

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI  
ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 31 MARCH 2020 WITH  
AUDITOR'S REVIEW REPORT**

***(CONVENIENCE TRANSLATION OF UNCONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND  
FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE. I.B OF  
SECTION THREE)***

## **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 31 March 2020 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim 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 31 March 2020 include a free provision amounting to TL 1.740.000 thousand which consist of TL 830.000 thousand provided in prior periods and TL 910.000 thousand recognized in the current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi at 31 March 2020 and the results of its unconsolidated operations and its unconsolidated cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

### *Other matter*

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2019 and as at and for the three months period ended 31 March 2019 were audited and reviewed by another auditor who expressed an qualified opinion and qualified conclusion based on the reason represented in the section “Basis for the Qualified Conclusion” above thereon on 12 February 2020 and 14 May 2019, respectively

### *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, 15 May 2020



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

**THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF  
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 MARCH 2020**

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 three 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 three 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.

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Dr. Ahmet GENÇ  
Chairman of the Board

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Hüseyin AYDIN  
Member of the Board,  
CEO

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Feyzi ÇUTUR  
Member of the Board,  
Member of the Audit Committee

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Yusuf BİLMEZ  
Member of the Board,  
Member of the Audit Committee

---

Bilgehan KURU  
Executive Vice President of  
Financial Management

---

Neslihan ARAS  
Senior Vice President of Financial  
Coordination

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 MARCH 2020**

(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 6.100.000. This capital is divided into 6.100.000.000 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**

<b>Name</b>	<b>Administrative Function</b>
<b>Members of the Board of Directors</b>	
Dr. Ahmet GENÇ	Chairman
Hüseyin AYDIN	CEO and Member
Yusuf DAĞCAN	Vice Chairman and Member
Faruk ÇELİK	Member
Feyzi ÇUTUR	Member
Mahmut KAÇAR	Member
Mehmet Nihat ÖMEROĞLU	Member
Serruh KALELİ	Member
Yusuf BİLMEZ	Member
<b>Audit Committee Members</b>	
Yusuf BİLMEZ	Member
Feyzi ÇUTUR	Member
<b>Executive Vice Presidents</b>	
Ali KIRBAŞ	Banking Operations and Communication
Alpaslan ÇAKAR	Retail Branch Banking -2
Bilgehan KURU	Financial Management
Mehmet Cengiz GÖGEBAKAN	Loan Policies
Musa ARDA	Loan Allocation and Management
Süleyman TÜRETKEN	Retail Branch Banking-1
Yüksel CESUR	Internal Systems

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  
31 MARCH 2020**

(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	6.100.000	100	6.100.000	-

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

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

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

As of 31 March 2020, Bank carries its activities with a grand total of 1.757 branches; 1.733 domestic branches including 19 corporate branches, 67 entrepreneurial branches, 1.642 branches and 5 mobile branches (31 December 2019: 1.734 domestic branches including 1.643 branches, 19 corporate branches, 67 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, Prishtina, Prizren, Peja and Ferizaj branches in Kosovo, Bahrain branch in Bahrain, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönnyeli, Taşkinköy, 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 24.642 (31 December 2019: 24.563).

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

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

As Ziraat Teknoloji A.Ş. and Onko İlaç Sanayi ve Ticaret 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, Kredi Kayıt Bürosu, Bankalararası Kart Merkezi, Platform Ortak Kartlı Sistemler A.Ş. and Bileşim Alternatif Dağıtım Kanalları A.Ş. are non-financial associates of the Bank which are carried at cost are not consolidated in the consolidated financial statements.

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- Assets
- II.** Balance Sheet- Liability
- III.** 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  
31 MARCH 2020**

