

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI  
ANONİM ŞİRKETİ**

**UNCONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES AS OF 30 JUNE 2021  
WITH AUDITORS'S 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 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 30 June 2021 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

### *Scope of Review*

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

### *Basis for the Qualified Conclusion*

As mentioned in Section Five Part II. 9.3 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 June 2021 include a free provision amounting to TL 3.460.000 thousand provided in prior periods by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.



### *Qualified Conclusion*

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

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

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

### *Additional Paragraph for Convenience Translation:*

The effects of differences between accounting principles and standards explained in detail in Section Three and accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Didem Demer Kaya, SMMM  
Partner

Istanbul, 13 August 2021



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

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

The Bank's Headquarter Address: Hacıbayram Mahallesi Atatürk Bulvarı  
No: 8 06050-Altındağ/ANKARA  
Phone: (312) 584 20 00  
Facsimile: (312) 584 49 63  
Website: www.ziraatbank.com.tr

The unconsolidated financial report for the six month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

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

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

---

Burhaneddin TANYERİ  
Chairman of the Board

---

Alpaslan ÇAKAR  
Member of the Board,  
CEO

---

Fazlı KILIÇ  
Member of the Board,  
Member of the Audit Committee

---

Mahmut KAÇAR  
Member of the Board,  
Member of the Audit Committee

---

Emrah GÜNDÜZ  
Assistant General Manager for  
Banking Operations and  
Corporate Communications

---

Rehber BİRKAN  
Senior Vice President of Financial  
Coordination and Reporting

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

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

**SECTION ONE**  
**General Information about the Bank**

**Page Number**

I.	History of the Bank including its incorporation date, initial legal status and amendments to legal status,	1
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	1
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	1
IV.	Information about the persons and institutions that have qualified shares attributable to the Bank	2
V.	Summary information on the Bank's activities and services	2
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	3
VII.	Current or Likely, Actual or Legal Barriers To Immediate Transfer of Equity or Repayment of Debts Between Bank and its subsidiaries	3

**SECTION TWO**

**Unconsolidated Financial Statements**

I.	Balance sheet (Statement of Financial Position) - Assets	5
II.	Balance sheet (Statement of Financial Position) - Liabilities	6
III.	Statement of Off-Balance Sheet Commitments	7
IV.	Statement of Profit or Loss Income and Expense Items	8
V.	Statement of Profit or Loss and Other Comprehensive Income	9
VI.	Statement of Changes in Shareholders' Equity	10-11
VII.	Statement of Cash Flows	12

**SECTION THREE**

**Explanations on Accounting Policies**

I.	Basis of presentation	13-14
II.	Explanations on strategy of using financial instruments and foreign currency transactions	15
III.	Explanations on investments in associates, subsidiaries and joint ventures	15
IV.	Explanations on forward transactions, options and derivative instruments	16
V.	Explanations on interest income and expense	16
VI.	Explanations on fee and commission income and expense	16
VII.	Explanations on financial assets	17-18
VIII.	Explanations on impairment of financial assets	19-21
IX.	Explanations on offsetting financial instruments	22
X.	Explanations on sales and repurchase agreements and securities lending transactions	22
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	22
XII.	Explanations on goodwill and other intangible assets	23
XIII.	Explanations on property and equipment	23-24
XIV.	Explanations on leasing transactions	24-25
XV.	Explanations on provisions, contingent asset and liabilities	25
XVI.	Explanations on obligations related to employee rights	25-27
XVII.	Explanations on taxation	28-29
XVIII.	Explanations on borrowing	30
XIX.	Explanations on issuance of share certificates	30
XX.	Explanations on avalized drafts and acceptances	30
XXI.	Explanations on government grants	30
XXII.	Cash and cash equivalents	30
XXIII.	Explanations on segment reporting	30
XXIV.	Explanations on other matters	31

**SECTION FOUR**

**Explanations Related to the Financial Position and Risk Management of the Bank**

I.	Explanations on the components of shareholders' equity	32-39
II.	Explanations on the currency risk	39-41
III.	Explanations on the interest rate risk	42-44
IV.	Explanations on the position risk of equity instruments	45-46
V.	Explanations on liquidity risk management and liquidity coverage ratio	46-51
VI.	Explanations on leverage	52
VII.	Explanations on risk management	53-65
VIII.	Explanations on hedge procedures	65-66
IX.	Explanations on operating segments	66-68

**SECTION FIVE**

**Information and Disclosures Related to Unconsolidated Financial Statement**

I.	Explanations and notes related to assets	69-85
II.	Explanations and notes related to liabilities	85-92
III.	Explanations and notes related to off-balance sheet accounts	92-93
IV.	Explanations and notes related to income statement	93-97
V.	Explanations and notes related to risk group that the Bank belongs to	98-99
VI.	Explanations and notes related to subsequent events	99

**SECTION SIX**

**Explanations on Auditor's Review Report**

I.	Explanations on audit report	100
II.	Explanations and notes prepared by the independent auditors	100

**SECTION SEVEN**

**Explanations on Interim Activity Report**

I.	Interim Activity Reports That Will Include Chairman of The Board of Directors and CEO's of the Bank Assessments for the Interim Activities	101-111
----	--	---------

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

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

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

### SECTION ONE

#### GENERAL INFORMATION ABOUT THE BANK

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

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

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

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

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

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

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

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

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

(4) He was appointed on April 25, 2021 and commenced his duty on the same date.

(5) He was appointed on April 9, 2021 and commenced his duty on the same date.

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

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

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

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

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

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

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

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

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

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

As of 30 June 2021, Bank carries its activities with a grand total of 1.752 branches; 1.728 domestic branches including 19 corporate branches, 65 entrepreneurial branches, 1.638 branches and 6 mobile branches (31 December 2020: 1.728 domestic branches including 1.639 branches, 19 corporate branches, 65 entrepreneurial branches, 5 mobile branches) and 24 branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali and Varna branches in Bulgaria, Jeddah branch in Saudi Arabia, Pristina, Prizren, Peja and Ferizaj branch in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Taşkınıköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Bank also has 1 representative office in Tehran, Iran. The Bank’s number of employee is 24.489 (31 December 2020: 24.673).

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

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

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

---

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

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

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

As Ziraat Teknoloji A.Ş., Onko İlaç Sanayi ve Ticaret A.Ş, Koçsel İlaç Sanayi ve Ticaret A.Ş. and Rinerji Rize Elektrik Üretim A.Ş. which are non-financial subsidiaries of the Bank, are not consolidated in the consolidated financial statements of the Bank in accordance with Communiqué of the Preparation Consolidated Financial Statements. Moreover, Platform Ortak Kartlı Sistemler A.Ş., Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. and Keskinöğlü Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. are non-financial associates of the Bank which are carried at cost are not consolidated in the consolidated financial statements. Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. and its subsidiaries, ZY Elektrikli Traktör San. ve Tic. A.S. and MESA İmalat Sanayi ve Ticaret A.Ş. As they are not financial institutions, they are not consolidated.

All other associates and subsidiaries are fully consolidated.

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

None.



## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) - ASSETS	Note (Section Five I)	Current Period 30 June 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
<b>I- FINANCIAL ASSETS (NET)</b>		<b>113.847.754</b>	<b>218.284.663</b>	<b>332.132.417</b>	<b>115.996.922</b>	<b>176.002.569</b>	<b>291.999.491</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>9.036.267</b>	<b>94.584.123</b>	<b>103.620.390</b>	<b>8.737.466</b>	<b>82.300.443</b>	<b>91.037.909</b>
1.1.1. Cash and Balances with Central Bank	(1)	8.460.614	89.754.638	98.215.252	7.954.069	80.089.730	88.043.799
1.1.2. Banks	(4)	336.622	4.829.789	5.166.411	578.131	2.210.866	2.788.997
1.1.3. Money Markets Receivables		240.365	-	240.365	206.435	-	206.435
1.1.4. Expected Loss Provision (-)		1.334	304	1.638	1.169	153	1.322
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>1.170.435</b>	<b>17.501.588</b>	<b>18.672.023</b>	<b>13.769.083</b>	<b>536.369</b>	<b>14.305.452</b>
1.2.1. Government Debt Securities		126.985	16.815.776	16.942.761	13.769.083	9.300	13.778.383
1.2.2. Equity Instruments		-	685.359	685.359	-	527.069	527.069
1.2.3. Other Financial Assets		1.043.450	453	1.043.903	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>	(5),(6)	<b>102.174.785</b>	<b>105.021.155</b>	<b>207.195.940</b>	<b>90.571.073</b>	<b>91.057.857</b>	<b>181.628.930</b>
1.3.1. Government Debt Securities		101.399.725	104.549.044	205.948.769	89.811.384	90.687.150	180.498.534
1.3.2. Equity Instruments		245.577	33.402	278.979	230.206	28.445	258.651
1.3.3. Other Financial Assets		529.483	438.709	968.192	529.483	342.262	871.745
<b>1.4 Derivative Financial Assets</b>	(3)	<b>1.466.267</b>	<b>1.177.797</b>	<b>2.644.064</b>	<b>2.919.300</b>	<b>2.107.900</b>	<b>5.027.200</b>
1.4.1. Derivative Financial Assets at Fair Value Through Profit or Loss		1.466.267	1.177.797	2.644.064	2.919.300	2.107.900	5.027.200
1.4.2. Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>	(7)	<b>476.207.841</b>	<b>186.035.244</b>	<b>662.243.085</b>	<b>456.101.932</b>	<b>155.487.998</b>	<b>611.589.930</b>
<b>2.1 Loans</b>	(12)	<b>486.434.020</b>	<b>165.979.341</b>	<b>652.413.361</b>	<b>462.338.413</b>	<b>138.321.547</b>	<b>600.659.960</b>
<b>2.2 Lease Receivables</b>		-	-	-	-	-	-
<b>2.3 Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	(8)	<b>10.334.908</b>	<b>20.121.551</b>	<b>30.456.459</b>	<b>12.466.614</b>	<b>17.220.082</b>	<b>29.686.696</b>
2.4.1. Government Debt Securities		10.248.659	19.972.235	30.220.894	12.379.588	17.161.348	29.540.936
2.4.2. Other Financial Assets		86.249	149.316	235.565	87.026	58.734	145.760
2.5. Expected Credit Loss (-)		20.561.087	65.648	20.626.735	18.703.095	53.631	18.756.726
<b>III. NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(15)	<b>5.241.959</b>	-	<b>5.241.959</b>	<b>5.260.879</b>	-	<b>5.260.879</b>
3.1. Held for Sale Purpose		5.241.959	-	5.241.959	5.260.879	-	5.260.879
3.2. Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>12.092.899</b>	<b>3.717.239</b>	<b>15.810.138</b>	<b>10.939.778</b>	<b>3.386.144</b>	<b>14.325.922</b>
<b>4.1 Investments in Associates (Net)</b>	(9)	<b>295.413</b>	-	<b>295.413</b>	<b>152.904</b>	-	<b>152.904</b>
4.1.1. Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2. Unconsolidated Associates		295.413	-	295.413	152.904	-	152.904
<b>4.2 Subsidiaries (Net)</b>	(10)	<b>11.797.486</b>	<b>3.611.494</b>	<b>15.408.980</b>	<b>10.786.874</b>	<b>3.280.399</b>	<b>14.067.273</b>
4.2.1. Unconsolidated Financial Subsidiaries		11.632.091	3.611.494	15.243.585	10.621.479	3.280.399	13.901.878
4.2.2. Unconsolidated Non-Financial Subsidiaries		165.395	-	165.395	165.395	-	165.395
<b>4.3 Entities under Common Control (Joint Ventures) (Net)</b>	(11)	-	<b>105.745</b>	<b>105.745</b>	-	<b>105.745</b>	<b>105.745</b>
4.3.1. Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2. Unconsolidated Joint Ventures		-	105.745	105.745	-	105.745	105.745
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	(16)	<b>6.694.009</b>	<b>42.540</b>	<b>6.736.549</b>	<b>6.710.643</b>	<b>37.712</b>	<b>6.748.355</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>1.109.981</b>	<b>19.433</b>	<b>1.129.414</b>	<b>984.261</b>	<b>17.945</b>	<b>1.002.206</b>
6.1. Goodwill		-	-	-	-	-	-
6.2. Other		1.109.981	19.433	1.129.414	984.261	17.945	1.002.206
<b>VII. INVESTMENT PROPERTY (Net)</b>	(14)	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		-	-	-	<b>1.322</b>	-	<b>1.322</b>
<b>IX. DEFERRED TAX ASSET</b>		<b>2.497.201</b>	-	<b>2.497.201</b>	<b>247.408</b>	-	<b>247.408</b>
<b>X. OTHER ASSETS (Net)</b>	(20)	<b>8.842.119</b>	<b>1.094.185</b>	<b>9.936.304</b>	<b>8.389.443</b>	<b>3.036.308</b>	<b>11.425.751</b>
<b>TOTAL ASSETS</b>		<b>626.533.763</b>	<b>409.193.304</b>	<b>1.035.727.067</b>	<b>604.632.588</b>	<b>337.968.676</b>	<b>942.601.264</b>

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

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

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

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) - LIABILITIES	Note (Section Five II)	Current Period 30 June 2021			Prior Period 31 December 2020		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(1)	339.930.820	362.659.304	702.590.124	306.746.336	323.127.872	629.874.208
<b>II. FUNDS BORROWED</b>	(3)	397.801	43.817.052	44.214.853	1.291.482	35.658.731	36.950.213
<b>III. MONEY MARKETS BORROWINGS</b>	(4)	90.354.201	32.485.556	122.839.757	92.831.730	23.569.739	116.401.469
<b>IV. SECURITIES ISSUED (Net)</b>	(5)	1.010.690	17.368.642	18.379.332	1.010.690	13.343.843	14.354.533
4.1 Bills		-	746.707	746.707	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	16.621.935	17.632.625	1.010.690	13.343.843	14.354.533
<b>V. FUNDS</b>		6.085.193	-	6.085.193	6.053.060	-	6.053.060
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		6.085.193	-	6.085.193	6.053.060	-	6.053.060
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	(2)	790.265	3.013.186	3.803.451	1.464.562	2.023.090	3.487.652
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		790.265	3.013.186	3.803.451	1.464.562	2.023.090	3.487.652
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(7)	734.205	46.362	780.567	763.681	58.304	821.985
<b>X. PROVISIONS</b>	(9)	7.254.588	9.360	7.263.948	7.048.154	10.480	7.058.634
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.594.719	-	1.594.719	1.509.040	-	1.509.040
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		5.659.869	9.360	5.669.229	5.539.114	10.480	5.549.594
<b>XI. CURRENT TAX LIABILITY</b>	(10)	1.900.821	6.016	1.906.837	1.655.923	4.594	1.660.517
<b>XII. DEFERRED TAX LIABILITY</b>	(10)	-	-	-	-	-	-
<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)	-	14.460.389	14.460.389	-	13.048.197	13.048.197
14. Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	14.460.389	14.460.389	-	13.048.197	13.048.197
<b>XV. OTHER LIABILITIES</b>	(6)	20.222.817	2.000.593	22.223.410	15.000.491	4.612.045	19.612.536
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	94.135.886	(2.956.680)	91.179.206	93.291.545	(13.285)	93.278.260
16.1 Paid-in capital		13.100.000	-	13.100.000	13.100.000	-	13.100.000
16.2 Capital Reserves		(20.776)	-	(20.776)	(17.745)	-	(17.745)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(20.776)	-	(20.776)	(17.745)	-	(17.745)
16.3. Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		13.292.322	(964.619)	12.327.703	10.575.764	(969.601)	9.606.163
16.4. Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		(1.635.161)	(1.992.061)	(3.627.222)	(108.006)	956.316	848.310
16.5 Profit Reserves		67.627.159	-	67.627.159	58.398.544	-	58.398.544
16.5.1 Legal Reserves		5.463.080	-	5.463.080	5.000.726	-	5.000.726
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		62.164.079	-	62.164.079	53.397.818	-	53.397.818
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		1.772.342	-	1.772.342	11.342.988	-	11.342.988
16.6.1 Prior Periods' Profit or (Loss)		32.638	-	32.638	3.517.969	-	3.517.969
16.6.2 Current Period Profit or (Loss)		1.739.704	-	1.739.704	7.825.019	-	7.825.019
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>562.817.287</b>	<b>472.909.780</b>	<b>1.035.727.067</b>	<b>527.157.654</b>	<b>415.443.610</b>	<b>942.601.264</b>

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



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

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

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

<b>IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS</b>	<b>Note (Section Five IV)</b>	<b>Current Period 1 January- 30 June 2021</b>	<b>Prior Period 1 January- 30 June 2020</b>	<b>Current Period 1 April- 30 June 2021</b>	<b>Prior Period 1 April- 30 June 2020</b>
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>43.657.218</b>	<b>32.233.032</b>	<b>23.327.874</b>	<b>16.182.189</b>
1.1 Interest on Loans		32.357.107	25.040.484	16.937.338	12.497.207
1.2 Interest on Reserve Requirements		518.908	65.093	336.471	31.823
1.3 Interest on Banks		67.116	32.152	33.291	13.688
1.4 Interest on Money Market Transactions		29	14	16	7
1.5 Interest on Marketable Securities Portfolio		10.607.803	6.979.433	5.993.066	3.624.263
1.5.1 Fair Value Through Profit or Loss		140.219	57.384	80.021	39.426
1.5.2 Fair Value Through Other Comprehensive Income		9.233.424	6.148.395	5.213.032	3.149.603
1.5.3 Measured at Amortised Cost		1.234.160	773.654	700.013	435.234
1.6 Financial Lease Interest Income		-	-	-	-
1.7 Other Interest Income		106.255	115.856	27.692	15.201
<b>II. INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>30.008.597</b>	<b>13.706.702</b>	<b>16.068.266</b>	<b>6.538.170</b>
2.1 Interest on Deposits		19.369.309	9.687.058	10.287.122	4.681.924
2.2 Interest on Funds Borrowed		504.131	636.699	269.995	280.758
2.3 Interest Expense on Money Market Transactions		8.940.524	1.711.514	4.913.552	861.137
2.4 Interest on Securities Issued		899.935	753.833	460.909	384.584
2.5 Interest on Leases		51.744	51.454	26.840	24.936
2.6 Other Interest Expenses		242.954	866.144	109.848	304.831
<b>III. NET INTEREST INCOME (I - II)</b>		<b>13.648.621</b>	<b>18.526.330</b>	<b>7.259.608</b>	<b>9.644.019</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>2.216.131</b>	<b>1.203.884</b>	<b>1.172.972</b>	<b>345.170</b>
4.1 Fees and Commissions Received		3.145.309	2.217.229	1.676.832	938.881
4.1.1 Non-cash Loans		556.658	445.090	282.177	220.778
4.1.2 Other		2.588.651	1.772.139	1.394.655	718.103
4.2 Fees and Commissions Paid (-)		929.178	1.013.345	503.860	593.711
4.2.1 Non-cash Loans		332	642	162	267
4.2.2 Other		928.846	1.012.703	503.698	593.444
<b>V. DIVIDEND INCOME</b>		<b>111.605</b>	<b>1.041.002</b>	<b>109.632</b>	<b>1.039.931</b>
<b>VI. TRADING PROFIT/(LOSS) (Net)</b>	<b>(3)</b>	<b>(5.128.354)</b>	<b>(2.785.860)</b>	<b>(2.575.015)</b>	<b>(626.740)</b>
6.1 Trading Gains / (Losses) on Securities		71.341	2.636.727	70.680	1.734.629
6.2 Gains / (Losses) on Derivative Financial Transactions		(5.548.876)	(2.721.877)	(2.790.370)	(1.224.942)
6.3 Foreign Exchange Gains / (Losses)		349.181	(2.700.710)	144.675	(1.136.427)
<b>VII. OTHER OPERATING INCOME</b>	<b>(4)</b>	<b>2.107.414</b>	<b>1.576.070</b>	<b>929.228</b>	<b>854.234</b>
<b>VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>12.955.417</b>	<b>19.561.426</b>	<b>6.896.425</b>	<b>11.256.614</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(5)</b>	<b>3.536.636</b>	<b>4.934.950</b>	<b>2.035.410</b>	<b>3.206.785</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(5)</b>	<b>112.833</b>	<b>2.021.971</b>	<b>38.773</b>	<b>1.106.259</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>2.500.903</b>	<b>2.472.395</b>	<b>1.296.947</b>	<b>1.499.242</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(6)</b>	<b>4.283.515</b>	<b>3.985.690</b>	<b>2.223.820</b>	<b>1.929.877</b>
<b>XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>2.521.530</b>	<b>6.146.420</b>	<b>1.301.475</b>	<b>3.514.451</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	<b>(7)</b>	<b>2.521.530</b>	<b>6.146.420</b>	<b>1.301.475</b>	<b>3.514.451</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(8)</b>	<b>(781.826)</b>	<b>(1.637.191)</b>	<b>(523.717)</b>	<b>(876.673)</b>
18.1 Current Tax Provision		(1.872.558)	(2.424.648)	(1.102.909)	(1.941.798)
18.2 Deferred Tax Expense Effect (+)		(305.729)	(1.744.429)	(142.515)	(748.049)
18.3 Deferred Tax Income Effect (-)		1.396.461	2.531.886	721.707	1.813.174
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>(9)</b>	<b>1.739.704</b>	<b>4.509.229</b>	<b>777.758</b>	<b>2.637.778</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1 Income from Non-current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</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 (XIX-XX)</b>		-	-	-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIV. CURRENT REPIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV. NET PROFIT/(LOSS) (XVIII+XXIII)</b>	<b>(10)</b>	<b>1.739.704</b>	<b>4.509.229</b>	<b>777.758</b>	<b>2.637.778</b>
Earnings/(Loss) per share (in TL full)		0,133	0,587	0,060	0,280

