.226
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	1.046.561.773	538.502.096	91.190.659	53.850.210
Stable deposits	269.310.371	-	13.465.519	-
Less stable deposits	777.251.402	538.502.096	77.725.140	53.850.210
Unsecured wholesale funding, of which;	792.260.229	325.554.459	381.610.038	166.720.040
Operational deposit	32.593.839	2.334.533	8.148.460	583.633
Non-operational deposits	639.448.425	269.967.864	274.215.474	113.165.295
Other unsecured funding	120.217.965	53.252.062	99.246.104	52.971.112
Secured funding			-	-
Other cash outflows, of which;	362.873.989	36.117.078	44.662.083	22.741.149
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	14.566.376	19.689.142	14.566.376	19.689.142
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	348.307.613	16.427.936	30.095.707	3.052.007
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	125.561.619	81.292.799	7.617.935	4.064.640
<b>TOTAL CASH OUTFLOWS</b>			<b>525.080.715</b>	<b>247.376.039</b>
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	151.135.804	62.317.250	112.545.230	50.120.433
Other cash inflows	3.289.146	104.631.061	3.289.146	104.631.061
<b>TOTAL CASH INFLOW</b>	<b>154.424.950</b>	<b>166.948.311</b>	<b>115.834.376</b>	<b>154.751.494</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>703.008.135</b>	<b>444.128.226</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>409.246.339</b>	<b>92.624.545</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>171,78</b>	<b>479,49</b>

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

Prior Period	Total Unweighted Value (Average) <sup>(*)</sup>		Total Weighted Value (Average) <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			667.210.887	425.824.875
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	938.174.603	503.453.039	83.648.337	50.345.304
Stable deposits	203.382.476	-	10.169.124	-
Less stable deposits	734.792.127	503.453.039	73.479.213	50.345.304
Unsecured wholesale funding, of which;	683.071.175	326.241.383	315.380.061	158.917.974
Operational deposit	29.898.821	1.696.100	7.474.705	424.025
Non-operational deposits	568.987.053	284.775.401	242.743.155	119.347.850
Other unsecured funding	84.185.301	39.769.882	65.162.201	39.146.099
Secured funding			-	-
Other cash outflows, of which;	222.857.471	33.502.393	28.510.672	21.272.889
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	14.041.376	18.607.584	14.041.376	18.607.584
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	208.816.095	14.894.809	14.469.296	2.665.305
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	120.470.284	83.658.058	7.183.869	4.182.903
<b>TOTAL CASH OUTFLOWS</b>			<b>434.722.939</b>	<b>234.719.070</b>
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	124.404.168	51.608.797	84.123.630	36.510.970
Other cash inflows	1.061.122	91.291.081	1.061.122	91.291.081
<b>TOTAL CASH INFLOW</b>	<b>125.465.290</b>	<b>142.899.878</b>	<b>85.184.752</b>	<b>127.802.051</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>667.210.887</b>	<b>425.824.875</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>349.538.187</b>	<b>106.917.019</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>190,88</b>	<b>398,28</b>

(\*) 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)**

**3. Explanations on Liquidity Coverage Ratio**

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

Bank deposits, which constitute a significant part of its resources and cash outflows in the liquidity coverage ratio, have a non-fluctuating structure, but may cause periodic changes in total deposits compared to public deposits and other deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

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

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions lose the characteristic of being free, in accordance with that securities can be used as collateral, liquidity coverage ratio is affected.

***The content of high-quality liquid assets***

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

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

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

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

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

***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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**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 <sup>(1)</sup>	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	177.436.924	194.526.849	-	-	-	-	-	371.963.773
Banks <sup>(4)</sup>	10.297.882	4.286.542	238.483	182.335	-	-	-	15.005.242
Financial Assets at Fair Value Through Profit and Loss	-	79.700	25.638	10.994.088	20.056.848	19.101	9.817.835	40.993.210
Money Market Receivables	-	403.377	-	-	-	-	-	403.377
Financial Assets at Fair Value Through Other Comprehensive Income	-	4.031.734	31.659.026	134.132.232	156.661.076	93.409.610	1.027.106	420.920.784
Loans Given	-	63.803.253	150.029.533	547.017.028	453.434.966	181.764.719	1.959.548	1.398.009.047
Investments Held-to-Maturity	-	1.032.218	2.561.251	27.651.827	117.694.212	103.179.553	-	252.119.061
Other Assets	29.121.081	3.584.393	3.929.858	665.873	323.812	66.890	92.448.016	130.139.923
<b>Total Assets</b> <sup>(2)</sup>	<b>216.855.887</b>	<b>271.748.066</b>	<b>188.443.789</b>	<b>720.643.383</b>	<b>748.170.914</b>	<b>378.439.873</b>	<b>105.252.505</b>	<b>2.629.554.417</b>
<b>Liabilities</b>								
Interbank Deposits	11.010.480	56.947.834	4.063.661	9.916.273	-	-	-	81.938.248
Other Deposits	677.082.778	775.250.904	250.673.604	130.366.893	4.304.072	16.123	-	1.837.694.374
Funds Provided from Other Financial Institutions	-	31.960.712	7.267.354	17.061.195	40.079.757	7.699.565	-	104.068.583
Money Market Borrowings	-	126.583.560	6.277.203	11.894.672	7.750.810	-	-	152.506.245
Issued Marketable Securities <sup>(3)</sup>	-	1.378.534	325.735	12.272.340	53.924.226	-	-	67.900.835
Miscellaneous Payables	9.951.122	29.079.796	-	-	-	-	-	39.030.918
Other Liabilities	24.639.019	2.775.651	7.977.305	272.667	1.009.839	764.3236	302.097.497	346.415.214
<b>Total Liabilities</b>	<b>722.683.399</b>	<b>1.023.976.991</b>	<b>276.584.862</b>	<b>181.784.040</b>	<b>107.068.704</b>	<b>15.358.924</b>	<b>302.097.497</b>	<b>2.629.554.417</b>
<b>Liquidity Gap</b>	<b>(505.827.512)</b>	<b>(752.228.925)</b>	<b>(88.141.073)</b>	<b>538.859.343</b>	<b>641.102.210</b>	<b>363.080.949</b>	<b>(196.844.992)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>1.954.378</b>	<b>262.610</b>	<b>225.247</b>	<b>14.012</b>	<b>2.337.568</b>	<b>-</b>	<b>4.793.815</b>
Financial Derivative Assets	-	250.271.955	45.584.303	15.723.654	659.566	3.352.913	-	315.592.391
Financial Derivative Liabilities	-	248.317.577	45.321.693	15.498.407	645.554	1.015.345	-	310.798.576
<b>Non-cash Loans</b>	<b>151.170.493</b>	<b>13.796.779</b>	<b>39.429.245</b>	<b>170.380.099</b>	<b>89.466.177</b>	<b>16.285.866</b>	<b>-</b>	<b>480.528.659</b>
<b>Prior Period</b>								
Total Assets	205.330.392	291.622.138	153.335.296	610.555.422	624.309.201	326.266.694	100.245.881	2.311.665.024
Total Liabilities	600.828.709	877.437.493	287.231.979	182.450.543	95.449.741	17.986.828	250.279.731	2.311.665.024
<b>Liquidity Gap</b>	<b>(395.498.317)</b>	<b>(585.815.355)</b>	<b>(133.896.683)</b>	<b>428.104.879</b>	<b>528.859.460</b>	<b>308.279.866</b>	<b>(150.033.850)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>3.136.730</b>	<b>(120.249)</b>	<b>262.625</b>	<b>-</b>	<b>2.256.893</b>	<b>-</b>	<b>5.535.999</b>
Financial Derivative Assets	-	219.758.868	74.538.453	14.240.461	2.369.535	3.272.238	-	314.179.555
Financial Derivative Liabilities	-	216.622.138	74.658.702	13.977.836	2.369.535	1.015.345	-	308.643.556
<b>Non-cash Loans</b>	<b>121.162.934</b>	<b>13.767.347</b>	<b>43.662.871</b>	<b>137.071.719</b>	<b>84.474.216</b>	<b>14.515.564</b>	<b>-</b>	<b>414.654.651</b>

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

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

(3) Includes subordinated debt instruments.

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

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**(Continued)**

**VI. EXPLANATIONS ON LEVERAGE RATIO**

**1. Explanations on Issues that Cause Differences Between Leverage Ratios**

The Bank’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 7,43% (31 December 2022: 7,58%). The regulation sentenced the minimum leverage ratio as 3%.

<b>Balance sheet assets</b>	<b>Current Period (*)</b>	<b>Prior Period (*)</b>
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	2.466.889.378	2.216.761.493
(Assets deducted in determining Tier 1 capital)	(32.970.361)	(28.827.832)
Total on-balance sheet risks (sum of lines 1 and 2)	2.433.919.017	2.187.933.661
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost associated with all derivative financial instruments and credit derivatives	7.020.353	8.549.253
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	7.336.454	7.697.119
Total risks of derivative financial instruments and credit derivatives	14.356.807	16.246.372
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets(Excluding the balance sheet)	49.915.648	40.472.923
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	49.915.648	40.472.923
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	876.602.056	623.647.421
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	876.602.056	623.647.421
<b>Capital and total risks</b>		
Tier 1 capital	251.506.847	217.487.486
Total risks	3.374.793.528	2.868.300.377
<b>Leverage ratio</b>		
Leverage ratio %	7,43	7,58

(\*) Three-month 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)	1.583.962.602	1.267.703.360	126.717.008
2	Standardised approach	1.583.962.602	1.267.703.360	126.717.008
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	34.532.052	27.821.921	2.762.564
5	Standardised approach for counterparty credit risk	34.532.052	27.821.921	2.762.564
6	Internal model method	-	-	-
7	Basic risk weight approach to internal model’s equity position in the banking account	-	-	-
8	Investments made in collective investment companies-look through approach	-	-	-
9	Investments made in collective investment companies-mandate-based approach	23.134.901	26.428.914	1.850.792
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	113.908.726	102.338.444	9.112.698
17	Standardised approach	113.908.726	102.338.444	9.112.698
18	Internal model approaches	-	-	-
19	Operational risk	128.841.404	55.981.209	10.307.312
20	Basic Indicator approach	128.841.404	55.981.209	10.307.312
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>1.884.379.685</b>	<b>1.480.273.848</b>	<b>150.750.374</b>

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**VIII. EXPLANATION ON HEDGE ACCOUNTING**

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

The efficiency test is performed using the “Amount balancing method” (“Dollar off-set method”) to compare the changes in fair value of the hedging instrument and the item subject to financial risk hedging. Efficiency tests are performed at the beginning of hedge accounting and as of reporting periods. According to this method, the change in the value of the hedged item between the date when the hedging relationship started, and the end of each reporting period is compared with the value change in the hedging instrument and the effectiveness ratio of the hedging relationship is calculated.

Hedge accounting is terminated when the hedging instrument expires, realizes, is sold or the effectiveness test is ineffective. If efficiency is restored, hedge accounting can be resumed.

<b>Hedging Instrument</b>	<b>Hedged Item</b>	<b>Risk Exposure</b>	<b>Fair Value Difference of Hedging Instrument</b>	<b>Fair Value Difference of Hedged Items</b>	<b>Ineffective Portion</b>
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(4.066.519)	4.066.519	-

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

**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 Türkiye, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Credit Cooperatives. Besides, it gives support to entities and enterprises having operations in agricultural sector by acting as an intermediary for loans originated from public funds.