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS	Note (Section Five I)	Current Period 31 March 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>I- FINANCIAL ASSETS (NET)</b>		<b>93.144.704</b>	<b>82.531.950</b>	<b>175.676.654</b>	<b>81.195.185</b>	<b>91.776.103</b>	<b>172.971.288</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>2.499.126</b>	<b>39.329.765</b>	<b>41.828.891</b>	<b>3.304.146</b>	<b>54.084.654</b>	<b>57.388.800</b>
1.1.1 Cash and Balances with Central Bank	(1)	2.185.429	33.685.926	35.871.355	2.846.413	49.361.246	52.207.659
1.1.2 Banks	(4)	34.335	5.643.992	5.678.327	129.851	4.723.528	4.853.379
1.1.3 Money Markets		279.955	-	279.955	328.596	-	328.596
1.1.4 Expected Loss Provision (-)		593	153	746	714	120	834
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>7.045.691</b>	<b>31.570</b>	<b>7.077.261</b>	<b>1.890.575</b>	<b>7.310</b>	<b>1.897.885</b>
1.2.1 Government Debt Securities		7.045.691	31.570	7.077.261	1.890.575	7.310	1.897.885
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	(5),(6)	<b>81.432.244</b>	<b>40.768.057</b>	<b>122.200.301</b>	<b>74.704.727</b>	<b>36.181.990</b>	<b>110.886.717</b>
1.3.1 Government Debt Securities		80.766.654	40.129.708	120.896.362	74.042.653	35.552.979	109.595.632
1.3.2 Equity Instruments		135.980	382.261	518.241	132.561	397.578	530.139
1.3.3 Other Financial Assets		529.610	256.088	785.698	529.513	231.433	760.946
<b>1.4 Derivative Financial Assets</b>	(3)	<b>2.167.643</b>	<b>2.402.558</b>	<b>4.570.201</b>	<b>1.295.737</b>	<b>1.502.149</b>	<b>2.797.886</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		2.167.643	2.402.558	4.570.201	1.295.737	1.502.149	2.797.886
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>348.039.576</b>	<b>137.658.918</b>	<b>485.698.494</b>	<b>320.935.164</b>	<b>131.587.049</b>	<b>452.522.213</b>
2.1 Loans	(7)	357.487.586	123.381.877	480.869.463	329.429.223	118.553.528	447.982.751
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(8)	4.521.866	14.315.846	18.837.712	4.480.563	13.069.520	17.550.083
2.4.1 Government Debt Securities		4.435.240	14.314.307	18.749.547	4.395.402	13.068.073	17.463.475
2.4.2 Other Financial Assets		86.626	1.539	88.165	85.161	1.447	86.608
2.5 Expected Credit Loss (-)		13.969.876	38.805	14.008.681	12.974.622	35.999	13.010.621
<b>III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	(15)	<b>6.234.690</b>	<b>-</b>	<b>6.234.690</b>	<b>4.781.720</b>	<b>-</b>	<b>4.781.720</b>
3.1 Held for Sale Purpose		6.234.690	-	6.234.690	4.781.720	-	4.781.720
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>4.382.468</b>	<b>3.427.475</b>	<b>7.809.943</b>	<b>4.345.336</b>	<b>3.257.115</b>	<b>7.602.451</b>
<b>4.1 Investments in Associates (Net)</b>	(9)	<b>127.195</b>	<b>-</b>	<b>127.195</b>	<b>99.539</b>	<b>-</b>	<b>99.539</b>
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		127.195	-	127.195	99.539	-	99.539
<b>4.2 Subsidiaries (Net)</b>	(10)	<b>4.255.273</b>	<b>3.316.416</b>	<b>7.571.689</b>	<b>4.245.797</b>	<b>3.146.056</b>	<b>7.391.853</b>
4.2.1 Unconsolidated Financial Subsidiaries		4.188.969	3.316.416	7.505.385	4.188.969	3.146.056	7.335.025
4.2.2 Unconsolidated Non-Financial Subsidiaries		66.304	-	66.304	56.828	-	56.828
<b>4.3 Joint Ventures (Net)</b>	(11)	<b>-</b>	<b>111.059</b>	<b>111.059</b>	<b>-</b>	<b>111.059</b>	<b>111.059</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	111.059	111.059	-	111.059	111.059
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	(16)	<b>5.452.697</b>	<b>25.781</b>	<b>5.478.478</b>	<b>5.462.267</b>	<b>16.380</b>	<b>5.478.647</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>781.738</b>	<b>12.800</b>	<b>794.538</b>	<b>732.176</b>	<b>12.913</b>	<b>745.089</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		781.738	12.800	794.538	732.176	12.913	745.089
<b>VII. INVESTMENT PROPERTY (Net)</b>	(14)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1.683</b>	<b>-</b>	<b>1.683</b>
<b>IX. DEFERRED TAX ASSET</b>		<b>2.092.287</b>	<b>-</b>	<b>2.092.287</b>	<b>1.148.611</b>	<b>-</b>	<b>1.148.611</b>
<b>X. OTHER ASSETS (Net)</b>	(20)	<b>7.437.987</b>	<b>4.214.927</b>	<b>11.652.914</b>	<b>3.187.722</b>	<b>1.316.767</b>	<b>4.504.489</b>
<b>TOTAL ASSETS</b>		<b>467.566.147</b>	<b>227.871.851</b>	<b>695.437.998</b>	<b>421.789.864</b>	<b>227.966.327</b>	<b>649.756.191</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  
31 MARCH 2020**