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

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

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

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

		Current Period	Prior Period
		1 January- 30 June 2021	1 January- 30 June 2020
<b>V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>			
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>1.739.704</b>	<b>4.509.229</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(3.868.366)</b>	<b>1.611.715</b>
2.1	Not Reclassified Through Profit or Loss	607.166	1.414.684
2.1.1	Property and Equipment Revaluation Increase/Decrease	(53.674)	(16.107)
2.1.2	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	235.774	192.246
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	563.683	1.523.157
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(138.617)	(284.612)
2.2	Reclassified Through Profit or Loss	(4.475.532)	197.031
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(5.773.210)	252.604
2.2.3	Cash Flow Hedge Profit/Loss	-	-
2.2.4	Foreign Net Investment Hedge Profit/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	1.297.678	(55.573)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>(2.128.662)</b>	<b>6.120.944</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR SIX MONTH PERIOD ENDED 30 JUNE 2021**

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellati on Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3	4	5	6				
<b>Current Period 30 June 2021</b>														
<b>I. Prior Period End Balance</b>	<b>13.100.000</b>	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
<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. Adjusted Beginning Balance (I+II)</b>	<b>13.100.000</b>	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
<b>IV. Total comprehensive income (loss)</b>	-	-	-	-	(48.177)	188.619	466.724	-	(4.475.532)	-	-	-	1.739.704	(2.128.662)
<b>V. Capital increase by cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital increase by internal sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible bonds to shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated debt instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase (Decrease) by other changes</b>	-	-	-	(3.031)	-	-	-	-	-	-	-	32.639	-	29.608
<b>XI. Profit distribution</b>	-	-	-	-	-	-	2.114.374	-	-	-	9.228.615	(11.342.989)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	8.577.454	(8.577.454)	-	-
11.3 Other	-	-	-	-	-	-	2.114.374	-	-	-	651.161	(2.765.535)	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>13.100.000</b>	-	-	(20.776)	4.801.594	176.003	7.350.106	-	(3.627.222)	-	67.627.159	32.638	1.739.704	91.179.206

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

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

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

4. Exchange Differences on Translation

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

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

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

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

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

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR SIX MONTH PERIOD ENDED 30 JUNE 2020**

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3	4	5	6				
					<b>Prior Period 30 June 2020</b>									
<b>I. Prior Period End Balance</b>	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
<b>II. Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
<b>IV. Total comprehensive income (loss)</b>	-	-	-	-	(14.496)	153.797	1.275.383	-	197.031	-	-	-	4.509.229	6.120.944
<b>V. Capital increase by cash</b>	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000
<b>VI. Capital increase by internal sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>    Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Convertible bonds to shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Subordinated debt instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Increase/Decrease by other changes</b>	-	-	-	(197)	-	-	-	-	-	-	-	2.500.702	-	2.500.505
<b>XI. Profit distribution</b>	-	-	-	-	-	-	-	-	-	-	6.288.168	(6.288.168)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	6.137.985	(6.137.985)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>13.100.000</b>	<b>-</b>	<b>-</b>	<b>(768)</b>	<b>3.734.316</b>	<b>72.245</b>	<b>3.460.478</b>	<b>-</b>	<b>(160.857)</b>	<b>-</b>	<b>58.398.544</b>	<b>2.572.804</b>	<b>4.509.229</b>	<b>85.685.991</b>

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

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



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

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

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

<b>VII. STATEMENT OF CASH FLOWS</b>	<b>Note (Section Five)</b>	<b>Current Period 1 January- 30 June 2021</b>	<b>Prior Period 1 January- 30 June 2020</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		1.142.222	7.731.824
1.1.1 Interest Received		39.841.506	26.842.297
1.1.2 Interest Paid		(28.909.773)	(13.664.281)
1.1.3 Dividend Received		111.605	1.041.002
1.1.4 Fees and Commissions Received		3.258.201	2.989.276
1.1.5 Other Income		568.085	4.212.797
1.1.6 Collections from Previously Written-off Loans and Other Receivables		1.528.192	930.126
1.1.7 Cash Payments to Personnel and Service Suppliers		(2.830.213)	(2.791.762)
1.1.8 Taxes Paid		(1.690.117)	(1.418.590)
1.1.9 Other		(10.735.264)	(10.409.041)
1.2 Changes in Operating Assets and Liabilities		11.516.599	2.764.377
1.2.1 Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(3.742.156)	(7.598.861)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(10.580.667)	5.905.888
1.2.3 Net (Increase) / Decrease in Loans		(26.323.945)	(110.087.006)
1.2.4 Net (Increase) / Decrease in Other Assets		(31.704)	(7.826.880)
1.2.5 Net Increase / (Decrease) in Bank Deposits		5.940.460	(4.996.998)
1.2.6 Net Increase / (Decrease) in Other Deposits		35.685.209	121.910.630
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		1.701.707	(1.738.313)
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		8.867.695	7.195.917
<b>I. Net Cash Provided from Banking Operations</b>		<b>12.658.821</b>	<b>10.496.201</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>(14.794.284)</b>	<b>(21.561.468)</b>
2.1 Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(606.041)	(37.481)
2.2 Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		-	-
2.3 Purchases of Property and Equipment		(412.292)	(166.259)
2.4 Disposals of Property and Equipment		458.567	397.606
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(30.922.144)	(49.793.040)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		14.276.687	33.328.244
2.7 Purchase of Financial Assets Measured at Amortized Cost		(195.214)	(7.492.059)
2.8 Sale of Financial Assets Measured at Amortized Cost		2.606.153	777.633
2.9 Other		-	1.423.888
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>744.063</b>	<b>5.541.860</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		5.276.340	2.696.636
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(4.393.118)	(4.025.659)
3.3 Issued Equity Instruments		-	7.000.000
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(139.159)	(129.117)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>1.717.177</b>	<b>2.444.554</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>325.777</b>	<b>(3.078.853)</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>34.847.422</b>	<b>28.162.539</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>		<b>35.173.199</b>	<b>25.083.686</b>

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

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

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

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

---

### SECTION THREE

#### EXPLANATIONS ON ACCOUNTING POLICIES

##### I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) related with Banking Law numbered 5411 published in the Official Gazette no. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards 34 (“TAS 34”) and Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” published in the Official Gazette No. 28337, dated 28 June 2012 and “Communiqué on Public Disclosures on Risk Management”, published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in thousands of Turkish Lira (“TL”), 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 footnotes are expressed in Thousand Turkish Lira (“TL”).

The COVID-19 pandemic, which has emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the pandemic. As a result of the spread of COVID-19 around the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and it is still being taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

While preparing the interim financial statements dated June 30, 2021, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Fair value measurements are revised within the scope of TFRS 13 Fair Value Measurement standard, with the expected credit loss provisions reflected in the financial statements and the assumptions and judgments used in estimating these losses.

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

In this context, the Bank has measured the impact of its macroeconomic expectations on non-performing loans under different scenarios and reflected the increase coefficient, which is considered to best reflect the current situation in the range of NPL ratio it obtained, into the loan parameters and included it in provision calculations. Among the three scenarios used, the weight of the bad scenario was increased. In addition, the Bank analyzed the corporate, entrepreneurial and retail loan portfolios and the sector distributions in these portfolios, using expert opinion, it made provisions on model outputs for customer groups that it believed to be affected by the COVID-19 outbreak. In the following reporting periods, the impact of the pandemic will be reviewed, taking into account the changes in the credit portfolio and future expectations.

Within the scope of the 4th and 5th articles of “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside”; it is allowed that the 30-day-past-due period envisaged for the classification of loans in the second group would be applied as 90 days until 31 December 2020 for the loans classified under the first group and the 90-day-past-due period envisaged for the classification of loans as non-performing would be applied as 180 days until 31 December 2020 for the loans classified under the first and second groups according to the decisions of BRSA numbered 8948 dated 17 March 2020 and numbered 8970 dated 27 March 2020 due to the effects of the COVID-19 pandemic. Based on the BRSA's Decision dated 17 June 2021 and numbered 9624, these deadlines have been extended until 30 September 2021. The classification practices of our bank have been updated in accordance with BRSA decisions.

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

#### Changes in Accounting Policies

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

#### a. Explanation for convenience translation to English:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

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

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

---

### 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 denominated in Turkish Lira, repurchase agreements, securities issued and shareholders' equity. The Bank directs these funds to assets with high return and low risk. These assets include predominantly domestic government bonds and loans. The Bank's liquidity structure covers the financing of all liabilities at due date. Although most of the sources in the Bank's balance sheet are with fixed interest rate, some of the securities in assets have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts higher return principle for its long-term placements.

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

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

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

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

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Bank's subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 268.075 thousand, which is associated with this purpose, from exchange rate risk effects arising from changes in foreign exchange rates, is presented in Section Four, article no VIII.

Assets and liabilities of the overseas branches of the Bank are converted into Turkish Lira with the Bank's prevailing counter currency buying rates at the balance sheet date.

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

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

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

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### 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 “IFRS 9 Financial Instruments Standard”(“IFRS 9”), “Derivative Financial Assets Measured at Fair Value through Profit or Loss”.

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. Fair value differences are recognized in statement of profit or loss in gains / (losses) on derivative financial transactions under trading profit/loss.

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

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

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

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

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

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

#### 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 IFRS 15 Revenue from Contracts with Customers on the date they are collected.

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

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

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### VII. EXPLANATIONS ON FINANCIAL ASSETS

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

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

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

#### **Classification And Measurement within the Scope of TFRS 9**

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

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

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

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

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

Government Bonds and Treasury Bills which are included in fair value through profit or loss are valued at the weighted average exchange prices of BIST on the balance sheet date and which are not traded in BIST are valued at prices of T.C. Central Bank. Eurobonds are carried at prices in the over the counter markets. All gains and losses arising from these valuations are reflected in the profit or loss account.

#### **Financial Assets at Fair Value Through Other Comprehensive Income**

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

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Financial Assets at Fair Value Through Other Comprehensive Income (Continued)

Fair value through other comprehensive income are subsequently measured at their fair value. The interest income of 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. The difference between the fair value of the debt instruments at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. "Unrealized gains and losses", is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under "Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss" under shareholders' equity. Accumulated fair value differences under equity are reflected to the statement of profit or loss when such securities are collected or disposed.

##### Equity Investments

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.

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

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

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

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

The Bank also updates the estimated inflation rate used throughout the year in case of necessity. At the end of the year, the actual inflation rate is used. A 1% increase in the CPI estimate will increase pre-tax period profit by TL 250 million as of June 30, 2021, and a decrease of 1% will decrease it by TL 217 million.

##### Loans

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

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity and collateral structures. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Bank at installment date.

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Explanations on Expected Loss Provisions

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

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

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

##### Impairment

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

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

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

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

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

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

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

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



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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Impairment (Continued)

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

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

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Bank's internal early warning system note. As explained in the third section, part 1, number 1, BRSA's decisions no 8948 dated 17 March 2020 and 8970 dated 27 March 2020, mainly due to the effects caused by the COVID-19 outbreak, the aforementioned delay days starting from 27 March 2020 applied as 90 days. Pursuant to the BRSA's decision dated 17 June 2021 and numbered 9624, the 90-day implementation period has been extended until 30 September 2021.

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

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

It is considered a debt as default on these two conditions;

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be disproved in the light of supportable information. As explained in the third part, part 1, part 1, the definition of default envisaged to be effective as of 17 March 2020, mainly due to the effects caused by the COVID-19 epidemic, based on the BRSA's decisions dated March 17, 2020 and numbered 8948 and dated March 27, 2020 and numbered 8970. 180 applied per day. Based on the BRSA's Decision dated 17 June 2021 and numbered 9624, the 180-day implementation period has been extended until 30 September 2021.
- Subjective Default Definition: It means it is considered as unlikeliness to pay. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

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

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

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

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

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Probability of Default (PD)

Probability of default refers to the likelihood that a loan will default at a certain time.

In default probability models, sectorial information for the corporate portfolio and product information for the individual portfolio are taken as the basis.

##### Exposure at Default (EAD)

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

##### Loss Given Default (LGD)

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

##### Future Expectations

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

##### The Methodology of Behavioral Maturity Calculation

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

##### Write-off Policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable. Within the scope of this amendment, no credit has been written-off by the Bank as of the reporting date.

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

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

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS**

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

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

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

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

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

The assets acquired by the Bank due to its receivables are accounted for in accordance with “IFRS 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 continue 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. is done.

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

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

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

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

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

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

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

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

Gains or losses 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.

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

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

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

**Leases in Accordance with TFRS 16**

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

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

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

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

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

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

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

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

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

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

**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.

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

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

(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 (Continued)

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

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 30 June 2021, retirement benefit obligation is TL 1.216.454 (31 December 2020: TL 1.230.590).

	Current Period	Prior Period
Discount Rate	17,81%	12,96%
Inflation	12,85%	9,37%

Communiqué on “Turkish Accounting Standard (“TAS19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial gain amounting to TL 176.003 was classified under shareholders’ equity in the financials. (31 December 2020: TL 12.616 loss).

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

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

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

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

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

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

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

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

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

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

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

The technical balance sheet report as of 31 December 2020 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.



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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

#### XVII. EXPLANATIONS ON TAXATION

##### Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings. (between 1 January 2018-31 December 2020 it was applied as 22% according to law No. 7061.) The Corporate Tax rate, which is 20% in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on April 22, 2021, and the Provisional Article 13 added to the Corporate Tax Law, 25% for the corporate earnings for the period will be applied as 23% for 2022. In accordance with Article 14 of the Law, the rate to be applied for the year 2021 will start with the second corporate tax declaration period and will be valid for the corporate earnings for the taxation period starting from January 1, 2021.

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

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared paid by the 17<sup>th</sup> day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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

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

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

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

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

---

### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

##### Current Tax (Continued)

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

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

Tax returns are required to be filled and delivered to the related tax office until the end of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

##### Deferred Tax

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. In the deferred tax calculation, the Bank estimates the time when temporary differences will be taxable / deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect as of the end of the reporting period (balance sheet date), the Bank has calculated the deferred tax rates varying between 20% and 25% over its assets and liabilities as of June 30, 2021. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future. Deferred tax liability or assets related to temporary timing differences that arise from the initial recognition of assets or liabilities other than goodwill or business combinations and that do not affect both commercial and financial profit or loss are not calculated.

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

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

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

According to December 8, 2004 BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from January 1, 2018. Deferred rate calculation for free provisions are not calculated.

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

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

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**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.

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

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

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXIV. EXPLANATIONS ON OTHER MATTERS**

*Profit distribution*

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

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

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

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

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

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

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

**SECTION FOUR**

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

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

Shareholders' equity amount and capital adequacy standard ratio are calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, BRSA regulations dated 17 June 2021 and numbered 9624. According to the latest regulations, which will be valid until September 30, 2021;

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

As of 30 June 2021, Bank’s total regulatory capital has been calculated as TL 111.782.193 (31 December 2020: TL 111.583.042), capital adequacy ratio is 16,62% (31 December 2020: 18,22%). This ratio is well above the minimum ratio required by the legislation.

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

	<b>Current Period 30 June 2021</b>	<b>Amount as per the regulation before 01/01/2014*</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	67.627.159	-
Gains recognized in equity as per TAS	13.249.802	-
Profit	1.772.342	-
Current Period Profit	1.739.704	-
Prior Period Profit	32.638	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	81.039	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>95.830.342</b>	<b>-</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	4.651.136	-
Improvement costs for operating leasing	10.920	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.129.414	1.129.414
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	-	-

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

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

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

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

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

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

	Current Period 30 June 2021	Amount as per the regulation before 01/01/2014*
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>5.791.470</b>	-
<b>Total Common Equity Tier I Capital</b>	<b>90.038.872</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	14.329.560	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>14.329.560</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>Total Additional Tier I Capital</b>	<b>14.329.560</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>104.368.432</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)	7.417.263	-
<b>Tier II Capital Before Deductions</b>	<b>7.417.263</b>	-
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>7.417.263</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>111.785.695</b>	-

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

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

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

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

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

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

	Current Period 30 June 2021	Amount as per the regulation before 01/01/2014*
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>111.785.695</b>	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	3.502	-
<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)	<b>111.782.193</b>	-
Total Risk Weighted Assets	672.534.545	-
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	13,39	-
Tier I Capital Ratio (%)	15,52	-
Capital Adequacy Ratio (%)	16,62	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,028	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	8,89	-
<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	211.976	-
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	63.741	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	2.497.201	-
<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)	11.172.962	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	7.417.263	-
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	-	-

(\*) Amounts considered within transition provisions.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
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>2,015,950</b>	-
<b>Total Common Equity Tier I Capital</b>	<b>92,315,929</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	12,611,340	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>12,611,340</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>Total Additional Tier I Capital</b>	<b>12,611,340</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>104,927,269</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)	6,675,614	-
<b>Tier II Capital Before Deductions</b>	<b>6,675,614</b>	-
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>6,675,614</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>111,602,883</b>	-

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

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

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

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

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

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

	Prior Period 31 December 2020	Amount as per the regulation before 01/01/2014*
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>111.602.883</b>	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	19.841	-
<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)	111.583.042	-
Total Risk Weighted Assets	612.418.790	-
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	15,07	-
Tier I Capital Ratio (%)	17,13	-
Capital Adequacy Ratio (%)	18,22	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2,53	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,032	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	10,57	-
<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	199.294	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	247.408	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	9.697.213	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	6.675.614	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communique on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
<b>Debt Instruments Covered by Temporary Article 4 (effective between 01 January 2018-01 January 2022)</b>		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

(\*) Amounts considered within transition provisions.