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



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

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

As of 31 March 2023, explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

**1. Table for Segment Reporting**

<b>Current Period</b>	<b>Retail Banking</b>	<b>Corporate/ Commercial Banking</b>	<b>Specialized Banking</b>	<b>Treasury/ Investment Banking</b>	<b>Other</b>	<b>Total</b>
<b>OPERATING INCOME/EXPENSE</b>						
Interest Income	8.047.996	17.493.112	8.695.754	23.813.034	245.071	58.294.967
Interest Expenses	14.762.553	14.587.409	-	5.356.248	4.017.995	38.724.205
<b>Net Interest Income/Expense</b>	<b>(6.714.557)</b>	<b>2.905.703</b>	<b>8.695.754</b>	<b>18.456.786</b>	<b>(3.772.924)</b>	<b>19.570.762</b>
<b>Net Fees and Commission Income/Expense</b>	<b>3.622.834</b>	<b>2.090.748</b>	<b>395.015</b>	<b>(1.252.196)</b>	<b>555.322</b>	<b>5.411.723</b>
<b>Dividend Income</b>	-	-	-	-	-	-
<b>Trading Profit / Loss (Net)</b>	-	-	-	<b>(177.099)</b>	-	<b>(177.099)</b>
<b>Other Operating Income</b>	<b>24.709</b>	<b>631.709</b>	<b>47.025</b>	<b>5.034</b>	<b>20.462.339</b>	<b>21.170.816</b>
<b>Provision for Expected Loss (-)</b>	<b>415.022</b>	<b>1.467.295</b>	<b>526.083</b>	<b>123.397</b>	<b>2.519</b>	<b>2.534.316</b>
<b>Other Expenses</b>	<b>4.971.824</b>	<b>108.941</b>	<b>271.306</b>	-	<b>30.056.622</b>	<b>35.408.693</b>
<b>Net Operating Profit / Loss</b>	<b>(8.453.860)</b>	<b>4.051.924</b>	<b>8.340.405</b>	<b>16.909.128</b>	<b>(12.814.404)</b>	<b>8.033.193</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	-	-	-	-	-	-
<b>Tax Provision</b>	-	-	-	-	<b>(1.486.960)</b>	<b>(1.486.960)</b>
<b>Net Profit / Loss</b>	<b>(8.453.860)</b>	<b>4.051.924</b>	<b>8.340.405</b>	<b>16.909.128</b>	<b>(14.301.364)</b>	<b>6.546.233</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	40.993.210	-	40.993.210
Banks and Receivables from Money Markets	-	-	-	15.408.619	-	15.408.619
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	420.920.784	-	420.920.784
Loans	244.625.070	741.799.883	312.171.772	99.412.322	-	1.398.009.047
Financial Assets Measured at Amortized Cost (Net)	-	-	-	252.119.061	-	252.119.061
Derivative Financial Assets	-	-	-	8.028.395	-	8,028.395
Associates, Subsidiaries and Entities under Common Control	-	-	-	39.489.715	-	39,489.715
Other Assets	11.736	5,038.314	100.734	355,046.873	94,387.929	454,585.586
<b>Total Segment Assets</b>	<b>244.636.806</b>	<b>746.838.197</b>	<b>312.272.506</b>	<b>1.231.418.979</b>	<b>94.387.929</b>	<b>2.629.554.417</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	1.201.701.610	522.783.521	-	81.938.248	113.209.243	1.919.632.622
Derivative Financial Liabilities Held for Trading	-	-	-	3.245.635	-	3,245.635
Funds Borrowed	-	-	-	104.068.583	-	104,068.583
Money Markets Borrowing	17.434	100.588.039	-	51.900.772	-	152,506.245
Securities Issued (Net)	-	-	-	37.402.441	-	37,402.441
Provisions	-	8.467.085	-	-	27.911.099	36,378.184
Other Liabilities	-	-	-	-	115.240.377	115,240.377
Shareholders' Equity	-	-	-	-	261.080.330	261,080.330
<b>Total Segment Liabilities</b>	<b>1.201.719.044</b>	<b>631.838.645</b>	<b>-</b>	<b>278.555.679</b>	<b>517.441.049</b>	<b>2.629.554.417</b>

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

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

Prior Period	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
<b>OPERATING INCOME/EXPENSE</b>						
Interest Income	5.579.220	11.108.234	4.496.726	13.913.399	151.936	35.249.515
Interest Expenses	7.492.490	4.097.942	-	5.608.159	559.405	17.757.996
<b>Net Interest Income/Expense</b>	<b>(1.913.270)</b>	<b>7.010.292</b>	<b>4.496.726</b>	<b>8.305.240</b>	<b>(407.469)</b>	<b>17.491.519</b>
Net Fees and Commission Income/Expense	1.454.466	1.165.783	79.695	(678.456)	222.668	2.244.156
Dividend Income	-	-	-	805	-	805
Trading Profit / Loss (Net)	-	-	-	163.963	-	163.963
Other Operating Income	13.848	242.015	22.338	1.946	1.418.192	1.698.339
Provision for Expected Loss (-)	772.402	2.507.547	571.698	367.440	1.609.338	5.828.425
Other Expenses	1.206.866	39.382	47.155	-	3.867.536	5.160.939
<b>Net Operating Profit / Loss</b>	<b>(2.424.224)</b>	<b>5.871.161</b>	<b>3.979.906</b>	<b>7.426.058</b>	<b>(4.243.483)</b>	<b>10.609.418</b>
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(3.880.632)	(3.880.632)
<b>Net Profit / Loss</b>	<b>(2.424.224)</b>	<b>5.871.161</b>	<b>3.979.906</b>	<b>7.426.058</b>	<b>(8.124.115)</b>	<b>6.728.786</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	33.294.879	-	33.294.879
Banks and Receivables from Money Markets	-	-	-	16.849.931	-	16.849.931
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	395.673.165	-	395.673.165
Loans	214.070.201	677.988.885	243.390.998	82.945.129	-	1.218.395.213
Financial Assets Measured at Amortized Cost (Net)	-	-	-	159.329.978	-	159.329.978
Derivative Financial Assets	-	-	-	8.876.687	-	8.876.687
Associates, Subsidiaries and Entities under Common Control	-	-	-	43.204.766	-	43.204.766
Other Assets	12.446	4.980.515	98.632	361.012.143	69.936.669	436.040.405
<b>Total Segment Assets</b>	<b>214.082.647</b>	<b>682.969.400</b>	<b>243.489.630</b>	<b>1.101.186.678</b>	<b>69.936.669</b>	<b>2.311.665.024</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	1.106.633.965	461.324.145	-	78.449.260	92.861.490	1.739.268.860
Derivative Financial Liabilities Held for Trading	-	-	-	3.156.119	-	3.156.119
Funds Borrowed	-	-	-	110.206.072	-	110.206.072
Money Markets Borrowing	38.795	20.986.065	-	64.037.829	-	85.062.689
Securities Issued (Net)	-	-	-	27.767.979	-	27.767.979
Provisions	-	9.108.014	-	-	39.630.754	48.738.768
Other Liabilities	-	-	-	-	94.984.674	94.984.674
Shareholders' Equity	-	-	-	-	202.479.863	202.479.863
<b>Total Segment Liabilities</b>	<b>1.106.672.760</b>	<b>491.418.224</b>	<b>-</b>	<b>283.617.259</b>	<b>429.956.781</b>	<b>2.311.665.024</b>

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**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

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

	Current Period		Prior Period	
	TP	YP	TP	YP
Cash in TL/Foreign Currency	5.286.376	12.874.972	4.720.221	10.141.295
Central Bank of the Republic of Türkiye	28.196.650	325.109.237	23.524.801	335.746.356
Other	2.000	498.512	-	265.670
<b>Total</b>	<b>33.485.026</b>	<b>338.482.721</b>	<b>28.245.022</b>	<b>346.153.321</b>

*Explanation on reserve requirements*

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

Banks are required to maintain reserves with Central Bank of the Republic of Türkiye for their TL and FC liabilities that are specified in the aforementioned Communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-26% for FX deposits and for other FC liabilities.

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**(Continued)**

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	27.968.844	43.792.083	23.328.884	42.424.961
Unrestricted Time Deposit	-	86.984.130	-	102.841.750
Restricted Time Deposit	-	-	-	-
Other <sup>(1)</sup>	227.806	194.333.024	195.917	190.479.645
<b>Total</b>	<b>28.196.650</b>	<b>325.109.237</b>	<b>23.524.801</b>	<b>335.746.356</b>

<sup>(1)</sup> Includes required reserves and CBRT restricted electronic money funds amounting to TL 30.007 required reserve of branches abroad amounting to TL 780.378 is presented in this line. TL 7.683.351 of the current period’s FC required reserve is the part of the required reserves that are held in FC (31 December 2022: Includes required reserves and CBRT restricted electronic money funds amounting to TL 17.157 required reserve of branches abroad amounting to TL 656.479 is presented in this line. TL 7.425.368 of the current period’s FC required reserve is the part of the required reserves that are held in FC).

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	31.147.449	27.890.664
<b>Total</b>	<b>31.147.449</b>	<b>27.890.664</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.409	11.081	155.217	1.318
Swap Transactions	3.579.195	4.304.339	3.089.376	5.539.380
Futures Transactions	-	-	276	-
Options	15.677	115.694	8.535	82.585
Other	-	-	-	-
<b>Total</b>	<b>3.597.281</b>	<b>4.431.114</b>	<b>3.253.404</b>	<b>5.623.283</b>

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

**4.1. Information on Bank Balances**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	-	317.074	-	140.059
Foreign Banks	276.849	14.412.667	505.686	10.825.687
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>276.849</b>	<b>14.729.741</b>	<b>505.686</b>	<b>10.965.746</b>

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

**5. Explanation Regarding to the Comparison of Net Values of Financial Assets at Fair Value Through Other Comprehensive Income or Blocked as Collateral and Subject to Repurchase Agreements**

	<b>Current Period</b>	<b>Prior Period</b>
Assets Subject to Repurchase Agreements	136.600.653	83.133.879
Assets Blocked/Given as Collateral	172.941.422	101.454.331
<b>Total</b>	<b>309.542.075</b>	<b>184.588.210</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt Securities	439.684.710	413.036.166
Quoted in Stock Exchange	438.882.544	412.230.503
Not Quoted in Stock Exchange	802.166	805.663
Share Certificates	1.132.430	1.030.428
Quoted in Stock Exchange	2.340	3.127
Not Quoted in Stock Exchange	1.130.090	1.027.301
Provision for Impairment (-)	19.896.356	18.393.429
<b>Total</b>	<b>420.920.784</b>	<b>395.673.165</b>

**7. Information Related to Loans**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(1) (2)</sup>	2.314.875	-	1.476.723	-
<b>Total</b>	<b>2.314.875</b>	<b>-</b>	<b>1.476.723</b>	<b>-</b>

(1) Interest rediscount and interest accrual amounting TL 19.403, are not included in the table above (31 December 2022: Interest rediscount and interest accrual amounting TL 12.850 are not included).

(2) Since the balance of overdraft accounts related to employees amounting TL 58.247, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2022: Since the balance of overdraft accounts related to employees amounting TL 44.832, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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**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**

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
<b>Cash Loans</b>				
Non-Specialized Loans	1.015.909.996	12.532.522	2.942.252	64.526.721
Commercial Loans	628.947.187	8.763.582	2.815.085	64.465.151
Export Loans	81.978.410	458.859	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	16.975.053	-	-	-
Consumer Loans	191.019.903	2.127.711	127.167	60.992
Credit Cards	96.666.152	1.171.409	-	578
Other	323.291	10.961	-	-
Specialized Lending <sup>(1)</sup>	295.613.798	2.096.372	62.969	679.913
Other Receivables	-	-	-	-
Interest Income Accruals	30.087.442	350.826	129.651	3.101.464
<b>Total</b>	<b>1.341.611.236</b>	<b>14.979.720</b>	<b>3.134.872</b>	<b>68.308.098</b>

<sup>(1)</sup> Agricultural loans to support farmers are shown in specialized loans.