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES	Note (Section Five II)	Current Period 31 March 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	<b>(1)</b>	<b>264.856.270</b>	<b>225.196.662</b>	<b>490.052.932</b>	<b>241.031.548</b>	<b>206.219.425</b>	<b>447.250.973</b>
<b>II. FUNDS BORROWED</b>	<b>(3)</b>	<b>2.196.211</b>	<b>31.085.819</b>	<b>33.282.030</b>	<b>4.462.415</b>	<b>30.066.075</b>	<b>34.528.490</b>
<b>III. MONEY MARKETS</b>	<b>(4)</b>	<b>28.221.156</b>	<b>21.461.425</b>	<b>49.682.581</b>	<b>28.801.883</b>	<b>20.473.527</b>	<b>49.275.410</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(5)</b>	<b>3.581.795</b>	<b>10.853.988</b>	<b>14.435.783</b>	<b>3.279.260</b>	<b>9.826.766</b>	<b>13.106.026</b>
4.1 Bills		2.571.105	291.352	2.862.457	2.268.570	279.678	2.548.248
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	10.562.636	11.573.326	1.010.690	9.547.088	10.557.778
<b>V. FUNDS</b>		<b>6.105.783</b>	<b>-</b>	<b>6.105.783</b>	<b>6.066.464</b>	<b>-</b>	<b>6.066.464</b>
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		6.105.783	-	6.105.783	6.066.464	-	6.066.464
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(2)</b>	<b>423.396</b>	<b>3.274.703</b>	<b>3.698.099</b>	<b>536.536</b>	<b>1.122.322</b>	<b>1.658.858</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		423.396	3.274.703	3.698.099	536.536	1.122.322	1.658.858
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(7)</b>	<b>668.366</b>	<b>62.056</b>	<b>730.422</b>	<b>565.614</b>	<b>56.146</b>	<b>621.760</b>
<b>X. PROVISIONS</b>	<b>(9)</b>	<b>4.992.096</b>	<b>6.281</b>	<b>4.998.377</b>	<b>3.362.285</b>	<b>456.293</b>	<b>3.818.578</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.874.511	-	1.874.511	1.664.035	-	1.664.035
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		3.117.585	6.281	3.123.866	1.698.250	456.293	2.154.543
<b>XI. CURRENT TAX LIABILITY</b>	<b>(10)</b>	<b>1.192.990</b>	<b>3.363</b>	<b>1.196.353</b>	<b>1.714.874</b>	<b>5.713</b>	<b>1.720.587</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(12)</b>	<b>-</b>	<b>10.501.276</b>	<b>10.501.276</b>	<b>-</b>	<b>9.565.957</b>	<b>9.565.957</b>
14. Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	10.501.276	10.501.276	-	9.565.957	9.565.957
<b>XV. OTHER LIABILITIES</b>	<b>(6)</b>	<b>10.435.365</b>	<b>2.722.318</b>	<b>13.157.683</b>	<b>8.960.448</b>	<b>3.118.098</b>	<b>12.078.546</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(13)</b>	<b>73.646.137</b>	<b>(6.049.458)</b>	<b>67.596.679</b>	<b>71.106.589</b>	<b>(1.042.047)</b>	<b>70.064.542</b>
16.1 Paid-in capital		6.100.000	-	6.100.000	6.100.000	-	6.100.000
16.2 Capital Reserves		(640)	-	(640)	(571)	-	(571)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(640)	-	(640)	(571)	-	(571)
16.3. Accumulated Other Comprehensive Profit or Loss Not Reclassified Through Profit or Loss		5.734.926	118.387	5.853.313	5.728.837	123.518	5.852.355
16.4. Accumulated Other Comprehensive Profit or Loss Reclassified Through Profit or Loss		1.489.860	(6.167.845)	(4.677.985)	807.677	(1.165.565)	(357.888)
16.5 Profit Reserves		52.110.376	-	52.110.376	52.110.376	-	52.110.376
16.5.1 Legal Reserves		4.750.183	-	4.750.183	4.750.183	-	4.750.183
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		47.360.193	-	47.360.193	47.360.193	-	47.360.193
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		8.211.615	-	8.211.615	6.360.270	-	6.360.270
16.6.1 Prior Periods' Profit or (Loss)		6.340.164	-	6.340.164	173.382	-	173.382
16.6.2 Current Period Profit or (Loss)		1.871.451	-	1.871.451	6.186.888	-	6.186.888
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>396.319.565</b>	<b>299.118.433</b>	<b>695.437.998</b>	<b>369.887.916</b>	<b>279.868.275</b>	<b>649.756.191</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 OFF BALANCE SHEET COMMITMENTS AS OF  
31 MARCH 2020**