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

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

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

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

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

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

**2. Items Included in Capital Calculation**

<b>Information about instruments included in total capital calculation-Current Period</b>	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
<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 TL million, as of most recent reporting date)	14.330
Nominal value of instrument (TL million)	14.330
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
<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 incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance Sheet - Equity</b>	<b>91.179.206</b>	<b>93.278.260</b>
Operational Leasing Development Costs	(10.920)	(10.044)
Goodwill and Other Intangible Assets and Related		
Deferred Taxes Liabilities	(1.129.414)	(1.002.206)
TIER 2 Capital (Provisions)	7.417.263	6.675.614
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	14.329.560	12.611.340
Other deductions from common equity	(3.502)	(19.841)
Other regulations	-	49.919
<b>Amount recognized in regulatory capital</b>	<b>111.782.193</b>	<b>111.583.042</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 Directors**

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

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

None.

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

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

	<b>USD</b>	<b>EUR</b>	<b>AUD</b>	<b>DKK</b>	<b>SEK</b>	<b>CHF</b>	<b>CAD</b>	<b>NOK</b>	<b>GBP</b>	<b>SAR</b>	<b>100 JPY</b>
23.06.2021	8,5551	10,2233	6,4882	1,3751	1,0099	9,3355	6,9633	1,0064	11,9489	2,2814	7,7200
24.06.2021	8,6167	10,2754	6,5246	1,382	1,0173	9,3772	6,9856	1,0115	11,9712	2,2977	7,7700
25.06.2021	8,6526	10,3433	6,5777	1,3911	1,0223	9,4461	7,0461	1,0216	12,0349	2,3074	7,8100
28.06.2021	8,6098	10,2741	6,5228	1,382	1,013	9,3727	6,989	1,0103	11,9702	2,2958	7,7800
29.06.2021	8,6464	10,2858	6,4987	1,3836	1,014	9,386	6,9819	1,0101	11,9606	2,3055	7,8300
30.06.2021	8,6222	10,2354	6,477	1,3766	1,01	9,3334	6,9725	1,0033	11,9236	2,2991	7,7800

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

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

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

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

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

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

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
8,5330	10,2736	6,5177	1,3818	1,0155	9,3972	6,9831	1,0122	11,9615	2,2754	7,7500

**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 Turkey	37.967.530	33.685.954	18.101.154	89.754.638
Banks <sup>(7)</sup>	1.608.266	2.500.957	720.262	4.829.485
Financial Assets at Fair Value Through Profit and Loss <sup>(1)</sup>	-	696.189	16.821.915	17.518.104
Money Market Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.978.127	94.909.767	133.261	105.021.155
Loans <sup>(2)</sup>	71.359.994	94.376.854	214.498	165.951.346
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	2.421.347	1.295.892	-	3.717.239
Financial Assets Measured at Amortised Cost	15.817.674	4.266.739	37.138	20.121.551
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	21.676	3.208	17.656	42.540
Intangible Assets	8.218	4.403	6.812	19.433
Other Assets <sup>(4)</sup>	667.406	1.524.116	74.948	2.266.470
<b>Total Assets<sup>(5)</sup></b>	<b>139.850.238</b>	<b>233.264.079</b>	<b>36.127.644</b>	<b>409.241.961</b>
<b>Liabilities</b>				
Interbank Deposits	16.172.102	1.303.519	297.318	17.772.939
Foreign Currency Deposits	157.519.330	132.392.399	54.974.636	344.886.365
Money Market Borrowings	-	32.485.556	-	32.485.556
Funds Provided from Other Financial Institutions	13.656.883	29.487.572	672.597	43.817.052
Issued Marketable Securities <sup>(6)</sup>	14.460.389	16.908.545	460.097	31.829.031
Miscellaneous Payables	519.081	152.493	10.384	681.958
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities <sup>(6)</sup>	749.523	3.477.515	166.521	4.393.559
<b>Total Liabilities</b>	<b>203.077.308</b>	<b>216.207.599</b>	<b>56.581.553</b>	<b>475.866.460</b>
<b>Net Balance Sheet Position</b>	<b>(63.227.070)</b>	<b>17.056.480</b>	<b>(20.453.909)</b>	<b>(66.624.499)</b>
<b>Net Off-Balance Sheet Position<sup>(3)</sup></b>	<b>64.297.363</b>	<b>(23.485.042)</b>	<b>23.259.915</b>	<b>64.072.236</b>
Financial Derivative Assets	74.898.273	87.485.290	24.765.910	187.149.473
Financial Derivative Liabilities	10.600.910	110.970.332	1.505.995	123.077.237
<b>Non-Cash Loans</b>	<b>47.644.711</b>	<b>63.423.603</b>	<b>9.816.018</b>	<b>120.884.332</b>
<b>Prior Period</b>				
Total Assets	116.710.858	204.482.758	30.538.370	351.731.986
Total Liabilities	173.493.271	190.527.094	51.436.530	415.456.895
<b>Net Balance Sheet Position</b>	<b>(56.782.413)</b>	<b>13.955.664</b>	<b>(20.898.160)</b>	<b>(63.724.909)</b>
<b>Net Off-Balance Sheet Position<sup>(3)</sup></b>	<b>57.139.395</b>	<b>(22.147.912)</b>	<b>25.675.120</b>	<b>60.666.603</b>
Financial Derivative Assets	65.979.466	80.811.919	26.837.704	173.629.089
Financial Derivative Liabilities	8.840.071	102.959.831	1.162.584	112.962.486
<b>Non-Cash Loans</b>	<b>41.442.739</b>	<b>50.275.804</b>	<b>7.993.955</b>	<b>99.712.498</b>

(1) TL 16.516 equivalent to Financial Assets at Fair Value through Profit and Loss Other FC balance arises from gold indexed bonds. (31 December 2020: TL 13.734.743 equivalent to Other FC balance arises from gold indexed bonds).

(2) TL 27.087 (31 December 2020: 26.213) equivalent of loans granted is USD and 10.566 TL (31 December 2020: 9.709 TL) equivalent of balance is caused by foreign currency indexed loans.

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

(4) Prepaid expenses in other assets amounting to TL 5.512 are not included in the table.

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

(6) Includes subordinated debt instruments.

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

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

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

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

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

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

**6. Information on The Foreign Currency Risk of The Bank (Continued)**

*Analysis of Sensitivity to Currency Risk*

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the six-month accounting periods ending on 30 June 2021 and 30 June 2020 is shown in the table below.

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

	Current Period - 30 June 2021		Prior Period - 30 June 2020	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	(470.602)	(600.789)	(2.366.999)	(2.493.482)
EUR	(4.308)	(245.845)	(9.239)	(189.003)
Other currencies	3.991	3.991	12.638	12.638
<b>Total (Net) (**)</b>	<b>(470.919)</b>	<b>(842.643)</b>	<b>(2.363.600)</b>	<b>(2.669.847)</b>

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

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

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 six-month accounting periods ending on 30 June 2021 and 30 June 2020 is shown in the table below:

	Current Period - 30 June 2021		Prior Period - 30 June 2020	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	470.602	600.789	2.366.999	2.493.482
EUR	4.308	245.845	9.239	189.003
Other currencies	(3.991)	(3.991)	(12.638)	(12.638)
<b>Total (Net) (**)</b>	<b>470.919</b>	<b>842.643</b>	<b>2.363.600</b>	<b>2.669.847</b>

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

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

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

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

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

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

**III. EXPLANATIONS ON THE INTEREST RATE RISK**

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

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	6.840.076	-	-	-	-	91.374.123	98.214.199
Banks <sup>(7)</sup>	750.212	96.002	127.957	26.179	-	4.165.476	5.165.826
Financial Assets at Fair Value Through Profit and Loss	1.959.573	1.557.898	6.375.701	7.039.470	10.572	1.728.809	18.672.023
Money Market Receivables	240.365	-	-	-	-	-	240.365
Financial Assets at Fair Value Through Other Comprehensive Income	38.309.009	15.676.951	33.130.810	73.385.337	46.148.186	545.647	207.195.940
Loans Given <sup>(3)</sup>	157.613.856	54.678.276	157.399.138	201.083.052	57.435.897	3.580.519	631.790.738
Financial Assets Measured at Amortised Cost	172.829	103.569	8.313.518	17.525.558	4.336.873	-	30.452.347
Other Assets <sup>(2)</sup>	345.580	898.131	769.090	370.406	587.441	41.024.981	43.995.629
<b>Total Assets<sup>(1)(5)</sup></b>	<b>206.231.500</b>	<b>73.010.827</b>	<b>206.116.214</b>	<b>299.430.002</b>	<b>108.518.969</b>	<b>142.419.555</b>	<b>1.035.727.067</b>
<b>Liabilities</b>							
Interbank Deposits	25.108.045	8.158.330	5.805.514	-	-	2.410.654	41.482.543
Other Deposits	283.009.710	112.770.560	37.700.475	1.667.075	3.879	225.955.882	661.107.581
Money Market Borrowings	104.644.589	10.950.557	4.431.052	2.813.559	-	-	122.839.757
Miscellaneous Payables	-	-	-	-	-	12.984.227	12.984.227
Issued Marketable Securities <sup>(6)</sup>	-	240.273	6.087.716	26.511.732	-	-	32.839.721
Funds Provided from Other Financial Institutions	5.000.275	9.805.071	21.419.404	7.510.548	479.555	-	44.214.853
Other Liabilities <sup>(4)</sup>	1.727.577	815.687	1.262.290	1.516.359	5.347.298	109.589.174	120.258.385
<b>Total Liabilities<sup>(1)</sup></b>	<b>419.490.196</b>	<b>142.740.478</b>	<b>76.706.451</b>	<b>40.019.273</b>	<b>5.830.732</b>	<b>350.939.937</b>	<b>1.035.727.067</b>
<b>Balance Sheet Long Position</b>	-	-	<b>129.409.763</b>	<b>259.410.729</b>	<b>102.688.237</b>	-	<b>491.508.729</b>
<b>Balance Sheet Short Position</b>	<b>(213.258.696)</b>	<b>(69.729.651)</b>	-	-	-	<b>(208.520.382)</b>	<b>(491.508.729)</b>
Off-Balance Sheet Long Position	-	192.905	-	5	-	-	192.910
Off-Balance Sheet Short Position	(1.272.049)	-	(87.937)	-	(1.015.345)	-	(2.375.331)
<b>Total Position</b>	<b>(214.530.745)</b>	<b>(69.536.746)</b>	<b>129.321.826</b>	<b>259.410.734</b>	<b>101.672.892</b>	<b>(208.520.382)</b>	<b>(2.182.421)</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.

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

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

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

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

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

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

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	5.830.015	-	-	-	-	82.212.849	88.042.864
Banks	1.079.605	104.894	112.877	-	-	1.491.234	2.788.610
Financial Assets at Fair Value Through Profit and Loss	250.900	4.396.058	6.723.384	2.398.967	9.077	527.066	14.305.452
Money Market Receivables	206.435	-	-	-	-	-	206.435
Financial Assets at Fair Value Through Other Comprehensive Income	26.009.961	16.164.458	38.157.150	58.375.032	42.531.283	391.046	181.628.930
Loans Given <sup>(3)</sup>	122.011.018	71.398.275	119.619.314	212.051.697	53.196.055	3.630.883	581.907.242
Financial Assets Measured at Amortised Cost	2.778.965	60.954	7.786.418	15.217.930	3.838.421	-	29.682.688
Other Assets <sup>(2)</sup>	830.466	2.178.911	964.216	138.986	1.135.581	38.790.883	44.039.043
<b>Total Assets <sup>(1)(5)</sup></b>	<b>158.997.365</b>	<b>94.303.550</b>	<b>173.363.359</b>	<b>288.182.612</b>	<b>100.710.417</b>	<b>127.043.961</b>	<b>942.601.264</b>
<b>Liabilities</b>							
Interbank Deposits	21.112.800	5.321.633	5.335.367	-	-	2.224.762	33.994.562
Other Deposits	257.500.079	91.543.192	48.934.500	1.783.318	1.136	196.117.421	595.879.646
Money Market Borrowings	109.114.222	5.135.012	849.452	1.302.783	-	-	116.401.469
Miscellaneous Payables	-	-	-	-	-	13.178.530	13.178.530
Issued Marketable Securities <sup>(6)</sup>	-	54.086	4.197.437	23.151.207	-	-	27.402.730
Funds Provided from Other Financial Institutions	2.505.516	13.857.820	13.773.586	6.268.843	544.448	-	36.950.213
Other Liabilities <sup>(4)</sup>	1.838.258	683.454	924.266	1.137.094	5.779.625	108.431.417	118.794.114
<b>Total Liabilities <sup>(1)</sup></b>	<b>392.070.875</b>	<b>116.595.197</b>	<b>74.014.608</b>	<b>33.643.245</b>	<b>6.325.209</b>	<b>319.952.130</b>	<b>942.601.264</b>
<b>Balance Sheet Long Position</b>	-	-	<b>99.348.751</b>	<b>254.539.367</b>	<b>94.385.208</b>	-	<b>448.273.326</b>
<b>Balance Sheet Short Position</b>	<b>(233.073.510)</b>	<b>(22.291.647)</b>	-	-	-	<b>(192.908.169)</b>	<b>(448.273.326)</b>
Off-Balance Sheet Long Position	-	2.499.236	94.500	-	-	-	2.593.736
Off-Balance Sheet Short Position	(779.445)	-	-	-	(1.015.345)	-	(1.794.790)
<b>Total Position</b>	<b>(233.852.955)</b>	<b>(19.792.411)</b>	<b>99.443.251</b>	<b>254.539.367</b>	<b>93.369.863</b>	<b>(192.908.169)</b>	<b>798.946</b>

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

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

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

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

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

<sup>(6)</sup> Includes subordinated debt instruments.



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

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

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

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

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

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

	EUR	USD	JPY	TL
<b>Current Period <sup>(4)</sup></b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	13,50
Banks	4,00	-	-	20,94
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	13,13
Money Market Receivables	-	-	-	18,14
Financial Assets at Fair Value Through Other Comprehensive Income	3,26	4,76	-	12,86
Loans Given <sup>(2)</sup>	4,78	5,76	6,00	12,43
Financial Assets Measured at Amortised Cost	4,82	7,47	-	11,76
<b>Liabilities</b>				
Interbank Deposits	0,22	0,05	-	19,04
Other Deposits	0,44	1,49	-	16,42
Money Market Borrowings	-	2,11	-	19,15
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(3)</sup>	5,08	5,04	-	16,99
Funds Provided from Other Financial Institutions	1,71	2,36	-	13,79

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

(2) Credit card loan balances are not included.

(3) Rates shown in the table are calculated by using the annual domestic simple interest rates, except for foreign currency interbank deposits.

(4) 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 Turkey <sup>(1)</sup>	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Market Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given <sup>(2)</sup>	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortised Cost	4,87	7,47	-	15,86
<b>Liabilities</b>				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Market Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

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

(2) Credit card loans balances are not included.

(3) Includes subordinated debt instruments.

(4) Foreign branches are excluded.

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

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

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

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

**IV. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS**

**1. Equity Instruments Position Risk Derived from Banking Books**

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

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	1.144.435	1.144.435	1.144.435
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	4.951.884	4.951.884	4.951.884
Traded on Stock Exchange <sup>(1)</sup>	4.951.884	4.951.884	4.951.884
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other <sup>(2)</sup>	278.050	278.050	-

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

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

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

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

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

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 278.050 and 100% of them are risk weighted (31 December 2020: TL 257.435 and 100% of them are risk weighted).

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

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

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

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

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

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

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

Portfolio	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss		
		Total	Included in Supplementary Capital	Total	Included in Supplementary Capital	Included in Contribution Capital
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	1.832.828	1.832.828	-	-	-
3. Other Stocks	-	54.636	54.636	-	-	-
<b>4. Total</b>	-	<b>1.887.464</b>	<b>1.887.464</b>	-	-	-

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

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

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

In line with the "Economic Stability Shield" measures taken to reduce the effects of the COVID-19 pandemic on the economy, within the scope of the advantages offered by the Bank to all segments of the society, the effect of the returns / delays on existing loans and the effect of potential new loans on existing and future cash flows and alternatives to these. Considering the resource planning, necessary evaluations have been made, and follow-up will be provided in the next period.

The Bank maintains its liquidity buffer at high levels, taking into account the periods when liquidity risk may increase. Thanks to this approach, it is seen that the effect of the mobility experienced in the markets as a result of the negativity caused by the COVID-19 pandemic on the bank's liquidity needs is minimal.

##### 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.

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

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

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

---

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

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

**1. Liquidity Risk (Continued)**

***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 mainly considered.

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

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

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

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

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

***Explanation regarding the usage of the stress test***

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

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

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

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

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

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

**1. Liquidity Risk (Continued)**

*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”.

**2. Liquidity Coverage Ratio**

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 293,31 in the week of 2 April 2021; and for the total 119,73 in the week of 2 April 2021. The highest ratios that took place were for FC as 619,67 in the week of 28 May 2021 and for the total as 161,20 in the week of 2 February 2021 (31 December 2020: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 300,59 in the week of 30 October 2020; and for the total 128,26 in the week of 27 November 2020. As for the highest ratios that took place were; for FC as 494,83 in the week of 27 November 2020 and for the total as 145,69 in the week of 30 October 2020.)

Current Period	Total Unweighted Value (Average) <sup>(*)</sup>		Total Weighted Value (Average) <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
High Quality Liquid Assets			180.676.205	111.339.064
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	458.969.669	246.805.764	39.798.907	24.680.576
Stable deposits	121.961.184	-	6.098.059	-
Less stable deposits	337.008.485	246.805.764	33.700.848	24.680.576
Unsecured wholesale funding, of which;	206.321.919	90.073.555	97.356.748	47.162.732
Operational deposit	17.084.329	643.003	4.271.082	160.751
Non-operational deposits	161.783.248	76.297.669	72.976.621	33.990.416
Other unsecured funding	27.454.342	13.132.883	20.109.045	13.011.565
Secured funding			-	-
Other cash outflows, of which;	109.362.854	17.285.560	12.917.943	9.466.472
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.158.345	6.089.434	4.158.345	6.089.434
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	105.204.509	11.196.126	8.759.598	3.377.038
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	57.996.908	40.350.693	3.387.140	2.017.535
<b>TOTAL CASH OUTFLOWS</b>			153.460.738	83.327.315
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	41.693.651	18.940.525	24.847.068	12.722.443
Other cash inflows	1.453.362	51.157.896	1.453.362	51.157.896
<b>Total Cash Inflows</b>	<b>43.147.013</b>	<b>70.098.421</b>	<b>26.300.430</b>	<b>63.880.339</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>180.676.205</b>	<b>111.339.064</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>127.160.308</b>	<b>23.403.475</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>142,09</b>	<b>475,74</b>

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

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

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

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

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

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

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

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

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

**3. Explanations on Liquidity Coverage Ratio**

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

While bank deposit, which constitutes an important part of its funding and liquidity coverage ratio, does not have a fluctuant structure, public deposits can cause periodic changes within total deposits. While considering the previous periods, the amount of the total deposits has an increasing trend.