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
<b>Cash Loans</b>				
Non-Specialized Loans	913.250.392	11.492.774	2.975.409	66.134.223
Commercial Loans	581.587.522	7.459.699	2.829.454	66.057.451
Export Loans	66.637.634	551.710	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	15.755.785	-	-	-
Consumer Loans	177.044.650	2.395.648	145.955	75.924
Credit Cards	71.697.802	1.082.951	-	848
Other	526.999	2.766	-	-
Specialized Lending <sup>(1)(2)</sup>	228.426.244	2.147.318	36.231	873.521
Other Receivables	-	-	-	-
Interest Income Accruals	24.341.159	357.784	65.246	2.549.658
<b>Total</b>	<b>1.166.017.795</b>	<b>13.997.876</b>	<b>3.076.886</b>	<b>69.557.402</b>

<sup>(1)</sup> Agricultural loans to support farmers are shown in specialized loans.

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	7.672.053	-	7.710.927	-
Significant Increase in Credit Risk	-	24.312.374	-	28.625.013

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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 Card**

<b>Current Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Consumer Loans-TL	5.125.432	183.093.507	188.218.939
Mortgage Loans	11.105	114.588.460	114.599.565
Automotive Loans	137.780	9.311.870	9.449.650
Consumer Loans	4.976.547	59.193.177	64.169.724
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	3.893	171.680	175.573
Mortgage Loans	-	13.592	13.592
Automotive Loans	-	-	-
Consumer Loans	3.893	158.088	161.981
Other	-	-	-
Retail Credit Cards-TL	47.779.562	709.270	48.488.832
With Installment	21.569.295	634.046	22.203.341
Without Installment	26.210.267	75.224	26.285.491
Retail Credit Cards-FC	4.562	-	4.562
With Installment	-	-	-
Without Installment	4.562	-	4.562
Personnel Loans-TL	249.001	1.336.947	1.585.948
Mortgage Loans	-	237	237
Automotive Loans	-	-	-
Consumer Loans	249.001	1.336.710	1.585.711
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	716.094	12.721	728.815
With Installment	328.309	12.721	341.030
Without Installment	387.785	-	387.785
Personnel Credit Cards-FC	112	-	112
With Installment	-	-	-
Without Installment	112	-	112
Overdraft Accounts-TL (Real Person)	3.355.313	-	3.355.313
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>57.233.969</b>	<b>185.324.125</b>	<b>242.558.094</b>

<sup>(1)</sup>TL 2.390.448 amounting of interest income rediscount and accrual is not 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 Card (Continued)**

<b>Prior Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Consumer Loans-TL	3.292.146	172.758.145	176.050.291
Mortgage Loans	18.499	112.301.081	112.319.580
Automotive Loans	96.909	7.747.143	7.844.052
Consumer Loans	3.176.738	52.709.921	55.886.659
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	3.184	162.020	165.204
Mortgage Loans	-	14.485	14.485
Automotive Loans	-	-	-
Consumer Loans	3.184	147.535	150.719
Other	-	-	-
Retail Credit Cards-TL	31.231.156	442.363	31.673.519
With Installment	11.907.800	390.426	12.298.226
Without Installment	19.323.356	51.937	19.375.293
Retail Credit Cards-FC	4.285	-	4.285
With Installment	-	-	-
Without Installment	4.285	-	4.285
Personnel Loans-TL	54.329	850.107	904.436
Mortgage Loans	-	242	242
Automotive Loans	-	-	-
Consumer Loans	54.329	849.865	904.194
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	562.180	9.753	571.933
With Installment	228.405	9.753	238.158
Without Installment	333.775	-	333.775
Personnel Credit Cards-FC	354	-	354
With Installment	-	-	-
Without Installment	354	-	354
Overdraft Accounts-TL (Real Person)	2.542.246	-	2.542.246
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>37.689.880</b>	<b>174.222.388</b>	<b>211.912.268</b>

<sup>(1)</sup> TL 1.852.609 amounting of interest income rediscount and accrual is not included



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**(Continued)**

**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**

<b>Current Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Installment Based Commercial Loans-TL	3.230.555	78.482.585	81.713.140
Mortgage Loans	4.591	1.165.250	1.169.841
Automotive Loans	112.839	2.852.634	2.965.473
Consumer Loans	3.113.125	74.464.701	77.577.826
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	303.250	94.687.752	94.991.002
Mortgage Loans	-	4.201	4.201
Automotive Loans	-	2.477	2.477
Consumer Loans	303.250	94.681.074	94.984.324
Other	-	-	-
Corporate Credit Cards-TL	44.001.848	4.611.303	48.613.151
With Installment	22.392.512	4.606.161	26.998.673
Without Installment	21.609.336	5.142	21.614.478
Corporate Credit Cards-FC	2.667	-	2.667
With Installment	-	-	-
Without Installment	2.667	-	2.667
Overdraft Account-TL (Legal Entity)	5.938.371	-	5.938.371
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>53.476.691</b>	<b>177.781.640</b>	<b>231.258.331</b>

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

<b>Prior Period</b>	<b>Short - Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Installment Based Commercial Loans-TL	4.083.052	67.901.923	71.984.975
Mortgage Loans	9.650	1.122.055	1.131.705
Automotive Loans	143.109	3.135.466	3.278.575
Consumer Loans	3.930.293	63.644.402	67.574.695
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	77.099	88.332.897	88.409.996
Mortgage Loans	-	5.108	5.108
Automotive Loan	-	2.842	2.842
Consumer Loans	77.099	88.324.947	88.402.046
Other	-	-	-
Corporate Credit Cards-TL	38.094.333	2.434.194	40.528.527
With Installment	18.027.575	2.431.070	20.458.645
Without Installment	20.066.758	3.124	20.069.882
Corporate Credit Cards-FC	2.983	-	2.983
With Installment	-	-	-
Without Installment	2.983	-	2.983
Overdraft Account-TL (Legal Entity)	3.939.794	-	3.939.794
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>46.197.261</b>	<b>158.669.014</b>	<b>204.866.275</b>

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	1.382.939.116	1.214.493.519
Foreign Loans	11.425.427	10.842.593
Interest Income Accruals of Loans	33.669.383	27.313.847
<b>Total</b>	<b>1.428.033.926</b>	<b>1.252.649.959</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Direct loans granted to subsidiaries and associates	6.901.061	5.664.719
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>6.901.061</b>	<b>5.664.719</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Loans and other receivables with limited collectability	139.819	748.202
Loans and other receivables with doubtful collectability	1.085.923	525.534
Uncollectible loans and other receivables	10.328.406	10.345.961
<b>Total</b>	<b>11.554.148</b>	<b>11.619.697</b>

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

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

	<b>Group III Loans with Limited Collectability</b>	<b>Group IV Loans with Doubtful Collectability</b>	<b>Group V Uncollectible Loans</b>
<b>Current Period</b>			
Gross amounts before the provisions	28.233	110.525	1.165.317
Restructured loans	28.233	110.525	1.165.317
<b>Prior Period</b>			
Gross amounts before the provisions	39.880	150.689	1.266.024
Restructured loans	39.880	150.689	1.266.024

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

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

**7.8. Information on Non-performing Loans (net) (Continued)**

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

	<b>Group III Loans with Limited Collectibility</b>	<b>Group IV Loans with Doubtful Collectibility</b>	<b>Group V Uncollectible Loans</b>
<b>Prior Period Ending Balance</b>	<b>1.042.398</b>	<b>1.029.387</b>	<b>11.629.106</b>
Additions (+)	663.015	55.992	95.162
Transfers from Other Categories of Loans under Follow-Up (+)	-	941.518	332.696
Transfers to Other Categories of Loans under Follow-Up (-)	941.518	332.696	-
Collections (-) <sup>(1)</sup>	252.293	147.814	601.257
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b>	<b>511.602</b>	<b>1.546.387</b>	<b>11.455.707</b>
Provision (-)	139.819	1.085.923	10.328.406
<b>Net Balance on Balance Sheet</b>	<b>371.783</b>	<b>460.464</b>	<b>1.127.301</b>

<sup>(1)</sup> Includes transfers to first and second group loans amounting to TL 98.229.

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

	<b>Group III Loans with Limited Collectibility</b>	<b>Group IV Loans with Doubtful Collectibility</b>	<b>Group V Uncollectible Loans</b>
<b>Current Period:</b>			
<b>Period Ending Balance</b>	<b>167.344</b>	<b>241.986</b>	<b>2.563.283</b>
Provision (-)	12.704	186.013	2.536.117
<b>Net Balance on Balance Sheet</b>	<b>154.640</b>	<b>55.973</b>	<b>27.166</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>92.929</b>	<b>147.575</b>	<b>2.566.709</b>
Provision (-)	92.721	80.440	2.536.973
<b>Net Balance on Balance Sheet</b>	<b>208</b>	<b>67.135</b>	<b>29.736</b>

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

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

**7.8. Information on Non-performing Loans (net) (Continued)**

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with Limited Collectibility</b>	<b>Loans with Doubtful Collectibility</b>	<b>Uncollectible Loans</b>
<b>Current Period (Net)</b>	<b>371.783</b>	<b>460.464</b>	<b>1.127.301</b>
Loans to Real Persons and Legal Entities (Gross)	511.602	1.546.387	11.292.703
Provisions (-)	139.819	1.085.923	10.165.402
Loans to Real Persons and Legal Entities (Net)	371.783	460.464	1.127.301
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	163.004
Provisions (-)	-	-	163.004
Other Loans (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>294.196</b>	<b>503.853</b>	<b>1.283.145</b>
Loans to Real Persons and Legal Entities (Gross)	1.042.398	1.029.387	11.468.806
Provisions (-)	748.202	525.534	10.185.661
Loans to Real Persons and Legal Entities (Net)	294.196	503.853	1.283.145
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	160.300
Provisions (-)	-	-	160.300
Other Loans (Net)	-	-	-

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with Limited Collectibility</b>	<b>Loans with Doubtful Collectibility</b>	<b>Uncollectible Loans</b>
<b>Current Period (Net)</b>	<b>9.963</b>	<b>15.850</b>	<b>47.049</b>
Interest Accruals and Valuation Differences	15.569	66.924	501.601
Provisions (-)	5.606	51.074	454.552
<b>Prior Period (Net)</b>	<b>12.600</b>	<b>16.719</b>	<b>51.738</b>
Interest Accruals and Valuation Differences	63.027	41.547	610.448
Provisions (-)	50.427	24.828	558.710

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

**8. Other Financial Assets Measured at Amortized Cost**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	28.513.432	7.008.237	16.898.737	5.705.067
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>28.513.432</b>	<b>7.008.237</b>	<b>16.898.737</b>	<b>5.705.067</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	1.107.792	-
Bonds and Similar Investment Securities	111.950.969	38.007.546	57.126.063	36.259.758
Other	-	-	-	-
<b>Total</b>	<b>111.950.969</b>	<b>38.007.546</b>	<b>58.233.855</b>	<b>36.259.758</b>

**8.2. Information on Government Debt Securities at Amortized Cost**

	Current Period	Prior Period
Government Bonds	246.772.036	152.996.336
Treasury Bills	-	1.107.792
Other Public Sector Debt Securities	1.132.756	1.068.417
<b>Total</b>	<b>247.904.792</b>	<b>155.172.545</b>

**8.3. Information on Financial Assets Measured at Amortized Cost**

	Current Period	Prior Period
Debt securities	252.153.102	159.351.477
Quoted at Stock Exchange	247.904.792	155.172.545
Unquoted at Stock Exchange	4.248.310	4.178.932
Provision for Impairment (-)	-	-
<b>Total</b>	<b>252.153.102</b>	<b>159.351.477</b>

**8.4. The Movements of Financial Assets Measured at Amortized Cost**

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>159.351.477</b>	<b>44.583.816</b>
Foreign Currency Differences on Monetary Assets	1.370.922	10.860.407
Purchases During the Year <sup>(1)</sup>	93.856.278	105.683.154
Disposals through Sales and Redemptions	(2.425.575)	(1.775.900)
Provision for Impairment (-)	-	-
<b>Period End Balance</b>	<b>252.153.102</b>	<b>159.351.477</b>

<sup>(1)</sup> Rediscounts are shown in “Purchases During the Year”.