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

III	STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 March 2020			Prior Period 31 December 2019		
			TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>166.649.369</b>	<b>346.796.875</b>	<b>513.446.244</b>	<b>138.892.389</b>	<b>301.480.421</b>	<b>440.372.810</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>38.850.142</b>	<b>89.984.510</b>	<b>128.834.652</b>	<b>39.120.560</b>	<b>80.704.053</b>	<b>119.824.613</b>
1.1	Letters of Guarantee		38.769.237	59.381.650	98.150.887	38.884.228	52.376.336	91.260.564
1.1.1	Guarantees Subject to State Tender Law		999.146	13.566.464	14.565.610	1.045.669	12.331.455	13.377.124
1.1.2	Guarantees Given for Foreign Trade Operations		33.766.141	45.406.411	79.172.552	33.271.753	38.990.248	72.262.001
1.1.3	Other Letters of Guarantee		4.003.950	408.775	4.412.725	4.566.806	1.054.633	5.621.439
1.2	Bank Acceptances		7.570	8.565.818	8.573.388	9.724	8.192.527	8.202.251
1.2.1	Import Letter of Acceptance		5.886	8.553.957	8.559.843	6.517	8.187.488	8.194.005
1.2.2	Other Bank Acceptances		1.684	11.861	13.545	3.207	5.039	8.246
1.3	Letters of Credit		73.335	20.808.655	20.881.990	226.608	19.165.683	19.392.291
1.3.1	Documentary Letters of Credit		73.335	20.791.443	20.864.778	226.608	19.150.134	19.376.742
1.3.2	Other Letters of Credit		-	17.212	17.212	-	15.549	15.549
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	1.228.387	1.228.387	-	969.507	969.507
1.5.1	Endorsements to the Central Bank of Turkey		-	1.228.387	1.228.387	-	969.507	969.507
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>		<b>61.334.545</b>	<b>15.080.447</b>	<b>76.414.992</b>	<b>52.637.562</b>	<b>14.557.536</b>	<b>67.195.098</b>
2.1	Irrevocable Commitments	<b>(1)</b>	61.334.545	15.080.447	76.414.992	52.637.562	14.557.536	67.195.098
2.1.1	Asset Purchase Commitments		7.120.528	11.975.338	19.095.866	2.091.236	11.505.500	13.596.736
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		6.450	-	6.450	7.500	-	7.500
2.1.4	Loan Granting Commitments		12.996.842	3.369	13.000.211	11.842.898	2.120	11.845.018
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		4.136.419	-	4.136.419	3.695.596	-	3.695.596
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		25.306.362	-	25.306.362	24.220.013	-	24.220.013
2.1.10	Commitments for Credit Cards and Banking Services Promotions		41.441	-	41.441	36.161	-	36.161
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		11.726.503	3.101.740	14.828.243	10.744.158	3.049.916	13.794.074
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>66.464.682</b>	<b>241.731.918</b>	<b>308.196.600</b>	<b>47.134.267</b>	<b>206.218.832</b>	<b>253.353.099</b>
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Fair Value Hedge		-	-	-	-	-	-
3.1.2	Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		66.464.682	241.731.918	308.196.600	47.134.267	206.218.832	253.353.099
3.2.1	Forward Foreign Currency Buy/Sell Transactions		4.691.781	7.502.490	12.194.271	3.854.913	6.418.511	10.273.424