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

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

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

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

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

---

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

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

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

*The content of high quality liquid assets*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ( <sup>1</sup> )	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	32.029.939	66.184.260	-	-	-	-	-	98.214.199
Banks ( <sup>4</sup> )	4.165.476	750.212	96.002	127.957	26.179	-	-	5.165.826
Financial Assets at Fair Value Through Profit and Loss	-	1.959.573	1.557.898	6.375.701	7.039.470	10.572	1.728.809	18.672.023
Money Market Placements	-	240.365	-	-	-	-	-	240.365
Financial Assets at Fair Value Through Other Comprehensive Income	-	8.319.293	3.652.843	13.413.565	114.296.248	67.235.012	278.979	207.195.940
Loans Given	-	25.993.061	48.634.521	207.168.803	245.364.371	101.049.463	3.580.519	631.790.738
Investments Held-to-Maturity	-	172.829	103.569	69.398	17.525.558	12.580.993	-	30.452.347
Other Assets	4.989.668	345.581	674.794	992.427	370.406	587.441	36.035.312	43.995.629
<b>Total Assets</b> ( <sup>2</sup> )	<b>41.185.083</b>	<b>103.965.174</b>	<b>54.719.627</b>	<b>228.147.851</b>	<b>384.622.232</b>	<b>181.463.481</b>	<b>41.623.619</b>	<b>1.035.727.067</b>
<b>Liabilities</b>								
Interbank Deposits	2.410.654	25.108.045	8.158.330	5.805.514	-	-	-	41.482.543
Other Deposits	225.955.882	283.003.571	112.742.597	37.610.789	1.787.146	7.596	-	661.107.581
Funds Provided from Other Financial Institutions	-	1.662.997	2.492.401	17.778.026	18.133.757	4.147.672	-	44.214.853
Money Market Borrowings	-	104.644.589	10.950.557	4.431.052	2.813.559	-	-	122.839.757
Issued Marketable Securities ( <sup>3</sup> )	-	-	240.273	6.087.716	26.511.732	-	-	32.839.721
Miscellaneous Payables	1.957.143	11.027.084	-	-	-	-	-	12.984.227
Other Liabilities ( <sup>3</sup> )	8.730.922	2.508.387	1.925.646	1.278.358	1.516.359	6.942.017	97.356.696	120.258.385
<b>Total Liabilities</b>	<b>239.054.601</b>	<b>427.954.673</b>	<b>136.509.804</b>	<b>72.991.455</b>	<b>50.762.553</b>	<b>11.097.285</b>	<b>97.356.696</b>	<b>1.035.727.067</b>
<b>Liquidity Gap</b>	<b>(197.869.518)</b>	<b>(323.989.499)</b>	<b>(81.790.177)</b>	<b>155.156.396</b>	<b>333.859.679</b>	<b>170.366.196</b>	<b>(55.733.077)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(1.487.170)</b>	<b>(1.100.426)</b>	<b>(87.938)</b>	<b>5</b>	<b>493.540</b>	<b>-</b>	<b>(2.181.989)</b>
Financial Derivative Assets	-	98.952.452	56.905.164	7.400.245	15.628	1.508.885	-	164.782.374
Financial Derivative Liabilities	-	100.439.622	58.005.590	7.488.183	15.623	1.015.345	-	166.964.363
<b>Non-cash Loans</b>	<b>52.184.300</b>	<b>9.023.804</b>	<b>12.510.781</b>	<b>57.786.307</b>	<b>30.262.874</b>	<b>5.253.400</b>	<b>-</b>	<b>167.021.466</b>
<b>Prior Period</b>								
Total Assets	40.060.689	85.495.268	63.937.326	194.530.140	360.683.190	161.273.133	36.621.518	942.601.264
Total Liabilities	209.261.081	400.550.856	107.927.866	74.104.310	40.521.416	11.067.335	99.168.400	942.601.264
<b>Liquidity Gap</b>	<b>(169.200.392)</b>	<b>(315.055.588)</b>	<b>(43.990.540)</b>	<b>120.425.830</b>	<b>320.161.774</b>	<b>150.205.798</b>	<b>(62.546.882)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(963.027)</b>	<b>1.397.741</b>	<b>94.499</b>	<b>-</b>	<b>269.733</b>	<b>-</b>	<b>798.946</b>
Financial Derivative Assets	-	110.395.898	32.821.678	7.736.121	1.972	1.285.078	-	152.240.747
Financial Derivative Liabilities	-	111.358.925	31.423.937	7.641.622	1.972	1.015.345	-	151.441.801
<b>Non-cash Loans</b>	<b>45.889.502</b>	<b>5.141.023</b>	<b>12.280.900</b>	<b>40.839.942</b>	<b>32.670.733</b>	<b>5.916.627</b>	<b>-</b>	<b>142.738.727</b>

(<sup>1</sup>) 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.

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

(<sup>3</sup>) Includes subordinated debt instruments.

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



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

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

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

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

**VI. EXPLANATIONS ON LEVERAGE**

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

The Bank’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 7,81% (31 December 2020: 8,43%). The decrease on leverage results occur from the increase in risk amount. The regulation sentenced the minimum leverage as 3%.

<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)	1.021.865.022	944.433.692
(Assets deducted in determining Tier 1 capital)	(6.416.233)	(3.944.023)
<b>Total on-balance sheet risks (sum of lines 1 and 2)</b>	<b>1.015.448.789</b>	<b>940.489.669</b>
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost associated with all derivative financial instruments and credit Derivatives	3.254.139	6.430.645
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.059.780	1.955.716
<b>Total risks of derivative financial instruments and credit derivatives</b>	<b>5.313.919</b>	<b>8.386.361</b>
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets	14.336.207	15.485.935
Risks from brokerage activities related exposures	-	-
<b>Total risks related with securities or commodity financing transactions</b>	<b>14.336.207</b>	<b>15.485.935</b>
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	279.451.280	231.183.107
(Adjustments for conversion to credit equivalent amounts)	-	-
<b>Total risks of off-balance sheet items</b>	<b>279.451.280</b>	<b>231.183.107</b>
<b>Capital and total risks</b>		
Tier 1 capital	102.689.422	100.839.255
<b>Total risks</b>	<b>1.314.550.195</b>	<b>1.195.545.072</b>
<b>Leverage ratio</b>		
Leverage ratio %	7,81	8,43

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

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

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

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

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

**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)	576.299.868	515.397.894	46.103.989
2	Standardised approach	576.299.868	515.397.894	46.103.989
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	8.735.292	10.286.294	698.823
5	Standardised approach for counterparty credit risk	8.735.292	10.286.294	698.823
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies-look through approach	-	-	-
9	Investments made in collective investment companies-mandate-based approach	8.345.876	8.364.963	667.670
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	32.239.906	38.928.246	2.579.193
17	Standardised approach	32.239.906	38.928.246	2.579.193
18	Internal model approaches	-	-	-
19	Operational risk	46.913.603	39.441.393	3.753.088
20	Basic Indicator approach	46.913.603	39.441.393	3.753.088
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity(subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>672.534.545</b>	<b>612.418.790</b>	<b>53.802.763</b>

**2. Explanations on Credit Risk**

*Credit Quality of Assets*

Current Period	Estimated gross amount in accordance with TAS in the Unconsolidated financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Credits	14.288.279	638.125.082	20.622.623	631.790.738
Debt instruments	-	196.849.373	4.003.416	192.845.957
Off-balance sheet receivables	690.233	282.435.348	1.960.498	281.165.083
<b>Total</b>	<b>14.978.512</b>	<b>1.117.409.803</b>	<b>26.586.537</b>	<b>1.105.801.778</b>

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**2. Explanations on Credit Risk (Continued)**

*Credit Quality of Assets*

Prior Period	Estimated gross amount in accordance with TAS in the Unconsolidated financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Credits	13.895.119	586.764.841	18.752.718	581.907.242
Debt instruments	-	148.406.416	921.721	147.484.695
Off-balance sheet receivables	690.362	240.816.847	1.852.945	239.654.264
<b>Total</b>	<b>14.585.481</b>	<b>975.988.104</b>	<b>21.527.384</b>	<b>969.046.201</b>

*Changes in default receivables and debt instruments inventory*

	Current Period
<b>1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period</b>	<b>13.895.119</b>
2 Credits and borrowing instruments that defaulted since the last reporting period	2.335.096
3 Receivables that have not re-defaulted	413.744
4 Amounts write-off from assets	-
5 Other changes	(1.528.192)
<b>6 The amount of defaulted loans and borrowing instruments at the end of the reporting period (1 + 2-3-4 ± 5)</b>	<b>14.288.279</b>

	Prior Period
<b>1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period</b>	<b>12.690.487</b>
2 Credits and borrowing instruments that defaulted since the last reporting period	4.061.472
3 Receivables that have not re-defaulted	582.016
4 Amounts write-off from assets	-
5 Other changes	(2.274.824)
<b>6 The amount of defaulted loans and borrowing instruments at the end of the reporting period (1 + 2-3-4 ± 5)</b>	<b>13.895.119</b>

*Credit risk mitigation techniques - Overview*

Current Period	Unsecured receivables: TAS probable valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Credits	482.247.160	141.878.496	56.053.091	136.551.164	53.705.982	-	-
Debt instruments	181.393.212	-	-	-	-	-	-
<b>Total</b>	<b>663.640.372</b>	<b>141.878.496</b>	<b>56.053.091</b>	<b>136.551.164</b>	<b>53.705.982</b>	<b>-</b>	<b>-</b>
Defaulted	13.388.442	894.619	254.872	886.803	254.214	-	-

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**2. Explanations on Credit Risk (Continued)**

*Credit risk mitigation techniques - Overview (Continued)*

Prior Period	Unsecured receivables: TAS probable valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Credits	442.585.377	137.829.011	63.999.252	133.793.943	61.864.854	-	-
Debt instruments	140.154.459	-	-	-	-	-	-
<b>Total</b>	<b>582.739.836</b>	<b>137.829.011</b>	<b>63.999.252</b>	<b>133.793.943</b>	<b>61.864.854</b>	-	-
Defaulted	13.003.112	887.419	247.846	881.293	247.239	-	-

*Standard Approach- Exposure to credit risk and credit risk mitigation effects*

Current Period	The credit conversion rate and the credit amount before the credit risk reduction		The credit conversion rate and the credit amount after the credit risk reduction		Risk weighted amount and risk weighted amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance amount	Off-balance sheet amount
<b>Risk classes</b>						
Receivables from central government or central banks	312.202.288	989.493	364.961.613	613.659	8.164.143	2,2%
Receivables from regional or local governments	433.886	90.689	451.079	71.296	252.180	48,3%
Receivables from administrative units and non-commercial enterprises	2.237.266	1.239.717	2.219.550	571.174	2.772.113	99,3%
Multilateral development receivables from banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	83.416.767	16.704.496	84.280.708	8.088.062	13.499.132	14,6%
Corporate receivables	266.266.919	138.246.664	239.727.896	77.927.252	315.529.356	99,3%
Retail receivables	252.648.943	93.307.382	225.959.445	8.122.535	174.218.662	74,4%
Receivables secured with real estate mortgage for residence	64.445.331	1.011.212	64.311.164	407.332	22.649.319	35,0%
Receivables secured by real estate mortgage	24.674.463	2.198.415	24.674.463	1.374.736	15.501.412	59,5%
Delayed receivables	3.206.402	-	2.952.193	-	2.067.759	70,0%
The risk is high determined receivables	1.812.834	270.161	1.812.831	160.388	2.944.835	149,2%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	8.402.758	411	8.396.915	70	8.345.876	99,4%
Other receivables	32.150.509	-	32.150.509	-	21.779.046	67,7%
Equity investments	8.737.816	-	8.737.816	-	4.360.940	49,9%
<b>Total</b>	<b>1.060.636.182</b>	<b>254.058.640</b>	<b>1.060.636.182</b>	<b>97.336.504</b>	<b>592.084.773</b>	<b>51,1%</b>

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**2. Explanations on Credit Risk (Continued)**

*Standard Approach- Exposure to credit risk and credit risk mitigation effects (Continued)*

Prior Period	The credit conversion rate and the credit amount before the credit risk reduction		The credit conversion rate and the credit amount after the credit risk reduction		Risk weighted amount and risk weighted amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance amount	Off-balance sheet amount
<b>Risk classes</b>						
Receivables from central government or central banks	219.764.031	971.770	280.720.393	629.214	8.100.952	2,9%
Receivables from regional or local governments	512.473	76.717	546.847	52.924	289.778	48,3%
Receivables from administrative units and non-commercial enterprises	273.604	544.063	252.292	221.750	455.801	96,2%
Multilateral development receivables from banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	73.308.862	15.265.210	74.135.136	7.297.190	12.792.804	15,7%
Corporate receivables	231.391.436	121.009.420	203.352.407	68.560.875	269.777.426	99,2%
Retail receivables	240.188.677	78.056.528	209.766.226	7.096.140	161.445.182	74,4%
Receivables secured with real estate mortgage for residence	68.384.435	931.854	68.287.311	373.123	24.029.916	35,0%
Receivables secured by real estate mortgage	27.304.024	1.414.687	24.321.461	769.143	16.580.085	66,1%
Delayed receivables	3.060.800	-	2.813.566	-	2.054.051	73,0%
The risk is high determined receivables	1.304.451	307.414	1.304.447	168.195	2.186.159	148,5%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	8.308.004	131.594	8.300.709	65.388	8.364.963	100,0%
Other receivables	32.614.409	-	32.614.409	-	21.849.821	67,0%
Equity investments	8.262.309	-	8.262.309	-	3.885.432	47,0%
<b>Total</b>	<b>914.677.515</b>	<b>218.709.257</b>	<b>914.677.513</b>	<b>85.233.942</b>	<b>531.812.370</b>	<b>53,2%</b>

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**2. Explanations on Credit Risk (Continued)**

*Receivables related with Risk Classes and Risk Weights*

Risk Classes/ Risk Weight – Current Period	0%	10%	20%	35% Secured by property mortgage	50% Secured by property mortgage	50% <sup>(*)</sup>	75%	100%	150%	200%	Other	Total risk amount (post- CCF and CRM)
Exposures to sovereigns and their central banks	350.318.703	-	131.425	-	-	13.974.573	-	1.150.571	-	-	-	365.575.272
Exposures to regional and local government	35.660	-	34	-	-	469.016	-	17.665	-	-	-	522.375
Exposures to administrative bodies and non- commercial entities	18.458	-	192	-	-	-	-	2.772.074	-	-	-	2.790.724
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	59.631.215	-	8.820.374	-	-	20.856.598	-	1.270.966	-	-	1.789.617	92.368.770
Exposures to corporates	1.012.880	-	762.002	-	-	1.006.622	-	314.873.644	-	-	-	317.655.148
Retail exposures	1.291.231	-	679.252	-	-	3.244	232.108.253	-	-	-	-	234.081.980
Exposures secured by residential property	5.366	-	1.845	64.711.285	-	-	-	-	-	-	-	64.718.496
Exposures secured by commercial property	-	-	-	-	21.095.574	-	-	4.953.625	-	-	-	26.049.199
Past-due items	659	-	-	-	-	1.767.551	-	1.183.983	-	-	-	2.952.193
Exposures in high-risk categories	429	-	4	-	-	14.243	-	203	1.958.340	-	-	1.973.219
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	51.109	-	-	-	-	-	-	8.345.876	-	-	-	8.396.985
Equity share investments	4.376.876	-	-	-	-	-	-	4.360.940	-	-	-	8.737.816
Other exposures	10.370.005	-	1.822	-	-	-	-	21.778.682	-	-	-	32.150.509
<b>Total</b>	<b>427.112.591</b>	<b>-</b>	<b>10.396.950</b>	<b>64.711.285</b>	<b>21.095.574</b>	<b>38.091.847</b>	<b>232.108.253</b>	<b>360.708.229</b>	<b>1.958.340</b>	<b>-</b>	<b>1.789.617</b>	<b>1.157.972.686</b>

(\*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line “Exposures secured by commercial property”.

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**2. Explanations on Credit Risk (Continued)**

*Receivables related with Risk Classes and Risk Weights*

Risk Classes/ Risk Weight – Prior Period	0%	10%	20%	35% Secured by property mortgage	50% Secured by property mortgage	50% <sup>(*)</sup>	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	266.172.918	-	263.864	-	-	13.729.292	-	1.183.533	-	-	-	281.349.607
Exposures to regional and local government	31.359	-	34	-	-	557.217	-	11.161	-	-	-	599.771
Exposures to administrative bodies and non-commercial entities	18.194	-	58	-	-	-	-	455.790	-	-	-	474.042
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	49.437.564	-	10.060.548	-	-	19.207.182	-	1.145.472	-	-	1.581.560	81.432.326
Exposures to corporates	1.047.989	-	639.747	-	-	1.152.138	-	269.073.408	-	-	-	271.913.282
Retail exposures	1.059.620	-	737.840	-	-	4.053	215.060.782	-	-	-	71	216.862.366
Exposures secured by residential property	1.711	-	4.248	68.654.475	-	-	-	-	-	-	-	68.660.434
Exposures secured by commercial property	32.912	-	26.454	-	16.912.887	-	-	8.118.351	-	-	-	25.090.604
Past-due items	551	-	9	-	-	1.517.914	-	1.295.092	-	-	-	2.813.566
Exposures in high-risk categories	361	-	7	-	-	22.159	-	188	1.449.927	-	-	1.472.642
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	1.134	-	-	-	-	-	-	8.364.963	-	-	-	8.366.097
Equity share investments	4.376.876	-	-	-	-	-	-	3.885.433	-	-	-	8.262.309
Other exposures	10.764.582	-	8	-	-	-	-	21.849.819	-	-	-	32.614.409
<b>Total</b>	<b>332.945.771</b>	<b>-</b>	<b>11.732.817</b>	<b>68.654.475</b>	<b>16.912.887</b>	<b>36.189.955</b>	<b>215.060.782</b>	<b>315.383.210</b>	<b>1.449.927</b>	<b>-</b>	<b>1.581.631</b>	<b>999.911.455</b>

(\*) Demonstrates all receivables that are consisting of 50% risk weighted and out of the line “Exposures secured by commercial property”.

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk**

*Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods*

	Current Period	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Valuation Method according to fair value - CCR (for derivatives)	1.792.926	1.895.106			3.688.032	1.781.032
1	Standardised approach – CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					86.133.118	3.678.930
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					13.874.490	1.943.274
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	<b>Total</b>						<b>7.403.236</b>

(\*) Effective Expected Positive Exposure

	Prior Period	Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Valuation Method according to fair value - CCR (for derivatives)	4.223.311	1.820.676			6.043.987	2.402.773
1	Standardised approach – CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					39.380.821	2.774.808
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					8.292.166	2.840.299
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
6	<b>Total</b>						<b>8.017.880</b>

(\*) Effective Expected Positive Exposure



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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk (Continued)**

*Capital Requirement for Loan Valuation Adjustments*

	<b>Current Period</b>	<b>Exposure at default post-CRM</b>	<b>RWA</b>
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	3.688.032	1.296.264
<b>4</b>	<b>Total subject to the CVA capital charge</b>	<b>3.688.032</b>	<b>1.296.264</b>

	<b>Prior Period</b>	<b>Exposure at default post-CRM</b>	<b>RWA</b>
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	6.043.987	2.236.781
<b>4</b>	<b>Total subject to the CVA capital charge</b>	<b>6.043.987</b>	<b>2.236.781</b>

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk (Continued)**

*Standardised approach - CCR exposures by risk class and risk weights*

Current Period Risk Weight /Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	42.417.253	-	-	-	-	-	-	-	42.417.253
Exposures to regional and local government	2.982	-	-	1	-	-	-	-	2.983
Exposures to administrative bodies and non-commercial entities	8.735	-	-	-	-	5	-	-	8.740
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	42.996.193	-	7.822.495	8.703.303	-	264.901	-	1.789.617	61.576.508
Exposures to corporates	250.959	-	-	-	-	1.221.238	-	-	1.472.197
Retail exposures	6.320	-	-	-	1.255	-	-	-	7.575
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>85.682.442</b>	<b>-</b>	<b>7.822.495</b>	<b>8.703.304</b>	<b>1.255</b>	<b>1.486.144</b>	<b>-</b>	<b>1.789.617</b>	<b>105.485.256</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(\*\*) Other assets: the amount excludes exposures to “Central counterparty” which are reported in Counterparty credit risk

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk (Continued)**

*Standardised approach - CCR exposures by risk class and risk weights*

Prior Period Risk Weight /Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	1.492.436	-	-	-	-	-	-	-	1.492.436
Exposures to regional and local government	1.819	-	-	-	-	-	-	-	1.819
Exposures to administrative bodies and non-commercial entities	7.319	-	-	-	-	-	-	-	7.319
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	31.697.068	-	9.118.589	9.367.950	-	118.886	-	1.581.560	51.884.053
Exposures to corporates	510.104	-	-	-	-	1.389.997	-	-	1.900.101
Retail exposures	11.066	-	-	-	1.740	-	-	71	12.877
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets (**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>33.719.812</b>	<b>-</b>	<b>9.118.589</b>	<b>9.367.950</b>	<b>1.740</b>	<b>1.508.883</b>	<b>-</b>	<b>1.581.631</b>	<b>55.298.605</b>

(\*) Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.