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

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

**9.1. Information about Investment in Associates**

	Description	Address (City/ Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/Türkiye	15,43	15,43
2	Birleşim Varlık Yönetim A.Ş. <sup>(3)</sup>	İstanbul/Türkiye	16,00	16,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Türkiye	33,34	33,34

	Total Assets <sup>(1)</sup>	Shareholders' Equity <sup>(1)</sup>	Total Non-Current Assets <sup>(1)(2)</sup>	Interest Income <sup>(1)</sup>	Income from Marketable Securities <sup>(1)</sup>	Current Period Profit / Loss <sup>(1)</sup>	Prior Period Profit / Loss <sup>(1)</sup>	Fair Value
1	9.950.706	1.839.661	555.870	89.606	88.886	18.046	47.595	-
2	817.693	685.259	28.194	90.695	-	30.613	-	-
3	487.519	346.681	137.629	12.141	-	8.906	569	-

<sup>(1)</sup> The current period financial statement information of the associates is obtained from the unaudited financial statements dated 31 March 2023, and the profit/loss figures for the previous period are obtained from the reviewed financial statements dated 31 March 2022.

<sup>(2)</sup> Total fixed assets include tangible and intangible assets.

<sup>(3)</sup> Necessary permissions have been obtained from the BRSA regarding the purchase by the Bank of 12.000 000 Group B Shares, 16% owned by the Savings Deposit Insurance Fund (TMSF), in the capital of Birleşim Varlık Yönetim AŞ, with all its rights and obligations in return for TL 119.285 share purchase transactions were completed on 01.03.2023.

**9.2. Information on Financial Associates**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>88.846</b>	<b>88.846</b>
<b>Movement During the Period</b>	<b>119.285</b>	-
Additions	119.285	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
<b>Balance at the End of the Period</b>	<b>208.131</b>	<b>88.846</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

<sup>(\*)</sup>The total of our non-financial subsidiaries is TL 128.021 (31.12.2022: TL 128.021).

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

	Current Period	Prior Period
Banks	88.846	88.846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	119.285	-

**9.4. Subsidiaries Quoted to the Stock Exchange**

None (31 December 2022: None).

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

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

**10.1. Information on Subsidiaries**

Financial subsidiaries are followed in the unconsolidated financial statements at fair value within the scope of "Separate Financial Statements Türkiye Accounting Standard 27 (TAS 27)" in accordance with IFRS 9 Financial Instruments. Fair values were determined with the valuation reports prepared for these partnerships and were accounted under equity as of the valuation date.

	Description	Address (City/ Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / Türkiye	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Türkiye	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Türkiye	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Türkiye	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul / Türkiye	100,00	100,00
6	Ziraat Teknoloji A.Ş.	İstanbul / Türkiye	100,00	100,00
7	Ziraat Finansal Teknolojiler Elektronik Para ve Ödeme Hizmetleri A.Ş.	İstanbul / Türkiye	100,00	100,00
8	Ziraat Bank International A.G.	Frankfurt / Almanya	100,00	100,00
9	Ziraat Bank BH d.d.	Saraybosna / Bosna Hersek	100,00	100,00
10	Ziraat Bank (Moscow) JSC	Moskova / Rusya	99,91	100,00
11	Kazakhstan Ziraat Int. Bank	Almatı / Kazakistan	99,92	99,92
12	Ziraat Bank Azerbaycan ASC	Bakü / Azerbaycan	99,98	100,00
13	Ziraat Bank Montenegro AD	Podgoritsa / Karadağ	100,00	100,00
14	JSC Ziraat Bank Georgia	Tiflis / Gürcistan	100,00	100,00
15	Ziraat Bank Uzbekistan JSC	Taşkent / Özbekistan	100,00	100,00

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value	Shareholder's equity amount needed
1	2.931.525	1.597.921	17.468	244.817	-	349.183	111.067	2.019.128	-
2	527.692	430.158	13.056	21	-	58.676	34.742	392.794	-
3	241.701.917	12.036.575	1.109.432	6.662.866	1.255.445	998.080	1.194.431	8.820.209	-
4	21.757.717	19.451.774	20.316.385	736	-	36.953	120.712	16.979.586	-
5	2.500.393	2.498.519	551	36.276	-	32.579	9.273	2.498.267	-
6	462.465	(8.890)	24.512	805	-	(67.164)	(519)	84.959	-
7	53.214	50.000	3.207	1.355	-	1.159	-	-	-
8	19.216.778	6.543.877	911.368	190.130	3.050	139.759	(307.899)	2.565.019	-
9	14.147.051	1.755.979	113.204	85.119	-	23.712	(7.771)	550.844	-
10	2.288.756	1.113.989	44.635	48.226	322	38.524	20.279	785.393	-
11	7.955.640	2.613.968	515.779	149.143	-	160.655	(204.657)	1.847.545	-
12	6.835.702	1.137.619	258.833	81.664	4.368	15.607	(34.551)	412.793	-
13	1.797.444	347.941	14.394	13.370	3.231	2.100	(1.039)	247.703	-
14	1.482.350	511.839	47.890	21.422	252	14.265	7.287	282.825	-
15	3.572.837	719.448	81.805	49.720	2.670	19.061	21.245	446.260	-

(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 31 March 2023, and the profit/loss figures for the previous period are taken from the reviewed financial statements dated 31 March 2022.

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

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

**10.1. Information on Subsidiaries (Continued)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>41.946.035</b>	<b>20.558.487</b>
<b>Movements During the Period</b>	<b>(4.097.669)</b>	<b>21.387.548</b>
Additions to Scope of Consolidation	-	-
Purchases	-	3.249.300
Bonus Shares Obtained	-	86.121
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase <sup>(1)</sup>	551.941	22.601.876
Impairment Provision (-)	4.649.610	4.549.749
Transfer (-)	-	-
<b>Balance at the End of the Period</b> <sup>(2)</sup>	<b>37.848.366</b>	<b>41.946.035</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

<sup>(1)</sup> Includes changes arising from conversion of subsidiaries, whose capitals are paid in Euro amounts, into TL at period end currency rate

<sup>(2)</sup> Non-financial subsidiaries amounting to TL 134.959 are not included in the table (31.12.2022: Non-financial subsidiaries amounting to TL 134.959 are not included in the table).

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

	<b>Current Period</b>	<b>Prior Period</b>
Banks	15.958.589	15.826.908
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	21.889.777	26.119.127

**10.3. Subsidiaries Quoted to the Stock Exchange**

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at Domestic Stock Exchanges	16.979.586	21.486.762
Quoted at International Stock Exchanges	-	-

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

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

<b>Entities under Common Control (Joint Ventures)</b> <sup>(1)</sup>	<b>Bank's Share (%)</b>	<b>Bank's Risk Group Share (%)</b>	<b>Current Assets</b>	<b>Non-Current Assets</b>	<b>Long Term Liabilities</b>	<b>Income</b>	<b>Expense</b>
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	12.349.930	71.962	29.442	144.236	72.876

<sup>(1)</sup> Information on entity under joint control is provided from the unaudited financial statements as of 31 March 2023.

**12. Information on Lease Receivables**

The Bank has no financial lease receivables.



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

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

The Bank has no hedging derivative financial assets.

**14. Information on the Investment Property**

None.

**15. Information on Non-Currents Assets or Disposal Groups "Held for Sale" and "From Discontinued Operations"**

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

The total of the partnership interests of the Bank due to its receivables is TL 415.578 (31 December 2022: TL 415.578). To be TL 11.736 (31 December 2022: TL 12.446) due to the individual receivables of the Bank, TL 5.038.314 (31 December 2022: TL 4.980.515) due to its trade receivables, TL 100.734 (31 December 2022: TL 98.632) due to its agricultural receivables. The total of the real estates acquired for the purpose of sale is TL 5.150.784 (31 December 2022: TL 5.091.593) and the total of other real estates held for sale is TL 1.325.408 (31 December 2022: TL 1.325.408). In addition, the total of the movables acquired due to its receivables is TL 20.389 (31 December 2022: TL 21,287). The net book value of the Bank's assets held for sale acquired through fiduciary rights is TL 2.375.184 (31 December 2022: TL 2.310.546).

**16. Explanations on Tangible Assets**

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
<b>Prior Period End</b>							
Cost	14.703.225	1.269.012	2.723.217	386.799	278.024	-	19.360.277
Accumulated Depreciation (-)	892.951	142.228	1.655.007	179.199	267.755	-	3.137.140
Impairment (-)	78	-	-	-	-	-	78
<b>Net Book Value</b>	<b>13.810.196</b>	<b>1.126.784</b>	<b>1.068.210</b>	<b>207.600</b>	<b>10.269</b>	-	<b>16.223.059</b>
<b>Current Period End</b>							
Net Book Value at the Beginning of the Period	13.810.196	1.126.784	1.068.210	207.600	10.269	-	16.223.059
Change During the Period (Net)	(100.089)	287.373	322.266	74.497	(259)	-	583.788
- Cost	(46.342)	320.013	424.427	69.894	1.327	-	769.319
- Revaluation Differences	-	-	-	-	-	-	-
- Depreciation Net (-)	53.747	32.640	102.161	(4.603)	1.586	-	185.531
- Impairment (-)	-	-	-	-	-	-	-
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	14.656.883	1.589.025	3.147.644	456.693	279.351	-	20.129.596
Accumulated Depreciation at Period End (-)	946.698	174.868	1.757.168	174.596	269.341	-	3.322.671
Impairment (-)	78	-	-	-	-	-	78
<b>Closing Net Book Value</b>	<b>13.710.107</b>	<b>1.414.157</b>	<b>1.390.476</b>	<b>282.097</b>	<b>10.010</b>	-	<b>16.806.847</b>

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

**17. The Impairment Provision Set or Cancelled in The Current Period According to The Asset Groups Not Individually Significant but Materially Affecting the Overall Financial Statements, and The Reason and Conditions for This**

None.

**18. Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets**

None.