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.619.970	4.504.578	6.124.548	1.626.296	3.507.008	5.133.304
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.071.811	2.997.912	6.069.723	2.228.617	2.911.503	5.140.120
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		61.772.901	234.229.428	296.002.329	43.277.330	199.771.811	243.049.141
3.2.2.1	Foreign Currency Swap-Buy		2.610.192	120.415.657	123.025.849	1.340.652	98.363.800	99.704.452
3.2.2.2	Foreign Currency Swap-Sell		57.772.709	65.129.537	122.902.246	41.796.678	57.191.367	98.988.045
3.2.2.3	Interest Rate Swap-Buy		695.000	24.342.117	25.037.117	70.000	22.108.322	22.178.322
3.2.2.4	Interest Rate Swap-Sell		695.000	24.342.117	25.037.117	70.000	22.108.322	22.178.322
3.2.3	Foreign Currency, Interest rate and Securities Options		-	-	-	2.024	28.510	30.534
3.2.3.1	Foreign Currency Options-Buy		-	-	-	1.012	14.255	15.267
3.2.3.2	Foreign Currency Options-Sell		-	-	-	1.012	14.255	15.267
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>1.935.716.633</b>	<b>265.211.485</b>	<b>2.200.928.118</b>	<b>1.907.087.847</b>	<b>238.577.007</b>	<b>2.145.664.854</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>769.905.018</b>	<b>52.151.487</b>	<b>822.056.505</b>	<b>801.784.528</b>	<b>43.695.339</b>	<b>845.479.867</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		15.112.559	25.289.475	40.402.034	16.068.422	21.363.653	37.432.075
4.3	Cheques Received for Collection		11.470.358	1.767.025	13.237.383	10.470.124	1.397.404	11.867.528
4.4	Commercial Notes Received for Collection		12.509.023	958.649	13.467.672	11.290.277	775.924	12.066.201
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		704.507.573	-	704.507.573	738.596.223	-	738.596.223
4.7	Other Items Under Custody		26.295.040	24.136.338	50.431.378	25.349.017	20.158.358	45.507.375
4.8	Custodians		1.649	-	1.649	-	-	1.649
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>1.164.474.749</b>	<b>209.310.015</b>	<b>1.373.784.764</b>	<b>1.104.055.321</b>	<b>191.572.318</b>	<b>1.295.627.639</b>
5.1	Marketable Securities		2.496.039	1.295.955	3.791.994	2.446.267	1.146.602	3.592.869
5.2	Guarantee Notes		16.634.479	2.203.770	18.838.249	15.642.486	1.989.052	17.631.538
5.3	Commodity		934.751	104.424	1.039.175	934.751	95.196	1.029.947
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		929.383.415	134.689.997	1.064.073.412	877.668.953	124.665.021	1.002.333.974
5.6	Other Pledged Items		215.020.856	70.992.011	286.012.867	207.357.655	63.654.787	271.012.442
5.7	Pledged Items-Depository		5.209	23.858	29.067	5.209	21.660	26.869
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>1.336.866</b>	<b>3.749.983</b>	<b>5.086.849</b>	<b>1.247.998</b>	<b>3.309.350</b>	<b>4.557.348</b>
	<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>2.102.366.002</b>	<b>612.008.360</b>	<b>2.714.374.362</b>	<b>2.045.980.236</b>	<b>540.057.428</b>	<b>2.586.037.664</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 THREE MONTH PERIOD  
ENDED 31 MARCH 2020**