(\*\*) Other assets: the amount excludes exposures to “Central counterparty” which are reported in Counterparty credit risk.

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk (Continued)**

*Risk classes and counterparty credit risk explanations*

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Nonsegregated	Segregated	Nonsegregated		
Cash-domestic currency	-	-	-	-	23.940.302	-
Cash-foreign currency	-	-	-	-	36.202.914	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>60.143.216</b>	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Nonsegregated	Segregated	Nonsegregated		
Cash-domestic currency	-	-	-	-	22.778.687	-
Cash-foreign currency	-	-	-	-	28.022.665	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>50.801.352</b>	-

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**3. Counter Party Credit Risk (Continued)**

*Credit Derivatives*

None (31 December 2020: None).

*Risks Related with Central Counterparty*

	<b>Current Period</b>	<b>Exposure at default (post-CRM)</b>	<b>RAW</b>
1	<b>Exposure to Qualified Central Counterparties (QCCPs) (total)</b>	<b>1.789.617</b>	<b>35.792</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	783.393	15.668
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	1.006.224	20.124
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which )	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	<b>Prior Period</b>	<b>Exposure at default (post-CRM)</b>	<b>RAW</b>
1	<b>Exposure to Qualified Central Counterparties (QCCPs) (total)</b>	<b>1.581.631</b>	<b>31.633</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	544.106	10.882
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	1.037.525	20.751
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which )	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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

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

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

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

**VII. EXPLANATIONS ON RISK MANAGEMENT (Continued)**

**4. Explanations on Market Risk**

*Standard approach*

<b>Current Period</b>		<b>RWA</b>
	Outright products	
1	Interest rate risk (general and specific)	23.340.840
2	Equity risk (general and specific)	3.459.478
3	Foreign exchange risk	5.439.588
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	<b>Total</b>	<b>32.239.906</b>

<b>Prior Period</b>		<b>RWA</b>
	Outright products	
1	Interest rate risk (general and specific)	32.070.975
2	Equity risk (general and specific)	1.056.572
3	Foreign exchange risk	5.800.699
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	<b>Total</b>	<b>38.928.246</b>

The following tables that should be given in quarterly and six-month periods in accordance with the footnotes and related explanations prepared in accordance with the “Communiqué on Public Disclosures by the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016. As of 30 June 2021, since the standard approach is used in the calculation of the market risk of the Bank:

- Market risk RWA (Risk Weighted Assets) change table according to the internal model approach
- Internal model approach for trading account
- Comparison of VAR (Value at Risk) estimates with profit / loss

**VIII. EXPLANATIONS ON HEDGE PROCEDURES**

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

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

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

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

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

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

#### VIII. EXPLANATIONS ON HEDGE PROCEDURES (Continued)

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

Hedging instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(913.454)	913.454	-

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

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

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

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

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

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

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

**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 30 June 2021 explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

**1. Table for Segment Reporting**

Current Period	Retail Banking	Corporate/ Entrepreneur Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
<b>Interest Income</b>	<b>9.473.754</b>	<b>14.148.603</b>	<b>5.562.316</b>	<b>14.366.290</b>	<b>106.255</b>	<b>43.657.218</b>
Interest Income from Loans	9.473.754	14.148.603	5.562.316	3.172.434	-	32.357.107
Interest Income from Banks	-	-	-	67.116	-	67.116
Interest Income from Securities	-	-	-	10.607.803	-	10.607.803
Other Interest Income	-	-	-	518.937	106.255	625.192
<b>Interest Expense</b>	<b>11.546.584</b>	<b>5.868.591</b>	<b>-</b>	<b>12.298.724</b>	<b>294.698</b>	<b>30.008.597</b>
Interest Expense on Deposits	11.546.584	5.868.591	-	1.954.134	-	19.369.309
Interest Expense on Funds Borrowed	-	-	-	504.131	-	504.131
Interest Expense on Money Market Transactions	-	-	-	8.940.524	-	8.940.524
Interest Expense on Securities Issued	-	-	-	899.935	-	899.935
Other Interest Expense	-	-	-	-	294.698	294.698
<b>Net Interest Income/Expense</b>	<b>(2.072.830)</b>	<b>8.280.012</b>	<b>5.562.316</b>	<b>2.067.566</b>	<b>(188.443)</b>	<b>13.648.621</b>
<b>Net Fees and Commission Income</b>	<b>1.477.829</b>	<b>1.331.001</b>	<b>86.124</b>	<b>(821.778)</b>	<b>142.955</b>	<b>2.216.131</b>
Fees and Commissions Received	1.477.829	1.331.001	86.124	9	250.346	3.145.309
Fees and Commissions Paid	-	-	-	821.787	107.391	929.178
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111.605</b>	<b>-</b>	<b>111.605</b>
<b>Trading Profit/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.128.354)</b>	<b>-</b>	<b>(5.128.354)</b>
<b>Other Operating Income</b>	<b>13.445</b>	<b>96.442</b>	<b>23.586</b>	<b>3.076</b>	<b>1.970.865</b>	<b>2.107.414</b>
<b>Provision for Expected Loss (-)</b>	<b>916.346</b>	<b>2.065.925</b>	<b>554.365</b>	<b>-</b>	<b>-</b>	<b>3.536.636</b>
<b>Other Provision Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108.234</b>	<b>4.599</b>	<b>112.833</b>
<b>Personnel Expenses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.500.903</b>	<b>2.500.903</b>
<b>Other Operating Expense</b>	<b>1.830.172</b>	<b>43.449</b>	<b>51.818</b>	<b>-</b>	<b>2.358.076</b>	<b>4.283.515</b>
<b>Net Operating Profit/Loss</b>	<b>(3.328.074)</b>	<b>7.598.081</b>	<b>5.065.843</b>	<b>(3.876.119)</b>	<b>(2.938.201)</b>	<b>2.521.530</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(781.826)</b>	<b>(781.826)</b>
<b>Net Profit/Loss</b>	<b>(3.328.074)</b>	<b>7.598.081</b>	<b>5.065.843</b>	<b>(3.876.119)</b>	<b>(3.720.027)</b>	<b>1.739.704</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	18.672.023	-	18.672.023
Banks and Receivables from Money Markets	-	-	-	5.406.191	-	5.406.191
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	207.195.940	-	207.195.940
Loans	167.162.998	353.183.660	100.884.561	10.559.519	-	631.790.738
Financial Assets Measured at Amortised Cost (Net)	-	-	-	30.452.347	-	30.452.347
Derivative Financial Assets	-	-	-	2.644.064	-	2,644,064
Associates, Subsidiaries and Entities under Common Control	-	-	-	15,810,138	-	15,810,138
Other Assets	8,902	5,105,082	123,316	93,593,956	24,924,370	123,755,626
<b>Total Segment Assets</b>	<b>167.171.900</b>	<b>358.288.742</b>	<b>101.007.877</b>	<b>384.334.178</b>	<b>24.924.370</b>	<b>1.035.727.067</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	504,656,186	109,330,662	-	41,482,543	47,120,733	702,590,124
Derivative Financial Liabilities Held for Trading	-	-	-	3,803,451	-	3,803,451
Funds Borrowed	-	-	-	44,214,853	-	44,214,853
Money Markets Borrowing	5,956	68,991,188	-	53,842,613	-	122,839,757
Securities Issued (Net)	-	-	-	18,379,332	-	18,379,332
Provisions	-	1,960,498	-	-	5,303,450	7,263,948
Other Liabilities	-	-	-	-	45,456,396	45,456,396
Shareholders' Equity	-	-	-	-	91,179,206	91,179,206
<b>Total Segment Liabilities</b>	<b>504.662.142</b>	<b>180.282.348</b>	<b>-</b>	<b>161.722.792</b>	<b>189.059.785</b>	<b>1.035.727.067</b>



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

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

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

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

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

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

Prior Period - 30 June 2020	Retail Banking	Corporate/ Entrepreneur Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
Interest Income	7.090.243	10.766.506	4.161.083	10.099.344	115.856	32.233.032
Interest Income from Loans	7.090.243	10.766.506	4.161.083	3.022.652	-	25.040.484
Interest Income from Banks	-	-	-	32.152	-	32.152
Interest Income from Securities	-	-	-	6.979.433	-	6.979.433
Other Interest Income	-	-	-	65.107	115.856	180.963
<b>Interest Expense</b>	<b>6.068.314</b>	<b>2.909.265</b>	<b>-</b>	<b>3.811.525</b>	<b>917.598</b>	<b>13.706.702</b>
Interest Expense on Deposits	6.068.314	2.909.265	-	709.479	-	9.687.058
Interest Expense on Funds Borrowed	-	-	-	636.699	-	636.699
Interest Expense on Money Market Transactions	-	-	-	1.711.514	-	1.711.514
Interest Expense on Securities Issued	-	-	-	753.833	-	753.833
Other Interest Expense	-	-	-	-	917.598	917.598
<b>Net Interest Income/Expense</b>	<b>1.021.929</b>	<b>7.857.241</b>	<b>4.161.083</b>	<b>6.287.819</b>	<b>(801.742)</b>	<b>18.526.330</b>
<b>Net Fees and Commission Income</b>	<b>1.149.371</b>	<b>873.760</b>	<b>62.123</b>	<b>(553.340)</b>	<b>(328.030)</b>	<b>1.203.884</b>
Fees and Commissions Received	1.149.371	873.760	62.123	3.862	128.113	2.217.229
Fees and Commissions Paid	-	-	-	557.202	456.143	1.013.345
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.041.002</b>	<b>-</b>	<b>1.041.002</b>
<b>Trading Profit/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.785.860)</b>	<b>-</b>	<b>(2.785.860)</b>
<b>Other Operating Income</b>	<b>24.050</b>	<b>138.448</b>	<b>12.823</b>	<b>2.545</b>	<b>1.398.204</b>	<b>1.576.070</b>
<b>Provision for Expected Loss (-)</b>	<b>1.365.042</b>	<b>2.862.659</b>	<b>707.249</b>	<b>-</b>	<b>-</b>	<b>4.934.950</b>
<b>Other Provision Expenses(-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.273</b>	<b>2.014.698</b>	<b>2.021.971</b>
<b>Personnel Expenses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.472.395</b>	<b>2.472.395</b>
<b>Other Operating Expense</b>	<b>1.558.946</b>	<b>42.640</b>	<b>34.222</b>	<b>-</b>	<b>2.349.882</b>	<b>3.985.690</b>
<b>Net Operating Profit/Loss</b>	<b>(728.638)</b>	<b>5.964.150</b>	<b>3.494.558</b>	<b>3.984.893</b>	<b>(6.568.543)</b>	<b>6.146.420</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.637.191)</b>	<b>(1.637.191)</b>
<b>Net Profit/Loss</b>	<b>(728.638)</b>	<b>5.964.150</b>	<b>3.494.558</b>	<b>3.984.893</b>	<b>(8.205.734)</b>	<b>4.509.229</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at FV Through P/L	-	-	-	14.305.452	-	14.305.452
Banks and Money Markets	-	-	-	2.995.045	-	2.995.045
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	181.628.930	-	181.628.930
Loans	173.129.897	314.637.857	85.643.924	8.495.564	-	581.907.242
Financial Assets Measured at Amortised Cost (Net)	-	-	-	29.682.688	-	29.682.688
Derivative Financial Assets	-	-	-	5.027.200	-	5.027.200
Associates, Subsidiaries and Joint Ventures	-	-	-	14.325.922	-	14.325.922
Other Assets	8.689	5.128.416	122.567	83.076.640	24.392.473	112.728.785
<b>Total Segment Assets</b>	<b>173.138.586</b>	<b>319.766.273</b>	<b>85.766.491</b>	<b>339.537.441</b>	<b>24.392.473</b>	<b>942.601.264</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	433.056.944	118.847.626	-	33.994.562	43.975.076	629.874.208
Derivative Financial Liabilities Held for Trading	-	-	-	3.487.652	-	3.487.652
Funds Borrowed	-	-	-	36.950.213	-	36.950.213
Money Markets	9.029	22.701.248	-	93.691.192	-	116.401.469
Securities Issued (Net)	-	-	-	14.354.533	-	14.354.533
Provisions	-	1.852.945	-	-	5.205.689	7.058.634
Other Liabilities	-	-	-	-	41.196.295	41.196.295
Shareholders' Equity	-	-	-	-	93.278.260	93.278.260
<b>Total Segment Liabilities</b>	<b>433.065.973</b>	<b>143.401.819</b>	<b>-</b>	<b>182.478.152</b>	<b>183.655.320</b>	<b>942.601.264</b>

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

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

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

**SECTION FIVE**

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1.692.084	2.834.247	2.202.449	2.594.570
Central Bank of the Republic of Turkey	6.768.530	86.825.426	5.751.620	77.325.020
Other	-	94.965	-	170.140
<b>Total</b>	<b>8.460.614</b>	<b>89.754.638</b>	<b>7.954.069</b>	<b>80.089.730</b>

**Information on Required Reserves**

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

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned Communiqué. Required reserves are calculated every two weeks and established for 14 day intervals.

With Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-22% for FX deposits and for other FC liabilities.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	6.305.564	21.085.317	5.542.420	21.462.853
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	1.798	-	370
Other <sup>(1)</sup>	462.966	65.738.311	209.200	55.861.797
<b>Total</b>	<b>6.768.530</b>	<b>86.825.426</b>	<b>5.751.620</b>	<b>77.325.020</b>

<sup>(1)</sup> Includes required reserves and CBRT restricted electronic money funds amounting to TL 15.963. Required reserve of branches abroad amounting to TL 284.071 is presented in this line. TL 8.746.628 of the current period’s FC required reserve is the part of the TL required reserves that are held in FC (31 December 2020: Includes required reserves and CBRT restricted electronic money funds amounting to TL 12.011. Required reserve of branches abroad amounting to TL 265.879 is presented in this line. TL 8.216.847 of the current period’s FC required reserve is the part of the TL required reserves that are held in FC).

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	16.900.146	13.708.749
<b>Total</b>	<b>16.900.146</b>	<b>13.708.749</b>

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	161.136	3.237	68.126	21.750
Swap Transactions	1.305.131	1.174.560	2.845.156	2.086.150
Futures Transactions	-	-	6.018	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1.466.267</b>	<b>1.177.797</b>	<b>2.919.300</b>	<b>2.107.900</b>

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

**4.1. Information on Bank Balances**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Banks</b>				
Domestic Banks	-	61.563	-	39.671
Foreign Banks (*)	336.622	4.768.226	578.131	2.171.195
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>336.622</b>	<b>4.829.789</b>	<b>578.131</b>	<b>2.210.866</b>

(\*) In accordance with the Uniform Chart of Accounts that entered into force as of January 1, 2021, foreign bank derivative and repo transactions collaterals amounting to TL 2.088.070 as of the balance sheet date, which were included in the previous period's other assets, are reported in the foreign banks line in the current period.

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

	<b>Current Period</b>	<b>Prior Period</b>
Assets Subject to Repurchase Agreements	109.216.383	52.130.594
Assets Blocked/Given as Collateral	57.178.284	83.881.708
<b>Total</b>	<b>166.394.667</b>	<b>136.012.302</b>

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt Securities	212.891.353	183.265.822
Quoted in Stock Exchange	212.502.961	182.967.908
Not Quoted in Stock Exchange	388.392	297.914
Share Certificates	312.717	287.293
Quoted in Stock Exchange	1.130	1.216
Not Quoted in Stock Exchange	311.587	286.077
Provision for Impairment (-)	6.008.130	1.924.185
<b>Total</b>	<b>207.195.940</b>	<b>181.628.930</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>	652.364	-	596.552	-
<b>Total</b>	<b>652.364</b>	<b>-</b>	<b>596.552</b>	<b>-</b>

(1) Interest rediscount and interest accrual amounting TL 5.522, are not included (31 December 2020: Interest rediscount and interest accrual amounting TL 4.105 are not included).

(2) Since the balance of overdraft accounts related to employees amounting TL 22.885, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above. (31 December:2020: Since the balance of overdraft accounts related to employees amounting TL 20.875, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above.)

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

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

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

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

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

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

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

Current Period	Loans Under Close Monitoring <sup>(3)</sup>			
	Standard Loans	Not Under the Scope of Restructuring	Loans under restructuring	
			Loans with revised contract terms	Refinancing
<b>Cash Loans</b>				
Non-Specialized Loans	485.353.535	21.134.548	686.910	20.923.827
Commercial Loans	299.479.551	17.012.617	574.382	20.814.003
Export Loans	4.449.397	1.131.342	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.978.780	-	-	-
Consumer Loans	148.357.626	2.690.168	112.528	105.953
Credit Cards	26.017.905	294.613	-	3.871
Other	2.070.276	5.808	-	-
Specialized Lending <sup>(1) (2)</sup>	93.122.281	988.517	27.469	1.231.469
Other Receivables				
Interest Income Accruals	11.232.938	2.412.417	17.799	993.372
<b>Total</b>	<b>589.708.754</b>	<b>24.535.482</b>	<b>732.178</b>	<b>23.148.668</b>

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

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

<sup>(3)</sup> It includes a loan amounting to TL 3.562.116 with a delay of more than 90 days.

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

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

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

<sup>(3)</sup> It includes a loan amounting to TL 2.182.795 with a delay of more than 90 days.

Expected Credit Loss of Stage 1 and Stage 2	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	2.633.738	-	2.526.931	-
Significant Increase in Credit Risk	-	7.281.125	-	5.961.551

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

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

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

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

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

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

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

<b>Current Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Consumer Loans-TL	739.065	148.026.758	148.765.823
Mortgage Loans <sup>(2)</sup>	9.524	86.698.033	86.707.557
Automotive Loans	7.595	862.099	869.694
Consumer Loans <sup>(2)</sup>	721.946	60.466.626	61.188.572
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	1.288	76.711	77.999
Mortgage Loans	-	8.603	8.603
Automotive Loans	-	-	-
Consumer Loans	1.288	68.108	69.396
Other	-	-	-
Retail Credit Cards-TL	14.070.446	184.093	14.254.539
With Installment	4.438.864	165.072	4.603.936
Without Installment	9.631.582	19.021	9.650.603
Retail Credit Cards-FC	813	-	813
With Installment	-	-	-
Without Installment	813	-	813
Personnel Loans-TL	15.374	433.385	448.759
Mortgage Loans	-	96	96
Automotive Loans	-	-	-
Consumer Loans	15.374	433.289	448.663
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	196.604	6.941	203.545
With Installment	70.965	6.432	77.397
Without Installment	125.639	509	126.148
Personnel Credit Cards-FC	60	-	60
With Installment	-	-	-
Without Installment	60	-	60
Overdraft Accounts-TL (Real Person)	1.973.694	-	1.973.694
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>16.997.344</b>	<b>148.727.888</b>	<b>165.725.232</b>

<sup>(1)</sup> TL 1.179.419 of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.993.176 are included.