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

	<b>Current Period</b>	<b>Prior Period</b>
Cash and Balances at Central Bank	3.974	3.958
Banks and Receivables from Money Markets	1.348	1.783
Financial Assets Measured at Amortized Cost	34.041	21.499
Other assets	297.959	76.006
<b>Total</b>	<b>337.322</b>	<b>103.246</b>

**20. Information on Other Assets**

As of 31 March 2023 and 31 December 2022, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

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

**1.1. Information on Maturity Structure of Deposits**

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	159.644.610	-	18.790.784	165.254.202	116.503.645	10.249.685	23.489.843	141.949	494.074.718
Foreign Currency Deposits	287.253.451	-	154.713.847	148.959.828	29.692.396	23.006.199	63.986.558	14.613	707.626.892
Residents in Türkiye	213.610.754	-	149.334.706	118.389.122	17.600.288	9.586.133	22.911.289	11.804	531.444.096
Residents on Abroad.	73.642.697	-	5.379.141	30.570.706	12.092.108	13.420.066	41.075.269	2.809	176.182.796
Public Sector Deposits	49.370.663	-	144.154.619	12.195.134	867.123	100.458	7.827	-	206.695.824
Commercial Inst. Deposits	77.691.706	-	88.193.308	60.769.072	34.281.837	8.101.015	2.110.214	-	271.147.152
Other Inst. Deposits	6.642.956	-	11.332.846	25.422.543	1.161.685	46.505	334.010	-	44.940.545
Precious Metals Deposit	96.479.392	-	2.241.388	12.179.793	1.132.562	541.728	634.380	-	113.209.243
Interbank Deposits	11.010.480	-	42.711.158	8.996.915	-	19.160.060	59.635	-	81.938.248
The CBRT	2.737.227	-	-	-	-	-	-	-	2.737.227
Domestic Banks	478.763	-	38.880.169	-	-	-	-	-	39.358.932
Foreign Banks	2.369.035	-	439.310	8.996.915	-	19.160.060	59.635	-	31.024.955
Participation Banks	5.425.455	-	3.391.679	-	-	-	-	-	8.817.134
Other	-	-	-	-	-	-	-	-	-
<b>Total<sup>(9)</sup></b>	<b>688.093.258</b>	<b>-</b>	<b>462.137.950</b>	<b>433.777.487</b>	<b>183.639.248</b>	<b>61.205.650</b>	<b>90.622.467</b>	<b>156.562</b>	<b>1.919.632.622</b>

<sup>(9)</sup> As of March 31, 2023, the deposit balance includes TL 55.005.757.473 Treasury Currency Protected Deposit, TL 115.004.648.168 CBRT Currency Protected Deposit and TL 20.935.310.569 YUVAM Account Deposits.

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	128.264.260	-	17.521.519	222.771.598	19.102.610	8.532.376	19.995.801	148.528	416.336.692
Foreign Currency Deposits	258.588.422	-	141.626.859	175.601.183	28.186.122	22.282.870	63.997.018	14.799	690.297.273
Residents in Türkiye	204.853.054	-	137.470.201	150.336.995	18.784.624	11.236.616	28.241.731	12.343	550.935.564
Residents on Abroad	53.735.368	-	4.156.658	25.264.188	9.401.498	11.046.254	35.755.287	2.456	139.361.709
Public Sector Deposits	19.931.009	-	101.367.318	10.148.460	797.037	727.651	7.615	-	132.979.090
Commercial Inst. Deposits	76.001.456	-	101.681.473	92.964.817	4.251.238	18.892.065	2.110.247	-	295.901.296
Other Inst. Deposits	5.337.693	-	5.502.521	17.896.309	3.320.224	67.784	319.228	-	32.443.759
Precious Metals Deposit	78.364.129	-	1.890.618	10.529.097	983.185	523.067	571.394	-	92.861.490
Interbank Deposits	8.296.037	-	42.960.484	8.245.071	-	18.488.125	459.543	-	78.449.260
The CBRT	2.711.406	-	-	-	-	-	-	-	2.711.406
Domestic Banks	375.551	-	39.786.877	-	-	-	402.578	-	40.565.006
Foreign Banks	2.394.674	-	312.061	8.245.071	-	18.488.125	56.965	-	29.496.896
Participation Banks	2.814.406	-	2.861.546	-	-	-	-	-	5.675.952
Other	-	-	-	-	-	-	-	-	-
<b>Total<sup>(9)</sup></b>	<b>574.783.006</b>	<b>-</b>	<b>412.550.792</b>	<b>538.156.535</b>	<b>56.640.416</b>	<b>69.513.938</b>	<b>87.460.846</b>	<b>163.327</b>	<b>1.739.268.860</b>

<sup>(9)</sup> As of 31 December 2022, the balance of the deposit includes TL 83.323.364 Treasury Currency Protected Deposit, TL 83.778.421 CBRT Currency Protected Deposit and TL 16.200.004 YUVAM Account Deposits.

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**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
<b>Saving Deposits</b>				
Saving Deposits <sup>(1)</sup>	301.728.016	217.359.340	191.184.293	197.898.374
Foreign Currency Saving Deposits <sup>(1)</sup>	235.928.435	158.452.416	286.377.351	344.415.016
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches’ Deposits under the Guarantees of Foreign Authority Insurance <sup>(2)</sup>	5.580.420	5.057.008	2.519.729	2.838.629
Off-Shore Banking Regions’ and under Foreign Authorities’ Insurance	-	-	-	-

<sup>(1)</sup> Related deposit balances do not include foreign branches.

<sup>(2)</sup> 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 2.417.164 and TL 36.676 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2022: TL 2.643.374 and TL 35.817).

Pursuant to the Regulation Amending the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund, published in the Official Gazette dated August 27, 2022 and numbered 31936, other than those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions; all deposit and participation funds are covered by insurance. In line with this change, commercial deposits amounting to TL 38.910.567 ( 31 December 2022: TL 26.393.503) within the scope of insurance are not included in the table. The portion of the said deposits exceeding the insurance limit is TL 763.461.279 ( 31 December 2022: TL 699.147.186).

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL 423 (31 December 2022: TL 434) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

**1.3. Information on Saving Deposits/Real Persons’ Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of The Bank Whose Head Office is Abroad, And Reasons if it is Covered in Where The Head Office is Located**

The Bank’s head office is located in Türkiye.

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

	Current Period	Prior Period
Foreign branches’ saving deposits and other accounts	13.017	12.805
Deposits and other accounts belonging to dominant partners as well as their fathers, mothers, spouses and children under their custody	-	-
Deposits and other accounts belonging to the chairman and members of the board of directors, general managers and deputy general managers as well as their fathers, mothers, spouses and children under their custody	5.851	51.853
Deposits and other accounts covered by assets generated through the offenses mentioned in Article 282 of the Turkish Penal Code No.5237 and dated 26 September 2004	-	-
Deposits in the banks to be engaged exclusively in offshore banking in Turkey	-	-

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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	1.901	9.832	12.129	1.290
Swap Transactions	156.701	2.947.598	218.585	2.834.279
Futures Transactions	-	-	-	-
Options	-	129.603	-	89.836
Other	-	-	-	-
<b>Total</b>	<b>158.602</b>	<b>3.087.033</b>	<b>230.714</b>	<b>2.925.405</b>

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	10.208.007	-
Domestic Banks and Institutions	3.847.138	13.803.081	199.280	13.050.361
Foreign Banks, Institutions and Funds	-	86.418.364	-	86.748.424
<b>Total</b>	<b>3.847.138</b>	<b>100.221.445</b>	<b>10.407.287</b>	<b>99.798.785</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	3.846.367	6.000.512	10.406.512	6.285.936
Medium and Long-Term	771	94.220.933	775	93.512.849
<b>Total</b>	<b>3.847.138</b>	<b>100.221.445</b>	<b>10.407.287</b>	<b>99.798.785</b>

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

73% of the Bank’s total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank’s liabilities are not subject to a significant concentration risk.

**4. Information on Money Market Borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>100.605.473</b>	<b>-</b>	<b>21.024.860</b>	<b>-</b>
Financial Institutions and Organizations	100.462.941	-	20.860.674	-
Other Institutions and Organizations	125.100	-	125.400	-
Real Person	17.432	-	38.786	-
<b>From Overseas Operations</b>	<b>-</b>	<b>51.900.772</b>	<b>-</b>	<b>64.037.829</b>
Financial Institutions and Organizations	-	51.900.772	-	40.090.932
Other Institutions and Organizations	-	-	-	23.946.897
Real Person	-	-	-	-
<b>Total</b>	<b>100.605.473</b>	<b>51.900.772</b>	<b>21.024.860</b>	<b>64.037.829</b>

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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	-	645.888	-	644.547
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	35.745.863	1.010.690	26.112.742
<b>Total</b>	<b>1.010.690</b>	<b>36.391.751</b>	<b>1.010.690</b>	<b>26.757.289</b>

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

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

**7. Information on Lease Liabilities (Net)**

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	55.847	44.036	47.708	24.603
Between 1-4 Years	1.072.434	939.583	924.110	786.166
More than 4 Years	1.351.506	795.638	1.135.590	597.848
<b>Total</b>	<b>2.479.787</b>	<b>1.779.257</b>	<b>2.107.408</b>	<b>1.408.617</b>

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

There are no hedging derivative financial liabilities.

**9. Information on Provisions**

**9.1. Provisions Related with Principal Foreign Currency Decrease of Foreign Indexed Loans and Finance Leasing Receivables**

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2022: None).

**9.2. Liabilities on Employee Benefits Provision**

**9.2.1. Termination benefit and Unused Vacation Rights**

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 March 2023, unpaid vacation liability amounted to TL 684.935 and employment termination amounted to TL 6.205.656 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2022 unpaid vacation liability amounted to TL 746.797, and employment termination amounted to TL 5.997.944 are presented under the “Employee Benefits Provision” in the financial statements).

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

**9. Information on Provisions (Continued)**

**9.3. Information on Other Provision**

Except for the BRSA Accounting and Financial Reporting Legislation requirements, the Bank's management has free provisions amounting to TL 17.300.000, of which TL 28.300.000 has been reserved in previous periods and TL 11.000.000 has been canceled in the current period. (December 31, 2022: Except for the BRSA Accounting and Financial Reporting Legislation requirements, the Bank's management has set aside a free provision amounting to TL 28.300.000, of which TL 3.710.000 is in previous periods and TL 24.590.000 is in the current period).

Expected loss provisions for non-cash loans are TL 8.467.085 (31 December 2022: Expected loss provisions for non-cash loans are TL 9.108.014). The Bank has made a provision amounting to TL 110.700 for cases that are not yet finalized (31 December 2022: The Bank has made a provision amounting to TL 110.500 for cases that are not yet finalized). There is also other provisions amounting to TL 3.609.808 (31 December 2022: Other provisions amounting to TL 4.475.512).

**10. Explanations on Tax Liability**

**10.1. Explanations on Current Tax Liability**

**10.1.1. Information on Taxes Payable**

As of 31 March 2023, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 5.665.066 (As of 31 December 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 5.909.763).

**10.1.2. Information on Current Taxes Payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	5.665.066	5.909.763
Taxation on Income From Securities	663.511	527.578
Property Tax	6.916	5.640
Banking Insurance Transactions Tax (BITT)	858.943	785.989
Foreign Exchange Transactions Tax	64.363	39.653
Value Added Tax Payable	64.958	125.560
Other	168.220	272.208
<b>Total</b>	<b>7.491.977</b>	<b>7.666.391</b>

**10.1.3. Information on Premium Payables**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums Employee	207	120
Social Security Premiums - Employer	278	153
Bank Social Aid Pension Fund Premium - Employee	72.323	45.528
Bank Social Aid Pension Fund Premium - Employer	106.014	66.725
Pension Fund Membership Fees and Provisions - Employee	9.445	-
Pension Fund Membership Fees and Provisions - Employer	18.675	36
Unemployment Insurance - Employee	5.828	6.536
Unemployment Insurance - Employer	11.658	13.075
Other	-	-
<b>Total</b>	<b>224.428</b>	<b>132.173</b>

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

**10. Explanations on Tax Liability (Continued)**

**10.2. Information on Deferred Tax Liability**

The Bank calculates and reflects deferred tax in accordance with the provisions of “Turkish Accounting Standard for Income Taxes” (“TAS 12”) for taxable temporary differences that arise between the book value of an asset or liability and its tax basis determined in accordance with the tax legislation. In the calculation of deferred tax, enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

Deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from these differences by earning taxable profit in the future. Calculated deferred tax receivables and deferred tax liabilities are shown in the financial statements by netting.

As of 31 March 2023, there is deferred tax liability amounting to TL 2.904.543 (31 December 2022: TL 279.092).

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

The Bank does not have any liabilities related to non-current assets held for sale and held from discontinued operations.