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

	IV. STATEMENT OF PROFIT OR LOSS	Note (Section Five IV)	Current Period		Prior Period	
			1 January-31 March 2020		1 January-31 March 2019	
	<b>INCOME AND EXPENSE ITEMS</b>					
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>16.050.843</b>		<b>15.584.321</b>	
1.1	Interest on Loans		12.543.277		12.198.137	
1.2	Interest on Reserve Requirements		33.270		144.292	
1.3	Interest on Banks		18.464		90.633	
1.4	Interest on Money Market Transactions		7		11	
1.5	Interest on Marketable Securities Portfolio		3.355.170		3.098.280	
1.5.1	Fair Value Through Profit or Loss		17.958		2.419	
1.5.2	Fair Value Through Other Comprehensive Income		2.998.792		2.761.232	
1.5.3	Measured at Amortised Cost		338.420		334.629	
1.6	Financial Lease Interest Income		-		-	
1.7	Other Interest Income		100.655		52.968	
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>7.168.532</b>		<b>10.662.435</b>	
2.1	Interest on Deposits		5.005.134		7.199.365	
2.2	Interest on Funds Borrowed		355.941		366.576	
2.3	Interest Expense on Money Market Transactions		850.377		2.701.693	
2.4	Interest on Securities Issued		369.249		282.488	
2.5	Interest on Leases		26.518		19.542	
2.6	Other Interest Expenses		561.313		92.771	
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>8.882.311</b>		<b>4.921.886</b>	
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>858.714</b>		<b>821.604</b>	
4.1	Fees and Commissions Received		1.278.348		1.253.260	
4.1.1	Non-cash Loans		224.312		214.558	
4.1.2	Other		1.054.036		1.038.702	
4.2	Fees and Commissions Paid (-)		419.634		431.656	
4.2.1	Non-cash Loans		375		370	
4.2.2	Other		419.259		431.286	
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>1.071</b>		<b>7.310</b>	
<b>VI.</b>	<b>TRADING PROFIT/(LOSS) (Net)</b>	<b>(3)</b>	<b>(2.159.120)</b>		<b>(1.419.916)</b>	
6.1	Trading Gains / (Losses) on Securities		902.098		1.135	
6.2	Gains / (Losses) on Derivative Financial Transactions		(1.496.935)		(1.590.902)	
6.3	Foreign Exchange Gains / (Losses)		(1.564.283)		169.851	
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(4)</b>	<b>721.836</b>		<b>447.728</b>	
<b>VIII.</b>	<b>GROSS OPERATING PROFIT (III-IV+V+VI+VII)</b>		<b>8.304.812</b>		<b>4.778.612</b>	
<b>IX.</b>	<b>EXPECTED CREDIT LOSS (-)</b>	<b>(5)</b>	<b>1.728.165</b>		<b>974.925</b>	
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>(5)</b>	<b>915.712</b>		<b>197.927</b>	
<b>XI.</b>	<b>PERSONNEL EXPENSE (-)</b>	<b>(5)</b>	<b>973.153</b>		<b>832.854</b>	
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>(6)</b>	<b>2.055.813</b>		<b>1.349.607</b>	
<b>XIII.</b>	<b>NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>2.631.969</b>		<b>1.423.299</b>	
<b>XIV.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-		-	
<b>XV.</b>	<b>PROFIT/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-		-	
<b>XVI.</b>	<b>PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-		-	
<b>XVII.</b>	<b>PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	<b>(7)</b>	<b>2.631.969</b>		<b>1.423.299</b>	
<b>XVIII.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(8)</b>	<b>(760.518)</b>		<b>(321.478)</b>	
18.1	Current Tax Provision		(482.850)		(496.757)	
18.2	Deferred Tax Expense Effect (+)		(996.380)		(1.297.826)	
18.3	Deferred Tax Income Effect (-)		718.712		1.473.105	
<b>XIX.</b>	<b>CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>(9)</b>	<b>1.871.451</b>		<b>1.101.821</b>	
<b>XX.</b>	<b>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.</b>	<b>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.</b>	<b>PROFIT/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-		-	
<b>XXIII.</b>	<b>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.</b>	<b>CURRENT REPIOD PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-		-	
<b>XXV.</b>	<b>NET PROFIT/(LOSS) (XVIII+XXIV)</b>	<b>(10)</b>	<b>1.871.451</b>		<b>1.101.821</b>	
	Earnings/(Loss) per share (in TL full)		0,307		0,181	

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 THREE MONTH PERIOD ENDED 31 MARCH 2020**