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

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

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

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

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

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

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

<b>Prior Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Consumer Loans-TL	663.273	159.074.421	159.737.694
Mortgage Loans <sup>(2)</sup>	7.519	90.893.282	90.900.801
Automotive Loans	6.474	891.934	898.408
Consumer Loans <sup>(2)</sup>	649.280	67.289.205	67.938.485
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	975	64.305	65.280
Mortgage Loans	-	7.790	7.790
Automotive Loans	-	-	-
Consumer Loans	975	56.515	57.490
Other	-	-	-
Retail Credit Cards-TL	9.902.518	199.306	10.101.824
With Installment	3.323.580	184.004	3.507.584
Without Installment	6.578.938	15.302	6.594.240
Retail Credit Cards-FC	697	-	697
With Installment	-	-	-
Without Installment	697	-	697
Personnel Loans-TL	13.880	399.400	413.280
Mortgage Loans	-	117	117
Automotive Loans	-	-	-
Consumer Loans	13.880	399.283	413.163
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	176.012	7.237	183.249
With Installment	63.297	6.883	70.180
Without Installment	112.715	354	113.069
Personnel Credit Cards-FC	23	-	23
With Installment	-	-	-
Without Installment	23	-	23
Overdraft Accounts-TL (Real Person)	1.739.573	-	1.739.573
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>12.496.951</b>	<b>159.744.669</b>	<b>172.241.620</b>

<sup>(1)</sup> TL 1.004.958 of interest income rediscount and accrual is not included.

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

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

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

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

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(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	2.296.583	94.585.564	96.882.147
Mortgage Loans	806	711.726	712.532
Automotive Loans	62.808	2.089.120	2.151.928
Consumer Loans	2.232.969	91.784.718	94.017.687
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	39.626	49.648.833	49.688.459
Mortgage Loans	-	56.817	56.817
Automotive Loans	-	1.680	1.680
Consumer Loans	39.626	49.590.336	49.629.962
Other	-	-	-
Corporate Credit Cards-TL	11.709.476	147.216	11.856.692
With Installment	5.310.262	147.174	5.457.436
Without Installment	6.399.214	42	6.399.256
Corporate Credit Cards-FC	740	-	740
With Installment	-	-	-
Without Installment	740	-	740
Overdraft Account-TL (Legal Entity)	1.340.400	-	1.340.400
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>15.386.825</b>	<b>144.381.613</b>	<b>159.768.438</b>

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



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

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	618.148.178	570.374.992
Foreign Loans	5.320.378	4.692.139
Interest Income Accruals of Loans	14.656.526	11.697.710
<b>Total</b>	<b>638.125.082</b>	<b>586.764.841</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	3.753.053	2.513.483
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>3.753.053</b>	<b>2.513.483</b>

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

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Loans and other receivables with limited collectability	55.998	472.234
Loans and other receivables with doubtful collectability	935.515	506.735
Uncollectible loans and other receivables	9.716.247	9.285.267
<b>Total</b>	<b>10.707.760</b>	<b>10.264.236</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 and receivables with limited collectability</b>	<b>Group IV Loans and receivables with doubtful collectability</b>	<b>Group V Uncollectible loans and receivables</b>
<b>Current Period</b>			
Gross amounts before the provisions	954	670.110	1.178.123
Restructured loans	954	670.110	1.178.123
<b>Prior Period</b>			
Gross amounts before the provisions	13.582	109.533	1.003.768
Restructured loans	13.582	109.533	1.003.768

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

	<b>Group III Loans and receivables with limited collectability</b>	<b>Group IV Loans and receivables with doubtful collectability</b>	<b>Group V Uncollectible loans and receivables</b>
<b>Prior Period Ending Balance</b>	<b>1.001.292</b>	<b>1.094.338</b>	<b>11.799.489</b>
Additions (+)	385.293	943.477	1.006.326
Transfers from Other Categories of Loans under Follow-Up (+)	-	1.135.041	1.036.842
Transfers to Other Categories of Loans under Follow-Up (-)	1.135.041	1.036.842	-
Collections (-)	63.432	325.783	1.552.721
Sold <sup>(1)</sup>	-	-	-
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b>	<b>188.112</b>	<b>1.810.231</b>	<b>12.289.936</b>
Provision (-)	55.998	935.515	9.716.247
<b>Net Balance on Balance Sheet</b>	<b>132.114</b>	<b>874.716</b>	<b>2.573.689</b>

<sup>(1)</sup> Includes transfers to the first and second group loans amounting to TL 413.744.

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

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

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

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

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

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

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period:</b>			
<b>Period Ending Balance</b>	<b>1.262</b>	<b>5.900</b>	<b>41.885</b>
Provision (-)	508	4.365	40.709
<b>Net Balance on Balance Sheet</b>	<b>754</b>	<b>1.535</b>	<b>1.176</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>2.739</b>	<b>2.188</b>	<b>36.279</b>
Provision (-)	1.035	1.681	35.385
<b>Net Balance on Balance Sheet</b>	<b>1.704</b>	<b>507</b>	<b>894</b>

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>132.114</b>	<b>874.716</b>	<b>2.573.689</b>
Loans to Real Persons and Legal Entities (Gross)	188.112	1.810.231	12.135.170
Provisions (-)	55.998	935.515	9.561.481
Loans to Real Persons and Legal Entities (Net)	132.114	874.716	2.573.689
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	154.766
Provisions (-)	-	-	154.766
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>529.058</b>	<b>587.603</b>	<b>2.514.222</b>
Loans to Real Persons and Legal Entities (Gross)	1.001.292	1.094.338	11.651.023
Provisions (-)	472.234	506.735	9.136.801
Loans to Real Persons and Legal Entities (Net)	529.058	587.603	2.514.222
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (Net)	-	-	-

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

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

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

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

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

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

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>7.300</b>	<b>83.919</b>	<b>145.718</b>
Interest Accruals and Valuation Differences	11.079	246.027	536.441
Provisions (-)	3.779	162.108	390.723
<b>Prior Period (Net)</b>	<b>137.864</b>	<b>31.348</b>	<b>142.756</b>
Interest Accruals and Valuation Differences	254.910	74.478	646.891
Provisions (-)	117.046	43.130	504.135

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

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

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Government Bonds	1.360.072	2.651.681	3.315.575	1.802.748
Treasury Bills	-	-	-	-
Other Government Debt	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1.360.072</b>	<b>2.651.681</b>	<b>3.315.575</b>	<b>1.802.748</b>

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Bills	-	-	-	-
Bonds and Similar Investment Securities	8.295.515	17.299.116	8.723.020	14.875.540
Other	-	-	-	-
<b>Total</b>	<b>8.295.515</b>	<b>17.299.116</b>	<b>8.723.020</b>	<b>14.875.540</b>

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

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

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

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

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

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

**8.2. Information on Government Debt Securities**

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	30.035.865	29.445.712
Treasury Bills	-	-
Other Public Sector Debt Securities	185.029	95.224
<b>Total</b>	<b>30.220.894</b>	<b>29.540.936</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Debt securities	30.456.459	29.686.696
Quoted at Stock Exchange	30.220.894	29.540.936
Unquoted at Stock Exchange	235.565	145.760
Provision for Impairment (-)	-	-
<b>Total</b>	<b>30.456.459</b>	<b>29.686.696</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>29.686.696</b>	<b>17.550.083</b>
Foreign Currency Differences on Monetary Assets	2.319.618	4.217.972
Purchases During the Year <sup>(1)</sup>	1.056.298	8.771.752
Disposals through Sales and Redemptions	(2.606.153)	(853.111)
Provision for Impairment (-)	-	-
<b>Balance at the End of the Period</b>	<b>30.456.459</b>	<b>29.686.696</b>

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

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

**9.1. Information on Investment in Associates**

	<b>Description</b>	<b>Address (City/ Country)</b>	<b>The Bank’s Share Percentage, if Different, Voting Percentage (%)</b>	<b>The Bank’s Risk Group Share Percentage (%)</b>
1	Arap Türk Bankası A.Ş.	İstanbul/Turkey	15,43	15,43
2	Platform Ortak Kartlı Sistemler A.Ş.	İstanbul/Turkey	20,00	20,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Turkey	33,34	33,34
4	Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş.	Manisa/Turkey	55,95	55,95

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

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

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

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

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

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

**9.1. Information on Investment in Associates (Continued)**

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non-Current Assets <sup>(2)(3)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit / Loss <sup>(2)</sup>	Prior Period Profit / Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	6.856.155	1.239.593	148.579	119.230	53.577	87.326	42.639	-
2	4.851	4.763	51	-	-	(464)	(22)	-
3	202.916	165.144	20.232	9.281	-	6.162	(51)	-
4	577.104	(382.929)	194.104	1.659	-	(75.696)	(248.912)	-

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

<sup>(2)</sup> Current period financial statement information of Platform Ortak Kartli Sistemler A.Ş. is taken from 31 December 2020 financial statements, prior period profit/loss figure is taken from 31 December 2019 financial statements. The current period financial statement information of other subsidiaries is obtained from the unaudited financial statements dated 30 June 2021, and the profit/loss figures for the previous period are obtained from the reviewed financial statements dated 30 June 2020.

<sup>(3)</sup> Total fixed assets include tangible and intangible assets.

**9.2. Movement Schedule of Investments in Associates (Net)**

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

**9.3. Sectoral Information and Related Amounts of Financial Associates**

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

**9.4. Associates Quoted to a Stock Exchange**

None (31 December 2020: None).

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

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

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

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

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

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

**10.1. Information on Subsidiaries**

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

	Description	Address (City/ Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	100,00	100,00
6	Ziraat Teknoloji A.Ş.	İstanbul / Turkey	100,00	100,00
7	Onko İlaç Sanayi ve Ticaret A.Ş.	Kocaeli / Turkey	85,00	85,00
8	Koçsel İlaç Sanayi ve Ticaret A.Ş.	Kocaeli / Turkey	85,00	85,00
9	Rinerji Rize Elektrik Üretim A.Ş.	Rize / Turkey	51,00	51,00
10	Ziraat Bank International A.G.	Frankfurt / Germany	100,00	100,00
11	Ziraat Bank BH d.d.	Sarajevo / Bosnia Herzegovina	100,00	100,00
12	Ziraat Bank (Moscow) JSC	Moscow / Russia	99,91	99,91
13	Kazakhstan Ziraat Int. Bank	Almaty / Kazakhstan	99,58	99,58
14	Ziraat Bank Azerbaijan ASC	Baku / Azerbaijan	99,98	100,00
15	Ziraat Bank Montenegro AD	Podgorica / Montenegro	100,00	100,00
16	JSC Ziraat Bank Georgia	Tbilisi / Georgia	100,00	100,00
17	Ziraat Bank Uzbekistan JSC	Tashkent / Uzbekistan	100,00	100,00

	Total Assets	Shareholders' Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Income / Loss	Prior Period Profit/Loss	Fair Value	Shareholder's equity amount needed
1	780.544	535.107	5.211	81.498	-	201.313	114.406	1.098.904	-
2	172.145	156.633	3.448	13.514	-	30.523	30.706	153.045	-
3	67.373.227	3.894.262	390.157	2.354.180	329.081	187.350	138.382	3.277.972	-
4	7.158.937	7.039.738	5.070.486	40.319	-	72.594	33.404	6.096.319	-
5	1.006.872	1.005.356	1.134	21.180	-	21.882	12.040	1.005.851	-
6	90.657	17.928	7.633	745	24	70	(3.259)	56.467	-
7	686.879	93.937	375.944	1.539	1	(31.598)	(6.164)	62.661	-
8	52.657	16.011	5.739	-	-	3.345	(1.701)	7.320	-
9	56.170	8.263	53.731	-	-	(4.431)	(293)	38.948	-
10	16.140.366	2.782.371	31.750	202.458	11.306	105.319	16.766	1.931.693	-
11	6.237.199	647.165	50.569	75.830	-	33.272	4.015	316.691	-
12	911.652	437.458	17.814	33.980	268	21.184	16.817	268.876	-
13	2.375.500	706.773	224.850	73.936	-	36.015	28.771	435.713	-
14	1.779.974	380.351	117.435	47.931	3.586	14.348	(6.211)	228.372	-
15	722.650	173.644	10.624	12.755	1.139	1.243	1.848	132.415	-
16	379.179	158.143	17.406	7.786	1.541	2.156	(450)	113.798	-
17	1.020.548	249.093	20.161	39.042	778	(6.637)	18.269	183.936	-

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

(2) The current period financial statement information of Rinerji Rize Elektrik Üretim A.Ş. is taken from the financial statements dated March 31, 2021, and the profit/loss figures for the previous period are taken from the financial statements dated March 31, 2020. The current period financial statement information of other subsidiaries is taken from the unaudited financial statements dated 30 June 2021, and the profit/loss figures for the previous period are taken from the reviewed financial statements dated 30 June 2020.

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

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

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

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

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

**10. Information Related to 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>13.901.878</b>	<b>7.335.025</b>
<b>Movements During the Period</b>	<b>1.341.707</b>	<b>6.566.853</b>
Additions to Scope of Consolidation	-	-
Purchases <sup>(1)</sup>	463.532	2.499.959
Bonus Shares Obtained	45.620	-
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase <sup>(2)</sup>	933.310	4.738.323
Impairment Provision (-)	100.755	671.429
Transfer (-)	-	-
<b>Balance at the End of the Period<sup>(4)</sup></b>	<b>15.243.585</b>	<b>13.901.878</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) The paid capital increases during the period are shown in the “Purchases” line. The amount of TL 463.532 in the current period is the share repurchase price paid by the Bank within the scope of the repurchase commitment regarding the public offering of Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.

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

(3) Non-financial subsidiaries are not included.

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

	<b>Current Period</b>	<b>Prior Period</b>
Banks	6.889.466	6.558.371
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	8.354.119	7.343.507

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

	<b>Current Period</b>	<b>Prior Period</b>
Quoted at domestic stock exchanges	6.096.319	-
Quoted at international stock exchanges	-	-

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

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

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



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

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

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

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

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

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

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share (%)	Group's Share (%)	Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	5.850.284	26.690	8.803	114.311	48.317

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

**12. Information on Lease Receivables**

The Bank has no financial lease receivables.

**13. Information on the Hedging Derivative Financial Assets**

The Bank has no hedging derivative financial assets.

**14. Information on the Investment Property**

None

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

Bank does not have any discontinuing operations. The assets held for sale 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 Bank's immovables acquired amount to TL 5.237.300 (31 December 2020: TL 5.259.672 ) consisting of TL 8.902 (31 December 2020: TL 8.689) due to consumer loans, TL 5.105.082 (31 December 2020: TL 5.128.416) on its commercial loans and TL 123.316 (31 December 2020: TL 122.567 ) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 4.659 (31 December 2020: TL 1.207). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.591.215 (31 December 2020: TL 1.544.625).

**16. Explanations on Tangible Assets**

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Operational Leasing Development Costs	Other Tangibles	Total
<b>Prior Period End</b>							
Cost	6.385.763	819.210	1.448.796	213.585	261.065	-	9.128.419
Accumulated Depreciation (-)	894.097	138.544	1.006.198	88.051	251.021	-	2.377.911
Impairment (-)	2.153	-	-	-	-	-	2.153
<b>Net Book Value</b>	<b>5.489.513</b>	<b>680.666</b>	<b>442.598</b>	<b>125.534</b>	<b>10.044</b>	-	<b>6.748.355</b>
<b>Current Period End</b>							
Net Book Value at the Beginning of the Period	5.489.513	680.666	442.598	125.534	10.044	-	6.748.355
Change During the Period (Net)	(76.789)	(33.624)	122.918	(25.188)	877	-	(11.806)
- Cost	(57.250)	(19.466)	220.911	3.956	5.547	-	153.698
- Depreciation – net (-)	19.168	14.158	97.993	29.144	4.670	-	165.133
- Impairment (-)	371	-	-	-	-	-	371
Net Currency Translation from Foreign Subsidiaries							
Cost at Period End	6.328.513	799.744	1.669.708	217.541	266.612	-	9.282.118
Accumulated Depreciation at Period End (-)	913.265	152.702	1.104.191	117.195	255.692	-	2.543.045
Impairment (-)	2.524	-	-	-	-	-	2.524
<b>Closing Net Book Value</b>	<b>5.412.724</b>	<b>647.042</b>	<b>565.517</b>	<b>100.346</b>	<b>10.920</b>	-	<b>6.736.549</b>

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

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

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

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

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

None.

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

	<b>Current Period</b>	<b>Prior Period</b>
Cash and Balances at Central Bank	1.053	935
Banks and Receivables from Money Markets	585	387
Financial Assets Measured at Amortized Cost	4.112	4.008
Other assets	28.596	59.695
<b>Total</b>	<b>34.346</b>	<b>65.025</b>

**20. Information on Other Assets**

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

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

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

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

<b>Current Period</b>	<b>Demand</b>	<b>7 Day Call Accounts</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6 Months-1 Year</b>	<b>1 Year and Over</b>	<b>Cumulative Deposits</b>	<b>Total</b>
Saving Deposits	59.077.139	-	11.330.351	104.821.862	22.147.738	2.496.173	6.869.356	207.802	206.950.421
Foreign Currency Deposits	94.217.303	-	30.076.543	104.378.873	18.241.582	13.167.848	37.612.599	11.017	297.705.765
Residents in Turkey	78.147.615	-	29.236.656	91.102.279	12.397.031	7.556.692	15.606.827	9.016	234.056.116
Residents Abroad	16.069.688	-	839.887	13.276.594	5.844.551	5.611.156	22.005.772	2.001	63.649.649
Public Sector Deposits	14.482.465	-	5.517.086	10.027.984	628.584	243.521	82.113	-	30.981.753
Commercial Inst. Deposits	17.240.139	-	19.064.407	19.881.621	825.846	2.591.568	60.976	-	59.664.557
Other Inst. Deposits	2.494.182	-	1.874.866	12.354.737	955.426	632.879	372.262	-	18.684.352
Precious Metals Deposit	38.444.654	-	836.691	6.606.976	535.086	398.634	298.692	-	47.120.733
Interbank Deposits	2.410.654	-	24.042.373	3.599.778	793.366	8.539.434	2.096.938	-	41.482.543
The CBRT	2.450	-	-	-	-	-	-	-	2.450
Domestic Banks	151.648	-	24.006.547	143.305	-	-	2.047.142	-	26.348.642
Foreign Banks	1.638.164	-	35.826	3.456.473	793.366	8.539.434	49.796	-	14.513.059
Participation Banks	618.392	-	-	-	-	-	-	-	618.392
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>228.366.536</b>	<b>-</b>	<b>92.742.317</b>	<b>261.671.831</b>	<b>44.127.628</b>	<b>28.070.057</b>	<b>47.392.936</b>	<b>218.819</b>	<b>702.590.124</b>

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

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

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

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

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

**1. Information on Deposits (Continued)**

**1.1. Information on Maturity Structure of the Deposits (Continued)**

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

**1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund**

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits <sup>(1)</sup>	130.809.528	111.238.745	75.287.747	57.562.720
Foreign Currency Saving Deposits <sup>(1)</sup>	91.855.278	90.621.370	155.597.019	128.265.371
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(2)</sup>	2.466.023	2.089.213	1.110.904	638.133
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 844.491 and TL 38.549 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2020: TL 562.575 and TL 30.001).