**12. Information on Subordinated Loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	30.498.394	-	28.949.062
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	30.498.394	-	28.949.062
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>30.498.394</b>	-	<b>28.949.062</b>

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



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

**13. Information on Shareholders’ Equity**

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

	<b>Current Period</b>	<b>Prior Period</b>
Common stock	84.600.000	34.900.000
Preferred stock	-	-

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

The Bank does not have a registered capital system.

**13.3. Capital Increases and Sources in the Current Period and Other Information Based on Increased Capital Share**

The decision to increase the capital to TL 84.600.000 was approved at the Extraordinary General Assembly meeting of the Bank held on March 29, 2023, and the capital increase and the related amendment made in the relevant article of the Articles of Association were registered on March 30, 2023. It was announced in the Trade Registry Gazette No. 10801 and dated March 30, 2023. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA.

<b>Increase Date</b>	<b>Increase Amount</b>	<b>Cash</b>	<b>Profit Reserves Subject to Increase</b>	<b>Capital Reserves Subject to Increase</b>
30 March 2023	49.700.000	49.700.000	-	-

**13.4. Information on Share Capital Increases from Capital Reserves During the Current Period**

There is no share capital amount included in capital.

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

The Bank has no capital commitments

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

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

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

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

**13.7. Summary Information on Privileges Given to Shares Representing the Capital**

The Bank has no preferred shares.

**13.8. Information on Marketable Securities Value Increase Fund**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	18.512.189	(5.924.274)	21.648.593	(5.781.840)
Financial Assets at Fair Value Through Other Comprehensive Income	41.793.379	(18.607.450)	37.318.737	(19.802.258)
Foreign Exchange Difference	5.838.443	-	5.838.443	-
<b>Total</b>	<b>66.144.011</b>	<b>(24.531.724)</b>	<b>64.805.773</b>	<b>(25.584.098)</b>

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

**1. Explanations on Off-Balance Sheet Commitments**

**1.1. Nature and Amount of Irrevocable Loan Commitments**

	Current Period	Prior Period
Asset Purchase Sale Commitments	157.841.677	38.863.491
Subsidiaries and Associates Capital Contribution Commitments	150.000	150.000
Loan Granting Commitments	60.493.217	51.525.638
Commitments for Cheque Payments	17.083.579	10.117.968
Commitments for Credit Card Expenditure Limits	208.471.181	100.861.357
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	250.685	162.372
Other Irrevocable Commitments	31.958.923	24.846.437
<b>Total</b>	<b>476.249.262</b>	<b>226.527.263</b>

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

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

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

The Bank has provided provision amounting to TL 8.467.085 for expected credit losses arising from the off-balance sheet items in the current period. (31 December 2022: TL 9.108.014).

**1.2.1. Non-Cash Loans Including Guarantees, Acceptances, Financial Guarantees and Other Letter of Credits**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantee	363.770.254	320.689.280
Letters of Credit	65.329.974	67.420.943
Bank Acceptances	10.683.542	12.202.745
Endorsements	40.744.889	14.341.683
<b>Total</b>	<b>480.528.659</b>	<b>414.654.651</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Certain Guarantees	230.095.636	197.592.777
Letters of Advance Guarantees	67.479.717	55.127.711
Letters of Temporary Guarantees	10.718.763	10.362.644
Letters of Guarantees Given to Customs Offices	3.321.212	4.308.628
Other Letters of Guarantees	52.154.926	53.297.520
<b>Total</b>	<b>363.770.254</b>	<b>320.689.280</b>

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

**1.3.1. Total Non-Cash Loans:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>42.695.320</b>	<b>42.693.247</b>
With Original Maturity of One Year or Less	25.120.514	24.259.594
With Original Maturity of More than One Year	17.574.806	18.433.653
<b>Other Non-Cash Loans</b>	<b>437.833.339</b>	<b>371.961.404</b>
<b>Total</b>	<b>480.528.659</b>	<b>414.654.651</b>

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

**1. Interest Income**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans</b> <sup>(1)</sup>	<b>32.452.712</b>	<b>6.551.835</b>	<b>19.726.329</b>	<b>3.604.960</b>
Short Term Loans	13.087.069	880.856	6.560.889	411.396
Medium and Long Term Loans	19.063.148	5.670.979	12.803.234	3.193.564
Interest on Loans Under Follow-up	302.495	-	362.206	-
Premiums from Resource Utilization Support Fund	-	-	-	-

<sup>(1)</sup> Includes fees and commissions income on cash loans.

**1.2. Information on Interest Income on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Türkiye	101.982	-	-	-
Domestic Banks	936	1.204.239	4.171	6
Foreign Banks	30.555	58.696	35.346	10.950
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>133.473</b>	<b>1.262.935</b>	<b>39.517</b>	<b>10.956</b>

**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	182.908	941	139.982	1.216
Financial Assets at Fair Value Through Other Comprehensive Income	8.287.670	2.822.530	7.238.939	2.041.645
Financial Assets Measured at Amortized Cost	5.753.305	583.914	1.508.712	416.718
<b>Total</b>	<b>14.223.883</b>	<b>3.407.385</b>	<b>8.887.633</b>	<b>2.459.579</b>

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
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**(Continued)**

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

**1. Interest Income (Continued)**

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

	<b>Current Period</b>	<b>Prior Period</b>
Interest Income from Associates and Subsidiaries	107.141	56.847

**2. Interest Expense**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks <sup>(1)</sup>	72.303	1.484.169	60.154	358.637
Central Bank of the Republic of Türkiye	436	-	-	-
Domestic Banks	49.858	185.987	45.140	70.144
Foreign Banks	22.009	1.298.182	15.014	288.493
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>72.303</b>	<b>1.484.169</b>	<b>60.154</b>	<b>358.637</b>

<sup>(1)</sup> Includes fees and commissions expenses on cash loans

**2.2. Information on Interest Expense Given to Associates and Subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Interest Expenses Given to Subsidiaries and Associates	45.958	44.559

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Interest Expenses on Securities Issued	42.475	866.502	42.475	640.446

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**(Continued)**

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

**2. Interest Expense (Continued)**

**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	-	930.678	-	-	-	-	-	930.678
Saving Deposit	-	574.672	8.800.460	1.872.640	296.920	714.436	3.450	12.262.578
Public Sector Deposit	36	2.755.972	463.109	22.531	17.287	215	-	3.259.150
Commercial Deposit	76	3.642.261	3.506.944	640.087	2.076.049	89.027	-	9.954.444
Other Deposit	-	363.425	911.650	83.745	2.200	12.796	-	1.373.816
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>112</b>	<b>8.267.008</b>	<b>13.682.163</b>	<b>2.619.003</b>	<b>2.392.456</b>	<b>816.474</b>	<b>3.450</b>	<b>27.780.666</b>
FC								
Foreign Currency Deposit	400	1.435.143	661.898	84.297	120.390	179.888	-	2.482.016
Bank Deposit	-	52.528	70.371	-	82.133	855	-	205.887
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	2.284	13.023	1.260	640	751	-	17.958
<b>Total</b>	<b>400</b>	<b>1.489.955</b>	<b>745.292</b>	<b>85.557</b>	<b>203.163</b>	<b>181.494</b>	<b>-</b>	<b>2.705.861</b>
<b>Grand Total</b>	<b>512</b>	<b>9.756.963</b>	<b>14.427.455</b>	<b>2.704.560</b>	<b>2.595.619</b>	<b>997.968</b>	<b>3.450</b>	<b>30.486.527</b>

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	-	1.032.855	-	-	-	-	-	1.032.855
Saving Deposit	-	360.663	4.475.548	1.070.073	190.081	966.363	4.167	7.066.895
Public Sector Deposit	25	744.812	287.229	23.713	12.898	445	-	1.069.122
Commercial Deposit	34	967.506	587.402	428.793	401.930	29.533	-	2.415.198
Other Deposit	-	136.037	428.290	23.506	14.248	11.542	-	613.623
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59</b>	<b>3.241.873</b>	<b>5.778.469</b>	<b>1.546.085</b>	<b>619.157</b>	<b>1.007.883</b>	<b>4.167</b>	<b>12.197.693</b>
FC								
Foreign Currency Deposit	667	78.284	230.326	26.213	17.428	57.734	1	410.653
Bank Deposit	-	1.882	6.780	-	5.348	13.438	-	27.448
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1.670	11.166	982	547	576	-	14.941
<b>Total</b>	<b>667</b>	<b>81.836</b>	<b>248.272</b>	<b>27.195</b>	<b>23.323</b>	<b>71.748</b>	<b>1</b>	<b>453.042</b>
<b>Grand Total</b>	<b>726</b>	<b>3.323.709</b>	<b>6.026.741</b>	<b>1.573.280</b>	<b>642.480</b>	<b>1.079.631</b>	<b>4.168</b>	<b>12.650.735</b>

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

	<b>Curent Period</b>	<b>Prior Period</b>
<b>Profit</b>	<b>106.984.900</b>	<b>116.975.174</b>
Trading Gains on Securities	191.121	456.004
Gains on Derivative Financial Transactions	4.062.652	4.839.691
Foreign Exchange Profits	102.731.127	111.679.479
<b>Loss (-)</b>	<b>107.161.999</b>	<b>116.811.211</b>
Trading Losses on Securities	773.544	8.406
Losses on Derivative Financial Instruments	6.222.118	6.646.969
Foreign Exchange Loss	100.166.337	110.155.836

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

**4. Information on Other Operating Income**

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 20.065.150 and income from sales of assets amounting to TL 109.009 (31 December 2022: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.072.348 and income from sales of assets amounting to TL 216.385).

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

	<b>Current Period</b>	<b>Prior Period</b>
Expected Credit Loss Provisions	2.408.400	3.851.647
12 Month Expected Credit Loss (Stage 1)	1.280.800	705.752
Significant Increase in Credit Risk (Stage 2)	417.893	2.047.691
Non-Performing Loans (Stage 3)	709.707	1.098.204
Marketable Securities Impairment Expense	123.397	367.440
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	123.397	367.440
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other <sup>(*)</sup>	2.519	1.609.338
<b>Total</b>	<b>2.534.316</b>	<b>5.828.425</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Termination Benefits	207.712	148.714
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	100
Depreciation Expenses of Tangible Assets	268.520	125.687
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	58.975	37.776
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	6.720.917	1.291.447
Leasing Expenses Related to TFRS 16	-	-
Exceptions	34.653	25.309
Maintenance Expenses	485.156	48.478
Advertisement Expenses	125.040	61.157
Other Expenses	6.076.068	1.156.503
Loss on Sales of Assets	111	343
Other <sup>(1)</sup>	22.951.995	1.521.195
<b>Total</b>	<b>30.208.230</b>	<b>3.125.262</b>

<sup>(1)</sup> TL 1.116.485 is from Savings Deposit Insurance Fund rediscount expenses, TL 1.027.878 is from taxes, duties and fees, and TL 20.000.000 is from donations made to AFAD due to the earthquake disaster in Kahramanmaraş and surrounding provinces in February. (31 March 2022: TL 583.916 consists of Savings Deposit Insurance Fund rediscount expenses, TL 550.188 consists of taxes, duties and fees).

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

**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:

	<b>Curent Period</b>	<b>Prior Period</b>
Net Interest Income	19.570.762	17.491.519
Net Fees and Commissions Income	5.411.723	2.244.156
Other Operating Income	21.170.816	1.698.339
Dividend Income	-	805
Trading Profit/Loss (Net)	(177.099)	163.963
Personnel Expenses (-)	5.200.463	2.035.677
Expected Credit Loss (-)	2.408.400	3.851.647
Other Provision Expenses (-)	125.916	1.976.778
Other Operating Expenses (-)	30.208.230	3.125.262
<b>Profit / (Loss) From Continuing Operations</b>	<b>8.033.193</b>	<b>10.609.418</b>

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

As of 31 March 2023, TL 1.486.960 of the Bank’s total tax provision expense amounting to TL 32.903 consists of current tax expense while remaining balances amounting to TL 1.454.057 consists of deferred tax expense. (As of 31 March 2022, TL 3.880.632 of the Bank’s total tax provision expense amounting to TL12.584.667 consists of current tax expense while remaining balances amounting to TL8.704.035 consists of deferred tax income)

**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 6.546.233 (31 March 2022: TL 6.728.786).

**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 commissions received from credit card and fees and commissions received from banking transactions.