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

		Current Period	Prior Period
		1 January-31 March 2020	1 January-31 March 2019
<b>V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>			
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>1.871.451</b>	<b>1.101.821</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>(4.319.139)</b>	<b>(2.768.474)</b>
2.1	Not Reclassified Through Profit or Loss	958	192.679
2.1.1	Property and Equipment Revaluation Increase/Decrease	11.623	(16.983)
2.1.2	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(13.520)	253.904
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	2.855	(44.242)
2.2	Reclassified Through Profit or Loss	(4.320.097)	(2.961.153)
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	(5.538.586)	(3.612.607)
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	1.218.489	651.454
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>(2.447.688)</b>	<b>(1.666.653)</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 THREE MONTH PERIOD ENDED 31 MARCH 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>Current Period</b>															
	<b>31 March 2020</b>															
<b>I.</b>	<b>Prior Period End Balance</b>	<b>6.100.000</b>	<b>-</b>	<b>-</b>	<b>(571)</b>	<b>3.748.812</b>	<b>(81.552)</b>	<b>2.185.095</b>	<b>-</b>	<b>(357.888)</b>	<b>-</b>	<b>52.110.376</b>	<b>6.360.270</b>	<b>-</b>	<b>70.064.542</b>	
<b>II.</b>	<b>Corrections and Accounting Policy Changes Made According to TAS 8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
2.1	Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the changes in accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>III.</b>	<b>Adjusted Beginning Balance (I+II)</b>	<b>6.100.000</b>	<b>-</b>	<b>-</b>	<b>(571)</b>	<b>3.748.812</b>	<b>(81.552)</b>	<b>2.185.095</b>	<b>-</b>	<b>(357.888)</b>	<b>-</b>	<b>52.110.376</b>	<b>6.360.270</b>	<b>-</b>	<b>70.064.542</b>	
<b>IV.</b>	<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.461</b>	<b>-</b>	<b>(9.503)</b>	<b>-</b>	<b>(4.320.097)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.871.451</b>	<b>(2.447.688)</b>	
<b>V.</b>	<b>Capital increase by cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>VI.</b>	<b>Capital increase by internal sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
	<b>Paid-in capital inflation adjustment difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>VII.</b>	<b>Convertible bonds to shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>IX.</b>	<b>Subordinated debt instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>X.</b>	<b>Increase/Decrease by other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20.106)</b>	<b>-</b>	<b>(20.175)</b>	
<b>XI.</b>	<b>Profit distribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
11.1	Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>6.100.000</b>	<b>-</b>	<b>-</b>	<b>(640)</b>	<b>3.759.273</b>	<b>(81.552)</b>	<b>2.175.592</b>	<b>-</b>	<b>(4.677.985)</b>	<b>-</b>	<b>52.110.376</b>	<b>6.340.164</b>	<b>1.871.451</b>	<b>67.596.679</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 CHANGES IN SHAREHOLDERS' EQUITY FOR THREE MONTH PERIOD ENDED 31 MARCH 2020**

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share certificate Cancel profits	Other capital reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior period net profit/(loss)	Current period net profit/(loss)	Total Equity
					1	2	3	4	5	6				
<b>Prior Period</b>														
<b>31 March 2019</b>														
<b>I. Prior Period End Balance</b>	<b>6.100.000</b>	-	-	(483)	<b>3.760.738</b>	<b>(57.499)</b>	<b>2.009.231</b>	-	<b>(6.429.909)</b>	-	<b>37.320.380</b>	<b>14.698.936</b>	-	<b>57.401.394</b>
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>	<b>6.100.000</b>	-	-	(483)	<b>3.760.738</b>	<b>(57.499)</b>	<b>2.009.231</b>	-	<b>(6.429.909)</b>	-	<b>37.320.380</b>	<b>14.698.936</b>	-	<b>57.401.394</b>
<b>IV. Total comprehensive income</b>	-	-	-	-	<b>(15.439)</b>	-	<b>208.118</b>	-	<b>(2.961.153)</b>	-	-	-	<b>1.101.821</b>	<b>(1.666.653)</b>
<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>	-	-	-	(32)	<b>136.300</b>	-	-	-	-	-	<b>(136.300)</b>	<b>13.383</b>	-	<b>13.351</b>
<b>XI. Profit distribution</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>6.100.000</b>	-	-	(515)	<b>3.881.599</b>	<b>(57.499)</b>	<b>2.217.349</b>	-	<b>(9.391.062)</b>	-	<b>37.184.080</b>	<b>14.712.319</b>	<b>1.101.821</b>	<b>55.748.092</b>