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL 499 (31 December 2020: TL 511) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 2.304.346 (31 December 2020: TL 1.508.273) of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

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

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

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

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

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

**1. Information on Deposits (Continued)**

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

The Bank’s head office is located in Turkey.

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

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and other Accounts in Branches Abroad	8.774	5.865
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	27.857	32.513
Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	152.563	4.363	46.748	1.467
Swap Transactions	637.702	3.008.823	1.417.814	2.021.623
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>790.265</b>	<b>3.013.186</b>	<b>1.464.562</b>	<b>2.023.090</b>

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

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	382.136	6.590.593	1.063.233	4.891.638
Foreign Banks, Institutions and Funds	15.665	37.226.459	228.249	30.767.093
<b>Total</b>	<b>397.801</b>	<b>43.817.052</b>	<b>1.291.482</b>	<b>35.658.731</b>

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-Term	381.342	5.897.030	1.062.458	3.671.112
Medium and Long-Term	16.459	37.920.022	229.024	31.987.619
<b>Total</b>	<b>397.801</b>	<b>43.817.052</b>	<b>1.291.482</b>	<b>35.658.731</b>

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

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

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

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

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

**3. Information on Banks and Other Financial Institutions (Continued)**

**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**

67,84% of the Bank’s total liabilities and shareholders’ equity consist of deposits. Deposits have a diversified base and have steady structures. The Bank’s liabilities are not subject to a significant concentration risk.

**4. Information on Money Market Borrowings**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>90.354.201</b>	-	<b>92.831.730</b>	-
Financial Institutions and Organizations	90.116.090	-	91.872.390	-
Other Institutions and Organizations	232.156	-	950.313	-
Real Person	5.955	-	9.027	-
<b>From Overseas Operations</b>	-	<b>32.485.556</b>	-	<b>23.569.739</b>
Financial Institutions and Organizations	-	32.485.556	-	23.569.739
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>90.354.201</b>	<b>32.485.556</b>	<b>92.831.730</b>	<b>23.569.739</b>

**5. Information on Securities Issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	746.707	-	-
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	16.621.935	1.010.690	13.343.843
<b>Total</b>	<b>1.010.690</b>	<b>17.368.642</b>	<b>1.010.690</b>	<b>13.343.843</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 liabilities do not exceed 10% of the balance sheet total.

**7. Information on Financial Leasing Agreements**

Information on financial lease liabilities represented in the table below:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	45.571	37.301	36.216	18.549
Between 1-4 Years	372.829	321.645	584.944	318.521
More than 4 Years	708.837	421.621	751.894	484.915
<b>Total</b>	<b>1.127.237</b>	<b>780.567</b>	<b>1.373.054</b>	<b>821.985</b>

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

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

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

---

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

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

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

There are no hedging derivative financial liabilities.

##### 9. Information on Provisions

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

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

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

###### 9.2.1 Severance Pay and Unused Vacation Rights

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 30 June 2021, unpaid vacation liability amounted to TL 378.265 and employment termination amounted to TL 1.216.454 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2020: unpaid vacation liability amounted to TL 278.450, and employment termination amounted to TL 1.230.590 are presented under the “Employee Benefits Provision” in the financial statements).

###### 9.3. Information on Other Provisions

Except for the requirements of BRSA Accounting and Financial Reporting Legislation, the Bank management provided free provision of TL 3.460.000, all of which were written off in previous periods. Moreover, the provision of TL 40.750 and other provision of TL 157 exist for cash transfers made by Bank officials. The Bank has provided provision amounting to TL 1.960.499 for possible losses arising from the off-balance sheet items. (31 December 2020: These financial statements include a free provision amounting to TL 3.460.000 which consist of TL 830.000 provided in prior year and TL 2.630.000 reversed in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 40.750 and other provision of TL 157 exist for cash transfers made by Bank officials. The Bank has provided provision amounting to TL 1.852.945 for possible losses arising from the off-balance sheet items in the current period.)

Regarding the Bank's lawsuit files, a total amount of TL 135.905 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 60.600 but not yet finalized (31 December 2020: For the lawsuits filed against the Bank amounting to TL 131.255, a provision of TL 56.000 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

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

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

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

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

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

**10. Explanations on Tax Liability**

**10.1. Explanations on Current Tax Liability**

**10.1.1. Information on Taxes Payable**

As of 30 June 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 1.097.512 (As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 943.399).

**10.1.2. Information on Current Taxes Payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	1.097.512	943.399
Taxation on Income From Securities	340.240	268.092
Property Tax	1.965	1.663
Banking Insurance Transactions Tax (BITT)	297.117	248.321
Foreign Exchange Transactions Tax	18.017	19.803
Value Added Tax Payable	17.758	17.646
Other	78.215	113.887
<b>Total</b>	<b>1.850.824</b>	<b>1.612.811</b>

**10.1.3. Information on Premium Payables**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums – Employee	64	54
Social Security Premiums – Employer	84	72
Bank Social Aid Pension Fund Premium - Employee	20.831	17.743
Bank Social Aid Pension Fund Premium - Employer	30.544	26.008
Pension Fund Membership Fees and Provisions - Employee	1	2
Pension Fund Membership Fees and Provisions - Employer	4	4
Unemployment Insurance - Employee	1.495	1.274
Unemployment Insurance - Employer	2.990	2.549
Other	-	-
<b>Total</b>	<b>56.013</b>	<b>47.706</b>

**10.2. Information on Deferred Tax Liability**

The Bank does not have any deferred tax liability.

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

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

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

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

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

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

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

**12. Information on Subordinated Loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	14.460.389	-	13.048.197
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	14.460.389	-	13.048.197
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>14.460.389</b>	-	<b>13.048.197</b>

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

**13. Information on Shareholders’ Equity**

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

	Current Period	Prior Period
Common stock	13.100.000	13.100.000
Preferred stock	-	-

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

The Bank does not have a registered capital system.

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

There are no capital increases in the current period

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

There is no share capital amount included in capital.

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

The Bank has no capital commitments.

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

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



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

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

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

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

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

**13. Information on Shareholders’ Equity**

**13.7. Information on Privileges Given to Shares Representing The Capital**

The Bank has no preferred shares.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	3.823.226	(985.025)	3.376.855	(941.492)
Valuation Difference	(1.635.161)	(1.992.061)	(108.006)	956.316
Foreign Exchange Difference	2.262.057	-	2.262.057	-
<b>Total</b>	<b>4.450.122</b>	<b>(2.977.086)</b>	<b>5.530.906</b>	<b>14.824</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 Commitments**

	Current Period	Prior Period
Asset Purchase Commitments	14.670.295	14.083.382
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	16.889.807	14.668.990
Commitments for Cheque Payments	6.068.330	4.830.167
Commitments for Credit Card Expenditure Limits	56.153.837	44.590.857
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	83.280	68.631
Other Irrevocable Commitments	22.235.416	20.523.305
<b>Total</b>	<b>116.104.115</b>	<b>98.768.482</b>

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

The Bank has provided provision amounting to TL 1.960.499 for possible losses arising from the off-balance sheet items in the current period. (31 December 2020: TL 1.852.945).

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

	Current Period	Prior Period
Letters of Guarantee	126.427.212	110.741.419
Letters of Credit	30.485.708	23.274.697
Bank Acceptances	8.113.731	7.202.148
Endorsements	1.994.815	1.520.463
<b>Total</b>	<b>167.021.466</b>	<b>142.738.727</b>

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

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

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

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

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Certain Guarantees	78.091.416	66.820.813
Letters of Advance Guarantees	20.729.845	19.339.621
Letters of Temporary Guarantees	3.139.209	3.293.464
Letters of Guarantees Given to Customs Offices	1.629.802	1.612.223
Other Letters of Guarantees	22.836.940	19.675.298
<b>Total</b>	<b>126.427.212</b>	<b>110.741.419</b>

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

**1.3.1. Total Amount of Non-Cash Loans**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>19.486.350</b>	<b>16.698.879</b>
With Original Maturity of One Year or Less	12.655.057	10.564.285
With Original Maturity of More than One Year	6.831.293	6.134.594
<b>Other Non-Cash Loans</b>	<b>147.535.116</b>	<b>126.039.848</b>
<b>Total</b>	<b>167.021.466</b>	<b>142.738.727</b>

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**1. Information on Interest Income**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Interest on Loans <sup>(1)</sup></b>	<b>27.975.746</b>	<b>4.381.361</b>	<b>21.286.387</b>	<b>3.754.097</b>
Short Term Loans	7.101.899	366.880	4.402.992	250.291
Medium and Long Term Loans	20.429.749	4.014.481	16.449.936	3.503.801
Interest on Under Follow-up Loans	444.098	-	433.459	5
Premiums from Resource Utilization Support Fund	-	-	-	-

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

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	-	10	6.586	49
Foreign Banks	60.079	7.027	14.257	11.260
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>60.079</b>	<b>7.037</b>	<b>20.843</b>	<b>11.309</b>

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

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

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

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

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

**1. Information on Interest Income (Continued)**

**1.3. Information on Interest Income on Marketable Securities**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	139.026	1.193	56.700	684
Financial Assets at Fair Value Through Other Comprehensive Income	6.888.712	2.344.712	4.904.833	1.243.562
Financial Assets Measured at Amortized Cost	737.604	496.556	382.022	391.632
<b>Total</b>	<b>7.765.342</b>	<b>2.842.461</b>	<b>5.343.555</b>	<b>1.635.878</b>

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

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	149.548	55.071

**2. Information on Interest Expense**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks <sup>(1)</sup>	61.856	442.275	141.892	494.807
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	30.805	82.163	115.654	88.857
Foreign Banks	31.051	360.112	26.238	405.950
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>61.856</b>	<b>442.275</b>	<b>141.892</b>	<b>494.807</b>

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

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

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	112.222	89.560

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	84.949	814.986	205.191	548.642

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

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

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

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

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

**2. Information on 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	-	1.895.680	1.653	-	-	-	-	1.897.333
Saving Deposit	-	687.893	7.522.624	1.703.575	215.714	467.488	5.749	10.603.043
Public Sector Deposit	570	683.377	490.553	35.780	8.357	4.614	-	1.223.251
Commercial Deposit	71	1.670.122	1.493.024	38.852	283.731	3.784	-	3.489.584
Other Deposit	-	172.518	849.521	67.093	50.453	16.173	-	1.155.758
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>641</b>	<b>5.109.590</b>	<b>10.357.375</b>	<b>1.845.300</b>	<b>558.255</b>	<b>492.059</b>	<b>5.749</b>	<b>18.368.969</b>
FC								
Foreign Currency Deposit	1.336	101.888	579.622	59.329	53.283	128.493	2	923.953
Bank Deposit	29	762	26.135	939	8.156	20.780	-	56.801
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1.917	14.753	1.245	976	695	-	19.586
<b>Total</b>	<b>1.365</b>	<b>104.567</b>	<b>620.510</b>	<b>61.513</b>	<b>62.415</b>	<b>149.968</b>	<b>2</b>	<b>1.000.340</b>
<b>Grand Total</b>	<b>2.006</b>	<b>5.214.157</b>	<b>10.977.885</b>	<b>1.906.813</b>	<b>620.670</b>	<b>642.027</b>	<b>5.751</b>	<b>19.369.309</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	-	684.411	1.389	-	165	-	-	685.965
Saving Deposit	-	214.426	3.140.199	1.435.076	134.502	562.084	11.320	5.497.607
Public Sector Deposit	248	347.274	211.019	27.578	95.790	185	-	682.094
Commercial Deposit	42	713.847	664.632	24.548	240.528	32.182	-	1.675.779
Other Deposit	-	118.710	269.195	94.055	55.679	13.754	-	551.393
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>290</b>	<b>2.078.668</b>	<b>4.286.434</b>	<b>1.581.257</b>	<b>526.664</b>	<b>608.205</b>	<b>11.320</b>	<b>9.092.838</b>
FC								
Foreign Currency Deposit	496	53.411	291.338	34.931	46.985	134.342	4	561.507
Bank Deposit	9	5.760	8.228	3.303	5.443	772	-	23.515
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	648	6.211	707	934	698	-	9.198
<b>Total</b>	<b>505</b>	<b>59.819</b>	<b>305.777</b>	<b>38.941</b>	<b>53.362</b>	<b>135.812</b>	<b>4</b>	<b>594.220</b>
<b>Grand Total</b>	<b>795</b>	<b>2.138.487</b>	<b>4.592.211</b>	<b>1.620.198</b>	<b>580.026</b>	<b>744.017</b>	<b>11.324</b>	<b>9.687.058</b>

**3. Explanation on Trading Income/Loss (Net)**

	Current Period	Prior Period
<b>Profit</b>	<b>127.158.870</b>	<b>69.582.049</b>
Trading Gains on Securities	87.632	2.643.131
Gains on Derivative Financial Transactions	5.276.302	4.422.525
Foreign Exchange Profits	121.794.936	62.516.393
<b>Loss (-)</b>	<b>132.287.224</b>	<b>72.367.909</b>
Trading Losses on Securities	16.291	6.404
Losses on Derivative Financial Instruments	10.825.178	7.144.402
Foreign Exchange Loss	121.445.755	65.217.103

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

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

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

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

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

**4. Explanation on Other Operating Income**

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.554.713 and income from sales of assets amounting to TL 160.809 (30 June 2020: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.132.334 and income from sales of assets amounting to TL 97.907).

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

	<b>Current Period</b>	<b>Prior Period</b>
Expected Credit Loss Provisions	3.536.636	4.934.950
12 month expected credit loss (stage 1)	174.927	782.033
Significant increase in credit risk (stage 2)	1.582.281	2.174.416
Non-Performing loans (stage 3)	1.779.428	1.978.501
Marketable Securities Impairment Expense	108.234	7.273
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	108.234	7.273
Subsidiaries, Associates and Joint Ventures Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	4.599	2.014.698
<b>Total</b>	<b>3.649.469</b>	<b>6.956.921</b>

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Termination Benefits	222.054	145.462
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	245.849	193.080
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	58.111	45.412
Impairment Expense of Equity Shares for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	2.157.394	1.849.038
Leasing Expenses Related to TFRS 16 Exceptions	40.405	37.319
Maintenance Expenses	100.846	52.710
Advertisement Expenses	129.436	114.984
Other Expenses	1.886.707	1.644.025
Loss on Sales of Assets	1.395	1.130
Other (1)	1.598.712	1.751.568
<b>Total</b>	<b>4.283.515</b>	<b>3.985.690</b>

(1) TL 740.245 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 502.135 consists of taxes, duties and charges expense (30 June 2020: TL 652.279 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 466.151 consists of taxes, duties and charges expense)

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

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

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

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

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (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>Current Period</b>	<b>Prior Period</b>
Net Interest Income	13.648.621	18.526.330
Net Fees and Commissions Income	2.216.131	1.203.884
Other Operating Income	2.107.414	1.576.070
Dividend Income	111.605	1.041.002
Trading Profit/Loss (Net)	(5.128.354)	(2.785.860)
Personnel Expenses (-)	2.500.903	2.472.395
Expected Credit Loss (-)	3.536.636	4.934.950
Other Provision Expenses (-)	112.833	2.021.971
Other Operating Expenses (-)	4.283.515	3.985.690
<b>Profit / (Loss) From Continuing Operations</b>	<b>2.521.530</b>	<b>6.146.420</b>

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

As of 30 June 2021, TL 781.826 of the Bank’s total tax provision expense amounting to TL 1.872.558 consists of current tax expense while remaining balances amounting to TL 1.090.732 consists of deferred tax expense. (As of 30 June 2020, TL 1.637.191 of the Bank’s total tax provision expense amounting to TL 2.424.648 consists of current tax expense while remaining balances amounting to TL 787.457 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 1.739.704 (30 June 2020: TL 4.509.229).

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

**10.1. Nature, Amount and Frequency of Income and Expenses Arising from Ordinary Banking Activities, if Required for the Understanding the Performance of the Bank in The Current Period**

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

**10.2. The Effect of the Change in Accounting Estimates to the Net Profit/Loss; Including the Effects to the Future Period, if any**

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period

**11. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below**

The “Other” statement under the “Fees and Commission Income” in the Profit or Loss Statement mainly consists of commission and fees received from credit card transactions and banking transactions.

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

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

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

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

**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
Loans						
Beginning Balance	2.513.483	7.410.848	-	-	-	-
Ending Balance	3.753.053	8.796.310	-	-	-	-
Interest and Commissions Income	149.548	784	-	-	-	-

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
Loans						
Beginning Balance	2.388.776	3.494.739	-	-	-	-
Ending Balance	2.513.483	7.410.848	-	-	-	-
Interest and Commissions Income	55.071	10.340	-	-	-	-

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	1.674.595	3.724.118	-	-	-	-
Ending Balance	2.674.914	1.674.595	-	-	-	-
Interest Expense on Deposits <sup>(1)</sup>	112.222	89.560	-	-	-	-

**1.3. Information on Forward and Option Agreements and Other Similar Agreements made with 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
Transactions at fair value through Profit or Loss						
Beginning Balance	1.126.974	1.161.358	-	-	-	-
Ending Balance	421.913	1.126.974	-	-	-	-
Total Profit/Loss	(32.677)	23.761	-	-	-	-
Risk Protection Oriented Processes						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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

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

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

---

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

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

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

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

Fees paid to the Bank’s key management amount to TL 9.471 (30 June 2020: TL 7.629).

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

None.



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

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

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

---

**SECTION SIX**

**EXPLANATION ON AUDITOR’S REVIEW REPORT**

**I. EXPLANATIONS ON AUDIT REPORT**

As of 30 June 2021, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were audited by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Limited Auditors’ Report dated 13 August 2021 is presented preceding the financial statements.

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

None.

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

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

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

---

### SECTION SEVEN

#### EXPLANATION ON INTERIM ACTIVITY REPORT

##### I. Chairman’s assessment

With the support of the spread of vaccination to a wider geography, we left behind a quarter in which global economic activity continued to recover. Although the imbalances in access to vaccines continued in the second quarter of the year, the acceleration in vaccination brought about easing of restrictions in some countries and enabled the service sector, which was deeply affected by the epidemic, to revive. Global trade and the manufacturing industry, which have supported growth significantly since the first period of the pandemic, continued their positive performance in the past quarter.

The fact that some virus variants caused an increase in cases, especially in Asian countries where vaccination is low, caused the uncertainty regarding the course of the pandemic to continue. With the differentiation of the normalization process between countries, the level of recovery between developed and developing countries also diverged.

While the high course of commodity prices continued as a result of global economic activity and supply constraints, which were stronger than anticipated with the contribution of monetary and fiscal incentives, a quarter was left behind in which the sensitivity to inflation continued along with increasing logistics costs. The fact that the US Federal Reserve pointed out in its June meeting that it might increase the interest rates earlier than the projections, also strengthened the possibility of a timely tightening in monetary policies.

Leading indicators pointed out that the Turkish economy displayed a growth performance above market expectations in the second quarter, with the contribution of the strong external demand and the acceleration in vaccination since June. Despite the tight financial conditions and the coronavirus restrictions applied from time to time, the lack of a sharp slowdown in domestic demand also supported growth in this period.