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**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
<b>Current Period</b>						
<b>Loans</b>						
Beginning Balance	5.664.719	6.688.146	-	-	-	-
Ending Balance	6.901.061	6.698.456	-	-	-	-
Interest and Commissions Income	107.141	312	-	-	-	-

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
<b>Prior Period</b>						
<b>Loans</b>						
Beginning Balance	4.147.452	8.985.638	-	-	-	-
Ending Balance	5.664.719	6.688.146	-	-	-	-
Interest and Commissions Income	56.847	181	-	-	-	-

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposits</b>						
Beginning Balance	7.116.434	3.495.970	-	-	-	-
Ending Balance	10.971.946	7.116.434	-	-	-	-
Interest Expense on Deposits	45.958	44.559	-	-	-	-

**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
<b>Transactions at fair value through Profit or Loss</b>						
Beginning Balance	217.368	489.081	-	-	-	-
Ending Balance	326.282	217.368	-	-	-	-
Total Profit/Loss	63.216	20.635	-	-	-	-
<b>Risk Protection Oriented Processes</b>						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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

Fees paid to the Bank’s key management amount to TL 8.180 (31 March 2022: TL 6.847).

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

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

Within the scope of the DPR securitization program based on foreign remittance flows, the Bank performed a securitization loan borrowing transaction as of 04 May 2023. Borrowing transaction consisting of two different tranches; 800 million USD and 200 million EUR in total amounting to approximately 1 billion USD, 2 years non-refundable, 5 years maturity.

The Bank's Subsidiary, Ziraat Dinamik Banka A.Ş., was established with the permission of the BRSA dated March 23, 2023 and numbered 10542 and was registered on April 18, 2023, and has not started operations yet as of the end of the period.

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**SECTION SIX**

**EXPLANATIONS ON INDEPENDENT AUDIT REPORT**

**I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR’S REPORT**

The unconsolidated financial statements prepared as of 31 March 2023 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors' report dated 11 May 2023 is presented preceding the unconsolidated 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**

We started 2023 with positive expectations that global inflation will start to decline, GDP growth will follow a stable course, and central banks will need less policy tightening.

However, the inflation rates, which are well above the targets even though they started to decline, and the risks to the global growth outlook, as well as the recent bank failures in the USA and the bank bailout in Switzerland, brought the risks to financial stability on the agenda. The negativities created by the rapidly increasing interest rates on a global basis with the effect of tight monetary policy practices, lack of supervision and regulation and risks specific to banks caused fluctuations in the financial markets. Although recession concerns increased, the spread of the crisis was brought under control with the rapid and strong steps taken in coordination by central banks and regulatory agencies. Within the framework of these developments, global central banks have come to a difficult choice stage.

In the first two meetings of this year, the US Federal Reserve (Fed) increased the interest rates by 25 basis points, in line with the expectations, and decreased the rate of increase. The European Central Bank (ECB), on the other hand, increased interest rates by 50 basis points in the first two meetings of this year, in line with expectations. However, the ECB emphasized that they closely monitor the tension in the financial markets, that it is not possible to give a signal for the interest rate path in the current uncertainty environment and that it will continue to make its decisions based on data.

The Turkish economy grew by 5.6% last year, above the average of the last 20 years. In the first quarter of this year, in a conjuncture where expectations for a slowdown in the global economy increased and risks to financial stability came to the fore, the major earthquakes that took place on February 6 brought downside risks regarding economic activity to the agenda. Although supply chain, transportation and infrastructure problems, loss of workforce and decrease in production were seen as negative in the short term, rapid recovery was observed in many leading indicators of economic activity with the dynamic structure of our economy, comprehensive supports implemented by the government after the earthquakes and reconstruction activities. In the evaluations published by various foreign institutions and organizations after the earthquakes, it was observed that the estimations that the negative impact of the earthquakes on Türkiye's growth would be limited this year gained weight. In the light of the leading data, it is pointed out that the Turkish economy will maintain its strong activity and continue to grow due to domestic and foreign demand.

We, as a nation, have been deeply saddened by the great earthquakes we experienced recently. As Ziraat Finance Group, we have ensured that priority items such as food, clothing and medical supplies are delivered to the region for the use of both our employees and our citizens, in coordination with our friends working in the region and related public institutions since the first day of this disaster, as in our 160-year history. Thanks to the container living spaces we have established, we have ensured the uninterrupted provision of our services by meeting the accommodation needs of our employees. On this occasion, I wish God's mercy to our members and citizens who lost their lives in the earthquake, my condolences to our entire nation, and a speedy recovery to the injured.

**Burhaneddin TANYERİ**  
**Chairman of the Board**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
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**EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)**

**II. ASSESSMENT OF GENERAL MANAGER**

In the global economy, which started to normalize after the pandemic period, we left behind a period in which we experienced developments such as supply chain problems, Russia-Ukraine war, increase in commodity prices, rising inflation, and the transition of central banks to tighter monetary policies. Even though we started 2023 with positive expectations, bank bankruptcies in the USA and the bank bailout operation in Switzerland created fluctuations in the financial markets. On the other hand, it is predicted that the negative effects of the great earthquake disaster in our country on our economy will be quite limited within the framework of the measures and practices taken.

Our bank maintains its strong influence in the Turkish economy and in the first quarter of the year, our balance sheet size exceeded TL 2.6 trillion and our cash loans exceeded TL 1.4 trillion. In line with the selective lending policy that we continue to implement, we continue our strategies to support the real sector, mainly with our TL-focused financing model. In this context, 75% of our cash loans consist of TL-focused loans and 77% of our TL loans consist of corporate loans that we extend to the real sector.

We attach special importance to the fact that corporate loans are directed towards selective areas that will provide more added value to our economy. We give priority in financing to areas such as agriculture, manufacturing, exports, employment, energy and tourism. In this context, approximately 30% of our corporate loans are for agriculture and 23% for manufacturing.

As Ziraat Bank, we see agriculture as the top priority. In recent years, food inflation and the problems experienced in accessing agricultural products after the Russia-Ukraine war have brought the agricultural sector to an even more important place. As of the first quarter of the year, the balance of our agricultural loans stood at TL 300 billion. We design special products within the framework of the development of the agricultural sector and increasing its added value. We offer our customers financing products at the most favorable terms in all fields of agriculture, such as agricultural mechanization, modern irrigation systems, solar agricultural irrigation, young farmers, women farmers, cooperatives, greenhouse farming, animal husbandry, crop production, aquaculture, contracted production, producer financing system. In addition, we carry out joint studies with all institutions and universities related to agriculture.

We also attach importance to meeting the financing needs of small and medium-sized companies, which are an important element of employment and production, under the most appropriate conditions. In the first quarter of 2023, we provided approximately TL 22 billion of loans under 14 KGF Support Packages. In April, we introduced 3 new products that provide significant convenience to our customers. The "Trade Way" provides our customers in the real sector, who use our Bank's financial solutions, with the opportunity to expand their commercial activities by acquiring new business partners and to manage their trade receivables under the assurance of our Bank. With the "Final Payment", our commercial and individual customers can create orders for their receivables / debts in cash or in flexible installments with future dates, transfer these orders partially or completely to third parties, and convert the orders they receive into cash before the due date. With "Kolay Cashier", companies that have a widespread branch or dealer network can deposit their cash in their safes from our ATMs free of charge, quickly and practically, to the accounts of their parent companies during the day.

In addition to deposits which is our main funding source, we are also developing our non-deposit funding capabilities. In the first quarter of the year, we issued USD 500 million senior unsecured eurobond. We renewed our syndicated loan, which was due at the beginning of April, at a rollover rate of 103%. Our bank's securitization program (DPR) based on foreign remittance flows has been completed and the first issuance of USD 1 billion has been made within the scope of this program.

With our network of more than 1.700 branches and more than 7.300 ATMs, we make it possible to access financial services everywhere. However, being aware that the future of the banking sector, which uses technology most intensively, is in digital banking, we attach special importance to digital banking and continue our investments. In this context, the number of our active digital banking customers has exceeded 20 million. The share financial transactions through digital channels in total transactions has also exceeded 94%. As a result of our work for the digital bank, Ziraat Dinamik Banka A.Ş. Necessary permits have been obtained for this purpose and we are continuing our work in this area intensively so that it can start its activities in the coming period.

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

**II. ASSESSMENT OF GENERAL MANAGER (Continued)**

The great earthquake disaster we experienced in February saddened us all. Our bank, with the aim of being the morale bank besides being the leader bank of our country, has been a pioneer in providing maximum support in the earthquake disaster that was experienced in Kahramanmaraş and affected many cities. Our mobile and container branches, as well as our ATMs and temporary service points, were put into service immediately in order to maintain uninterrupted access to financial services in the earthquake zone from the first moment. In addition, payment facilities developed for loan customers and all necessary actions were taken to meet the basic needs of all our citizens affected by the disaster, thereby facilitating the financial life of our disaster-affected customers and meeting their needs.

In these difficult days, we quickly fulfilled the requirements of being “More than a Bank” for both our employees and their relatives and all our citizens, and we continue to do so. On this occasion, I wish God's mercy to our employees and citizens who lost their lives in the earthquake, my condolences to our entire nation, and a speedy recovery to the injured.

**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 made significant advances in fundamental issues such as business style, product variety and service approach, in line with its strategy built on the principles of multifaceted efficiency and effectiveness.

The Bank, which produces effective financial solutions to meet all financial needs of particularly the farmers, the tradesman, the businessperson, the industrialist, the entrepreneurs, the pensioners and the employees, 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 superior and quality services corporate, commercial and retail banking with;

- 1.758 domestic and foreign branch,
- 26.047 employees,
- Domestic and foreign ATMs,
- Internet Banking (Retail and Corporate Internet Branch),
- Mobile Banking (Ziraat Mobile, Ziraat Tablet, Bankkart Mobile)
- Telephone and 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 84.600.000.000. The Bank's sole shareholder is Türkiye 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.

**V. Amendments to the Articles of Association in 2023**

The decision to increase the capital to TL 84.600.000.000 was approved at the Bank's Extraordinary General Assembly meeting held on March 29, 2023. It was announced in the Trade Registry Gazette No. 10801. The accounting for the mentioned capital increase was carried out on 30 March 2023, based on the permission obtained from the BRSA. In this framework, the relevant article of the Articles of Association has been updated as indicated below.

Former Version of Article 6: The Bank's capital is 34.900.000.000,- Turkish Lira, all of which belong to the Türkiye Wealth Fund. The capital is divided into 34.900.000.000 registered shares, each with a nominal value of 1 Turkish Lira. The old capital of 13.100.000.000,- Turkish Lira has been fully paid. This time, the capital increased by 21.800.000.000,- Turkish Liras has been committed in cash and free from collusion and has been fully paid before the registration date.

New Version of Article 6: The Bank's capital is 84.600.000.000 Turkish Liras, all of which belong to the Türkiye Wealth Fund. The capital is divided into 84.600.000.000 registered shares, each with a nominal value of 1 Turkish Lira. The old capital of 34.900.000.000,- Turkish Liras has been fully paid. This time, the increased capital amounting to 49.700.000.000,- Turkish Liras has been committed in cash and free from collusion and has been fully paid before the registration date.

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

**VI. MAIN FINANCIAL INDICATORS**

<b>ASSETS (TL Million)</b>	<b>31.03.2023</b>	<b>31.12.2022</b>
Cash and Cash Equivalents	387.372	391.244
Securities Portfolio	714.067	588.320
Cash Loans (Gross)	1.441.548	1.266.351
Other Assets	86.567	65.750
<b>Total Assets</b>	<b>2.629.554</b>	<b>2.311.665</b>
<b>LIABILITIES (TL Million)</b>	<b>31.03.2023</b>	<b>31.12.2022</b>
Deposits	1.919.633	1.739.269
Non-deposits Funds	324.476	251.986
Other Liabilities	124.365	117.930
Shareholders' Equity	261.080	202.480
<b>Total Liabilities</b>	<b>2.629.554</b>	<b>2.311.665</b>
<b>SUMMARY OF PROFIT OR LOSS TABLE (TL Million)</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Net Interest Income	19.571	17.492
Net Fees and Commission Income	5.412	2.244
Other Operations Income	21.171	1.698
Other Operations Expense	30.208	3.125
Allowance for Expected Credit Losses	2.408	3.852
<b>Net Profit/Losses</b>	<b>6.546</b>	<b>6.729</b>
<b>RATIOS (%)</b>	<b>31.03.2023</b>	<b>31.12.2022</b>
Capital Adequacy Ratio	16,35	16,53
Equity / Total Assets	9,9	8,8
Cash Loans (Gross) / Total Assets	54,8	54,8
Loans under follow-up (Gross) / Total Loans	0,9	1,1
Liquid Assets / Total Assets	14,7	16,9



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

**VII. 2023 I. INTERIM PERIOD OPERATIONS**

**Credit Rating Agencies**

International credit rating agency Fitch Ratings affirmed Türkiye's long-term credit rating at “B” with a negative outlook on March 17, 2023. Subsequently, the Agency affirmed all the ratings and outlooks of Ziraat Bank on March 24, 2023.

As of 31 March 2023, the credit ratings of the Bank are as follows:

Credit Rating Agency	Category	Rating Note	Date
Fitch Ratings	FC Long Term IDR	B-	March 2023
	Outlook	Negative	
	FC Short Term IDR	B	
	TL Long Term IDR	B	
	Outlook	Negative	
	TL Short Term IDR	B	
	National Long Term	AA (tur)	
	Outlook	Stable	
	Government Support	Ns	
	Viability Rating	b-	
Moody's	Outlook	Stable	August 2022
	Long Term Deposit- FC	B3	
	Short Term Deposit –FC	Not-Prime	
	Long Term Deposit- TL	B3	
	Short Term Deposit- TL	Not-Prime	
	Long Term Issuer- FC	B3	
	Senior Unsecured - FC (Medium Term Issuance Program)	P(B3)	
	Baseline Credit Assesment	caa1	
	Adjusted Baseline Credit Assesment	caa1	
JCR Eurasia	Long Term International FC	BB	January 2023
	Outlook	Negative	
	Long Term International TL	BB	
	Outlook	Negative	
	Long Term National	AAA (Trk)	
	Outlook	Stable	
	Short Term International	J1+(tr)	
	Outlook	Stable	

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

**VII. 2023 I. INTERIM PERIOD OPERATIONS (Continued)**

**Bonds Issuance in Global Markets**

Within the scope of efforts to diversify the Bank's funding options and obtain cost-effective, long-term funding, necessary approvals have been obtained from the regulatory authorities for borrowing from international capital markets, and the updating of our Bank's USD 7 billion GMTN (Global Medium Term Notes) program continues.

On February 1, 2023, the Bank issued a 3.5-year maturity USD 500 million eurobond in international markets.

In the first quarter of 2023, the Bank continued to provide external funding through private placement issuances under the GMTN (Global Medium Term Notes) program.

**Financing of Agriculture Sector**

As Ziraat Bank, while we continue to provide financial support to the agricultural sector, we also develop projects aimed at solving the structural problems of the sector and facilitating access to finance. We have been working with authorized institutions, and agricultural organizations. In this context, facilitating access to direct financing 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 298.4 billion loans from Bank's own sources for financing the agricultural sector***

In 2023, TL 102 billion loans were extended to approximately 500 thousand customers from the Bank's resources to finance the agricultural sector, and more than 48 thousand new customers were added to the portfolio.

The balance of agricultural loans extended from bank resources reached TL 298.4 billion as of the end of the first quarter of 2023, and the number of agro loan customers exceeded 829 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 fund-based loans it mediated reached 300.5 billion TL as of the first quarter of 2023, and the number of customers on loans reached over 900 thousand.

In 2023, 71 billion TL of interest-reduced (subsidised) loans were extended to approximately 332.000 producers and companies operating in the agricultural sector.

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. The project "I Have Many Reasons to Live in My Village - Small Heads Project" was put into practice.

At the end of October 2022, increasing the scale of the enterprises operating in cattle dairy farming with qualified animal breeds, diversifying the financial solution alternatives of small enterprises, bringing idle operating capacities into production, increasing the demand for domestically born female animals and increasing the capacity of existing dairy farms. While creating a market for more female animals, the "I Have Many Reasons to Live in My Village - Cattle Breeding Project" for producers operating in cattle dairy farming was put into practice within the scope of supporting efforts to reduce animal imports.

As of April 2022, within the scope of the Bank's new strategy in agricultural banking, "Financing the Agricultural Ecosystem", Young Farmer Loan, Women Farmer Loan, Gold Hive Loan, Solar Powered Agricultural Irrigation Loan, Producer Cooperative Loan and Agricultural Transfer Loan were put into practice.

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

**VII. 2023 I. INTERIM PERIOD OPERATIONS (Continued)**

The second meeting of Ziraat Bank Agricultural Ecosystem, the first of which was held on World Farmers Day in 2022, was attended by President Recep Tayyip Erdoğan, Minister of Treasury and Finance Dr. Nureddin Nebati, Minister of Agriculture and Forestry Prof. Dr. Vahit Kirişçi and more than 2.500 industry stakeholders in our country's agricultural ecosystem, it was held on January 6, 2023 at the Istanbul Haliç Congress Center.

**VIII. OTHER IMPORTANT ACTIVITIES**

With the structure of “Customer Oriented Foreign Trade Operation”, the share of the bank in the country's foreign trade volume was 16.5% as of March 31, 2023.

In the first quarter of 2023, the ‘Yeni Evim Housing Loan’ campaign was launched and a total of TL 3.4 billion loans were extended to 1.725 customers.

In the first quarter of 2023, Final Payment and Easy Cash products were launched.

As a result of the earthquake disaster on February 6, 2023, actions were taken in the provinces affected by the earthquake in order to offer solutions to our citizens living in the earthquake area, within the framework of the Bank's mission of being a moral bank. In this context; With the Türkiye One Heart Campaign, in which many public and organizations participated and which we mobilized as a country, support was given to institutions and organizations in disaster-related fields.

Within the scope of the Earthquake Support Loan product, TL 6.5 billion was extended to approximately 85 thousand customers.

In order to meet the investment or business financing needs of all our SME and non-SME customers operating in the provinces in question, KGF Support Packages were put into practice with the support of the Treasury within the scope of the 6 February Earthquakes. As of the end of the first quarter of 2023, a total of TL 2.5 billion loans were disbursed.

Due to the earthquake disaster; The total loan terms of the loan debts / installments of our customers in Adıyaman, Hatay, Kahramanmaraş, Malatya, Osmaniye provinces and districts, and İslâhiye and Nurdağı districts of Gaziantep province have been extended. For our customers in the remaining provinces and districts, the total loan maturities of the loan debts / installments were extended and postponed without interest.

***Bankkart Brand is growing***

As of the first quarter of 2023, the number of credit cards of the bank was approximately 12 million, the market share of credit cards was 11.4% and the monthly turnover market share was approximately 11%. It is anticipated that this development will continue in the medium and long term. The number of debit cards exceeded 46 million and the sector leadership continued with a 27.3% monthly shopping turnover market share.

As of the first quarter of 2023, the number of member workplaces of the Bank is over 1 million and the total number of physical terminals is over 705 thousand. The total turnover of the member merchants in the first quarter is over TL 217 billion, and the turnover market share of the Bank in March 2023 was approximately 16%. 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.

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

**VIII. OTHER IMPORTANT ACTIVITIES (Continued)**

*Advertising Activities*

With the sponsorship of the bank and the great support of its employees, the volleyball team completed the 2021-2022 season of the Efeler League with a championship and achieved a great success by winning its second championship in a row. Ziraat Bank Sports Club, which represents Türkiye in the CEV Champions League this season, continues its sponsorship support in the 2022/2023 season.

In order to contribute to Turkish football, the Bank continues to give its name to the Turkish Cup in the 2022-2023 football season, as it has sponsored the last 13 football seasons since 2009.

*Supporting art is a tradition at Ziraat Bank*

Ziraat Bank, which has integrated the importance it attaches to art and artists with the slogan "For Art, In Art" since its establishment, continues to carry out various activities in various branches of art.

Ziraat Bank, which has integrated the importance it attaches to art and artists with the slogan "For Art, In Art" since its establishment, continues to carry out various activities in various branches of art.

In Ankara Kuğulu Art Gallery; Dilek Yalçın Exhibition, which opened on 12 December 2022, continued until 2 February 2023. Subsequently, the gallery hosted the exhibitions of Artist Ece Afacan and Şinasi Bozatlı. In the first quarter of 2023, approximately 500 people visited the gallery.

At Çukurambar Art Gallery; Mustafa Salim Aktuğ Painting Exhibition, which opened on 11 November 2022, ended on 30 January 2023. The Devabil Land Exhibition, which was opened after, can be visited until May 2, 2023. In the first quarter of 2023, approximately 4 thousand people visited the gallery.

*The First Banking Museum*

Ziraat Bank Museum, where the deep-rooted history of Ziraat Bank, which witnessed almost every stage of the Republic, is exhibited, is Türkiye's first banking museum. The museum was visited by approximately 6 thousand people in the first quarter of 2023.

*Digital Platforms and Field Research*

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

In order to meet the demands and expectations of customers in the best way possible, to inform about the Bank's products and services, and to keep customer satisfaction at the highest level, it maintained its position as the most effective bank in the sector in social media channels. With nearly 2.3 million likes and followers on its Facebook page as of 2023, over 459 thousand followers on Twitter, over 239 thousand followers on Instagram, as well as over 84 million YouTube views and shares on other platforms, the Bank's effectiveness in social media is day by day increasing.

In addition, as of the first quarter, the number of bank digital customers reached approximately 32 million and the number of active digital customers reached approximately 21 million.

The number of customers of the Super Branch, the bank's digital branch, which is offered to individual customers through digital channels and provides simple, reliable, fast and easier access to all banking transactions, reached 233.000.

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

**VIII. OTHER IMPORTANT ACTIVITIES (Continued)**

*Educational Activities*

"First Step Trainings" for the newly recruited personnel to get to know the Bank, to adapt to the corporate culture and to acquire the necessary basic knowledge and skills, "Development Trainings" to meet the training needs in line with the Bank's goals and strategies or to transfer new product/service/legislation information, Trainings were organized under the main headings of "Career Trainings" and "Legal Mandatory Trainings" arising from the legislation in order to gain the knowledge and skills required and to prepare them for a higher duty. In addition, "Certificate Trainings" were offered to employees in order to adapt to changing and constantly developing technologies and to increase their level of competence in their jobs. On the Banking School platform, which covers the new generation learning models of the digital age, numerous digital trainings are offered that will contribute to the professional, personal and life-related development of employees.