Increasing trend in exports and the positive developments in tourism with the the acceleration of vaccination indicate that a more balanced growth composition will be observed in the rest of 2021. The progress in the vaccination process and the continuation of the recovery of the European economies, which were most affected by the epidemic at the beginning of the pandemic, brings along the expectation of a strong upward trend in exports. While reaching a record export figure in the second quarter, it is predicted that the level of USD 200 billion, which is the MTP target for the next year, can be exceeded this year. The government officials estimate that the Turkish economy can complete the year with a strong growth performance of around 7%.

As a developing country, the efficiency of the financial services to be provided by the banking sector is an important factor for our economy. Ziraat Bank, the leading bank of the banking sector, has reached a balance sheet size of more than TL 1 trillion with its focus mainly on the financing of the real sector and TL-denominated financing, and it manages this size in a way that adds the most value to our economy with a selective credit policy.

**Burhaneddin TANYERİ**  
Chairman of the board

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

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

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

---

### EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

#### II. Assessment of General Manager

As the effects of the global pandemic continue with new mutations, a challenging period continues both on a global basis and for our country, pursuant to the differences in the rate of vaccination on a country basis, the signals of change in the monetary policies of developed countries, and the volatility in food and commodity prices. We were saddened by the flood and fire disasters in our country, but we started to heal our wounds together. We have rapidly implemented practices that will provide greater financial facilities to those who have been harmed in these regions. Apart from financial convenience, we have also taken steps to support these regions, especially afforestation. As the morale bank of our country, we will continue to offer the highest support anytime and anywhere, today as we did in the past.

Despite the tough period experienced with the effect of the pandemic, we expect that the recovery in our economy will take place in the 4th quarter after the rapid rate of vaccination, the normalization of life and the practices of Economy Management.

Ziraat Bank continues to grow through loans, especially by funding the real sector, with a selective loan policy in order to contribute the most to our economy. Our assets have exceeded TL 1 trillion, our cash loans have reached TL 652 billion, and our total loans, including our non-cash loans, have reached TL 819 billion. 63% of our balance sheet consists of cash loans.

As a result of our focus on financing the real sector, approximately 75% of our loans consist of corporate loans. We also attach importance to extending our loans mainly in Turkish Lira.

We continue to support all sectors, primarily agriculture, in corporate loans. In addition to being the leading bank that finances the agricultural sector, whose value is appreciated at all times, but which has become even more prominent in recent years, we also carry out important studies with relevant institutions for the solution of structural problems. Many support facilities and projects are carried out to increase the added value of agriculture, such as the training of young farmers, the development of small cattle breeding, the reduction of agricultural product imports, the economies of scale, and the increase of mechanization and productivity.

While the majority of our loans is corporate loans, we are also the leading bank of the sector in retail loans. In addition to housing and consumer loans, we also rank first in the sector in terms of debit cards. We have also gained a significant share in the credit card and merchant services market.

We continue our investments in digital banking and centralization of operations. The number of our active digital customers has reached 15 million.

As deposits continue to be our main funding source in financing our assets, it has reached a size of TL 703 billion. While contributing to the development of our country's savings balance with various deposit products, we also attend to preserve the widespread structure of deposits. In addition, we continue to provide funding from abroad through different products and methods such as foreign currency repo, bilateral agreements and funds from international financial institutions, eurobond issuance, post financing loans and syndication loans in order to diversify our funding structure and provide funding for our country.

While providing services to our customers abroad with our extensive correspondent banking network, foreign branches and subsidiaries, we also support the financing of foreign trade transactions.

Ziraat Bank, within the responsibility of being the leading bank of the sector, manages its balance sheet in a way that contributes the most to our economy, with a focus on efficiency and customers. As a morale bank as well as being the leading bank of our country, we will continue our efforts to provide effective and proper support anytime and anywhere.

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

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

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

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

---

### EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

#### III. Corporate Profile

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

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

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

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

- 1.752 domestic and foreign branch,
- 24.489 employees,
- Domestic and foreign ATMs,
- Internet Banking (Retail and Corporate Internet Branch),
- Mobile Banking (Ziraat Mobile, Ziraat Tablet)
- Telephone Banking
- SMS Banking

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

#### IV. Shareholding Structure

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

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

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

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

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

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

**V. Main Financial Indicators**

<b>ASSETS (TL Million)</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Cash and Cash Equivalents	103.620	91.038
Securities Portfolio	256.324	225.621
Cash Loans	652.413	600.660
Other Assets	23.370	25.282
<b>Total Assets</b>	<b>1.035.727</b>	<b>942.601</b>
<b>LIABILITIES (TL Million)</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Deposits	702.590	629.874
Non-deposits Funds	199.894	180.754
Other Liabilities	42.064	38.695
Shareholders' Equity	91.179	93.278
<b>Total Liabilities</b>	<b>1.035.727</b>	<b>942.601</b>
<b>SUMMARY OF PROFIT OR LOSS TABLE (TL Million)</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
Net Interest Income	13.649	18.526
Net Fees and Commission Income	2.216	1.204
Other Operations Income	2.107	1.576
Other Operations Expense	4.284	3.986
Allowance for Expected Credit Losses	3.537	4.935
<b>Net Profit/Losses</b>	<b>1.740</b>	<b>4.509</b>
<b>RATIOS (%)</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
Capital Adequacy Ratio	16,62	18,22
Equity / Total Assets	8,8	9,9
Cash Loans (Gross) / Total Assets	63,0	63,7
Loans under follow-up (Gross) / Total Loans	2,2	2,3
Liquid Assets / Total Assets	10,0	9,7

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

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

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

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

**VI. 2021 II. Interim Period Operations**

**Credit Rating Agencies**

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

Credit Rating Agency	Category	Credit Grade	Date
Fitch Ratings	FC Long Term IDR	B+	May 2021
	Outlook	Negative	
	FC Short Term IDR	B	
	TL Long Term IDR	BB-	
	Outlook	Stable	
	TL Short Term IDR	B	
	National Long Term	AA	
	Outlook	Stable	
	Support	4	
	Support Rating Floor	B	
	Viability Rating	b+	
Moody's	Outlook	Negative	December 2020
	Long Term Deposit- FC	B2	
	Short Term Deposit -FC	Not-Prime	
	Long Term Deposit- TL	B2	
	Short Term Deposit- TL	Not-Prime	
	Long Term Issuer- FC	B2	
	Basiline Credit Assesment	caa1	
	Adjusted Basiline Credit Assesment	caa1	
JCR Eurasia	Long Term International FC	BB+	December 2020
	Outlook	Negative	
	Long Term International TL	BB+	
	Outlook	Negative	
	Long Term National	AAA (Trk)	
	Outlook	Stable	
	Short Term International FC	B	
	Outlook	Negative	
	Short Term International TL	B	
	Outlook	Negative	
	Short Term National	A-1+ (Trk)	
	Sponsor Support	1	
Stand Alone	A		

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

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

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

---

### EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

#### VI. 2021 II. Interim Period Operations (Continued)

##### **Syndication**

On April 12, 2021, the Bank signed a syndication loan agreement with 45 banks from 23 countries, amounting to a total of 1.3 billion USD. The cost of the 293 million USD and 873 million EUR loan provided in two tranches of USD and EUR with a maturity of 367 days was LIBOR+2.50% and EURIBOR+2.25%, respectively.

##### **Bonds Issuance in Global Markets**

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

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

##### **Sustainability Studies**

The Bank's 2020 annual report has been published as an integrated annual report, and the report has been prepared in accordance with the International Integrated Reporting Framework recommended by the International Integrated Reporting Council (IIRC) and the GRI Standards core option published by the Global Reporting Initiative (GRI).

##### **Financing of Agriculture Sector**

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

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

##### ***TL 93,6 billion of loans for financing the agricultural sector***

Ziraat Bank has allocated TL 37,7 billion loans in the first six months of 2021 to more than 375 thousand customers from its own funds for financing the agricultural sector and number of the customers and within the period more than 42 thousand new customers have been added to the portfolio.

The balance of agricultural loans extended from the bank's funds reached TL 93.6 billion as of the end of the second quarter of 2021, and the number of loan customers exceeded 712 thousand.

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

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

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

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

---

### EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

#### VI. 2021 II. Interim Period Operations (Continued)

##### Financing of Agriculture Sector (Continued)

On the other hand, through the funds provided by various institutions in the first six months of 2021, intermediary payments were made to a total of TL 13.6 million made to 353 customers determined by the relevant institutions. By the end of the second quarter of 2021, the balance of loan payments originated from intermediated funds is TL 1.7 billion and the number of customers is over 64 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 TL 95.4 billion as of the second quarter of 2021, and the number of loan customers reached over 776 thousand.

##### *Low Interest Rates on Agricultural Loans*

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

In the first half of 2021, approximately 235 thousand producers and businesses operating in the agricultural sector were provided with a subsidized loan (interest discount) of TL 28.9 billion.

##### **Agricultural Loan Packages**

Implemented in 2019-2021 and still ongoing;

- **Greenhouse Loan Package**, TL 1.3 billion was extended to over 3 thousand producers in the first six months of 2021; Within the scope of the package, the amount of loans extended since 2019 has reached TL 7.6 billion, and the number of manufacturers has reached 20 thousand.
- **Soybean, Corn and Sunflower Loan Package**, TL 1 billion was extended to over 9 thousand producers in the first six months of 2021; Within the scope of the package, the amount of loans extended since 2019 has reached TL 4.9 billion, and the number of manufacturers has reached approximately 34 thousand.
- **Loant Package for Livestock Enterprises which Produce Own Feed**, TL 1 billion was extended to over 9 thousand producers in the second quarter of 2021; Within the scope of the package, the amount of loans extended since 2019 has reached TL 5.9 billion, and the number of producers has reached over 48 thousand.

Within the scope of the mentioned loan packages in 2019-2021, the number of producers that extended their loans was 98 thousand and the total allocated loan amount was TL 17.1 billion.

##### *Young Farmer's Academy*

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

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

Although the new education period could not be initiated due to the interruption of education in universities due to the effect of the worldwide pandemic, the application continues to be received. It is planned to start the Academy trainings with the universities starting face-to-face education by taking the pandemic process under control.



# CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

(Unless otherwise stated amounts are expressed in Turkish Lira Full ("TL"))

---

### EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

#### VI. 2021 II. Interim Period Operations (Continued)

##### Risk Management

Bank's risk management operations, within the frame of BRSA legislations and Basel regulations, are targeted for the best risk management function by applying risk culture alongside the Bank and maintaining the improvement of employee quality and information technologies.

Risk management policy is identified as measurement and monitoring of credit risk, market risk, operational risk, balance sheet risk in accordance with the volume, type and complexity of Bank's transactions, conducting stress tests, scenario analysis and reporting the outcomes from these studies. Policies and application methods of risk management are carried out in accordance with the decisions by the Board of Directors.

PD, LGD, EAD modeling studies for the calculation of credit risk with an internal rating-based approach within the scope of the "Credit Risk Management Project with Advanced Methods", which will make positive contributions to the determination of the bank's credit policies and balance sheet management, as well as the determination of customer-oriented strategies have been completed.

Within the scope of the validation of IRB models and TFRS-9 integration project, IRB model validations have been completed as of the end of March 2021, and macroeconomic modeling and TFRS-9 integration of IRB models to be used in TFRS-9 provision calculations are ongoing.

By the end of 2020, by establishing the Credit Risk Control Unit (CRCU) and the Bank's validation methodology structure as a separate unit under the risk management unit to carry out activities responsible for the design or selection of rating systems, their implementation, supervision, performance, regular analysis of the results and reporting the results of the analyzes. Under the risk management unit to carry out the validation of the management models, operational risk models, market risk & ALM models and ICAAP validations, and the validation of the data quality, implementation plan compliance and the results of all validated models to the top management, especially the validation of IDD models. an independent Validation Unit has been established.

#### VII. Other Important Activities

The protocol between the Bank and KGF, which was put into practice in order to support SMEs' access to finance in order to strengthen the competitiveness and sustainability of SMEs and to encourage the entrepreneurship culture, has been renewed. Within the scope of AYF-COSME Program II, as of the second quarter of 2021, nearly 2 thousand customers have been granted TL 713 million loans.

Within the framework of the Treasury-Backed Surety System in order to finance the needs of the businesses that carry out accommodation and food service activities, travel agencies, tour operators and other reservation services and related activities in the tourism sector and the businesses that provide goods purchase and sale and service supply to these businesses KGF-guaranteed credit disbursements have been continued within the scope of the Tourism Support Package.

# CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

(Unless otherwise stated amounts are expressed in Turkish Lira Full ("TL"))

---

### EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

#### VII. Other Important Activities (Continued)

Pursuant to the protocol signed between the Bank and the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and the Credit Guarantee Fund (KGF) in order to provide working capital financing and surety support to SME customers at the beginning of June; 2021 - TOBB Nefes Credit Package product was put into use, and TL 477 million was provided to approximately 4 thousand customers until the end of June.

#### *Bankkart Brand is growing*

As of the end of the second quarter of 2021, the number of credit cards of the Bank was 10.05 million, the market share of credit cards was 12,59% and the monthly turnover market was 9.95%. It is anticipated that the said development will continue in the medium and long term. The number of debit cards reached 40.99 million and the sector leadership of the bank continued with a market share of 21.32% monthly turnover.

As of the end of the second quarter of 2021, the number of member workplaces of the Bank is 864 thousand and the total number of physical terminals is 635 thousand. The second quarter total turnover of the merchant is 62 billion, and the Bank's turnover market share in June 2021 was 15%.

With the rapid expansion of the card and member merchant network, the Bankkart brand's journey towards leadership continues, and efforts to expand the card systems market continue.

Social benefit activities of Ziraat Bank continue. Ziraat Bank continues its works aiming to develop the individual and society in various fields, especially in culture, art, education and sports. The Bank, which has undertaken projects that will contribute to the cultural accumulation of the society, continues to take its mission one step further each year.

#### *Advertising Activities*

Celebrating its 40th anniversary with the sponsorship of the bank and with the great support of the employees, the Volleyball Team became the Champion of the Efeler League in the 2020-2021 season and played in the final in Europe. Leaving behind a magnificent season with their success, the efes will represent our country in the CEV Champions League next season.

Ziraat Bank, as the sponsor of the last 12 football season since 2009, continues to give its name to 2020-2021 football season of Turkey Cup in order to contribute to Turkish football.

The Bank supported the establishment of the Medeniyet University Library, which will become the largest library in Istanbul when construction completed, in order to reinforce its contribution to the socio-cultural and economic development of our country and to leave another permanent work. The library will serve under the name of the "Istanbul Medeniyet University Ziraat Bank Library". The Istanbul Medeniyet University Ziraat Bank Library, which is considered to be an important social responsibility project, is planned to be completed and opened in 2021.

#### *Cultural Values are protected*

Ziraat Bank has been supporting cultural and artistic fields continuously, acting with the spirit of social sharing for 157 years. Within the framework of these values, the Bank provided necessary support to health, education, culture, service and sports activities in the second quarter of 2021 as part of its social responsibility.

# CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2021

(Unless otherwise stated amounts are expressed in Turkish Lira Full ("TL"))

---

### EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

#### VII. Other Important Activities (Continued)

##### *A tradition of supporting art at Ziraat Bank*

Combining the importance, it attaches to art and artists since its foundation with the slogan "In Art for Art", Ziraat Bank continues to engage in various activities in all branches of art.

Ziraat Bank continues to support the arts through the Kuğulu, Tünel and Çukurambar Art Galleries. In the second quarter of 2021, Ankara Kuğulu and İstanbul-Tünel Art Galleries were temporarily closed to exhibitions and visits of artists / art lovers due to the Covid-19 outbreak. However, our Çukurambar Art Gallery, located in Ankara Next Level AVM, is open to art lovers in accordance with the social distance rules within the framework of the strict measures taken within the scope of the Covid-19 pandemic. The "New Paintings - New Touches" Exhibition, which opened in the Gallery on November 2, 2020, featuring the works specially designed for 2020 by Artist Devrim Erbil, one of the important representatives of Turkish painting art, was extended until September 6, 2021 due to intense interest. At the same time, art lovers can visit the exhibition with the Devrim Erbil Exhibition Virtual Tour, which can be accessed on the Bank's website.

The State Theaters Stage of Ziraat, which is realized with the cooperation of the Bank and the State Theaters, which aims to support culture and arts, is at the service of theater lovers.

##### *The First Banking Museum*

Ziraat Bank Museum is the first Banking museum of Turkey as witnessing every stage of Republic that exhibited the deep-rooted history of Ziraat Bank.

Ziraat Bank Museum was opened in 1981 in the ground floor Honor Hall of the Ziraat Bank Head Office in the Ulus district of Ankara, one of the buildings of the First National Architecture Period built by Italian Architect Giulio Mongeri in 1929 in order to transfer the know-how and experience of the bank to the future. Starting from today, Turkey's commercial banking system, economic, political, cultural, artistic, educational exchanges and in the past which have the ability to show the progress to date Ziraat Bank Museum, many antique objects used in hosting and banking systems of these properties are exhibited in a historical atmosphere.

Our museum, enriched with digital elements in line with the modern museum understanding, has been temporarily closed to visitors due to the coronavirus pandemic.

With the Ziraat Bank Museum Virtual Tour, which is prepared by digitalizing all sections and details with 3-D imaging technology and accessed on the Bank's website, the museum can be visited and experienced step by step through a computer or mobile phone.

In the virtual tour, information and visuals about the objects and ephemera (historical papers / documents) exhibited in the museum are included, as well as the works of the Ziraat Bank Art Collection, thanks to the application prepared using special techniques, offers the opportunity to examine them in ultra high resolution with the finest detail.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
30 JUNE 2021**

(Unless otherwise stated amounts are expressed in Turkish Lira Full (“TL”))

---

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)**

**VII. Other Important Activities (Continued)**

***Digital Platforms and Field Research***

Ziraat Bank's corporate website, ziraatbank.com.tr, features user-friendly menus that provide easy access to content, and features such as the most up-to-date financial data, campaigns, announcements, products, and calculation tools. Ziraat Assistant chatbot application provides easy access to Ziraat Bank services and functions, and the functionality of the corporate website is increased by integrating the innovations brought by technology into the website.

In the social media channels operating in order to meet the demands and expectations in the best way and to keep the customer satisfaction at the highest level in every platform where the customers are located, it has become the most active bank in the sector on the Facebook page and as of the second quarter of 2021, more than 2.3 million likes and followers have been reached. The Bank has approximately 455 thousand followers on Twitter, more than 208 thousand followers on Instagram, with more than 81 million views on YouTube page and sharing on other platforms, the Bank's social media activity is increasing day by day.

The “Remote Customer Acquisition” project, which enables citizens who want to become a bank customer by using Ziraat Mobile only, without coming to the branches, has been put into use as of May 1, 2021. Thus, identification and contract establishment processes were transferred to the digital environment using NFC technology and biometric solutions. Efforts continue to meet the changing needs of corporate customers as well as individual customers and to offer them a better digital experience. As of the second quarter, the number of bank digital customers reached 21 million and the number of active digital customers reached 15 million.

***Educational Activities***

Trainings under the main headings of "First Step Trainings" in order for the newly recruited personnel to get to know the Bank, adapt to the corporate culture and acquire the necessary basic knowledge and skills, "Development Trainings" in order to meet the training needs of the Bank in line with the objectives and strategies of the Bank or to transfer new product / service / legislation information, "Career Trainings" in order to get them the required knowledge and skills and to prepare them for a higher position, arising from legislation, "Legal Obligation Trainings" have been organized.

.....