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

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTH PERIOD  
ENDED 31 MARCH 2020**

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

VII. STATEMENT OF CASH FLOWS		Note (Section Five)	Current Period 1 January- 31 March 2020	Prior Period 1 January- 31 March 2019
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>				
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		1.825.208	1.545.249
1.1.1	Interest Received		15.321.029	12.918.771
1.1.2	Interest Paid		(7.214.339)	(9.132.763)
1.1.3	Dividend Received		1.071	1.494
1.1.4	Fees and Commissions Received		1.408.785	1.248.195
1.1.5	Other Income		1.623.934	441.849
1.1.6	Collections from Previously Written-off Loans and Other Receivables		640.189	432.600
1.1.7	Cash Payments to Personnel and Service Suppliers		(1.119.315)	(955.082)
1.1.8	Taxes Paid		(927.705)	(789.190)
1.1.9	Other		(7.908.441)	(2.620.625)
1.2	Changes in Operating Assets and Liabilities		5.216.600	5.349.075
1.2.1	Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(4.374.732)	(367.144)
1.2.2	Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		8.695.387	(6.578.536)
1.2.3	Net (Increase) / Decrease in Loans		(34.441.787)	(29.354.035)
1.2.4	Net (Increase) / Decrease in Other Assets		(7.114.341)	(431.828)
1.2.5	Net Increase / (Decrease) in Bank Deposits		2.699.777	(2.269.727)
1.2.6	Net Increase / (Decrease) in Other Deposits		40.233.831	44.412.939
1.2.7	Net Increase / (Decrease) in Financial Liabilities At Fair Value Through Profit Or Loss		-	5.880
1.2.8	Net Increase / (Decrease) in Funds Borrowed		(1.157.999)	1.685.043
1.2.9	Net Increase / (Decrease) in Payables		-	-
1.2.10	Net Increase / (Decrease) in Other Liabilities		676.464	(1.753.517)
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		<b>7.041.808</b>	<b>6.894.324</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>		<b>(12.869.615)</b>	<b>(8.033.814)</b>
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries		(37.481)	-
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(99.746)	(593.131)
2.4	Disposals of Property and Equipment		252.859	71.549
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(25.217.569)	(11.564.534)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		10.874.907	4.264.228
2.7	Purchase of Financial Assets Measured at Amortized Cost		(145.133)	(50.582)
2.8	Sale of Financial Assets Measured at Amortized Cost		9.949	845.676
2.9	Other		1.492.599	(1.007.020)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		<b>(1.403.769)</b>	<b>267.354</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		1.940.981	9.025.957
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(3.281.352)	(8.758.603)
3.3	Issued Equity Instruments		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(63.398)	-
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>1.573.917</b>	<b>676.085</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(5.657.659)</b>	<b>(196.051)</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at Beginning of the Period</b>		<b>28.162.539</b>	<b>23.389.729</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at End of the Period</b>		<b>22.504.880</b>	<b>23.193.678</b>

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



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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
31 MARCH 2020**

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

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**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

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

The 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 epidemic, which has recently emerged in China, has spread to various countries around the world, causing potentially fatal respiratory infections, affects both regional and global economic conditions negatively, as well as causing malfunctions in operations, especially in countries exposed to the epidemic. 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 March 31, 2020, 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

As of 31 March 2020, the Bank has reviewed the valuation of financial instruments measured at fair value through other comprehensive income and financial instruments measured at fair value through profit or loss. As of the reporting date, there are no changes in the fair valuation measurement that will require any correction. On the other hand, the Bank evaluated the effects of the COVID-19 outbreak regarding financial instruments whose fair value hierarchy was determined as Level 3 as it contains important estimates and judgments. As of 31 March 2020, the Bank has no assets or liabilities that would require any adjustment in the recently disclosed fair value hierarchy.

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 March 2020, by taking into account the change in probability of default and loss given default.

In this context, the Bank has measured the impact of its macroeconomic expectations on NPL receivables in different scenarios. In the NPL conversion rate, it has taken into consideration in the calculation by reflecting the coefficient, which is considered to reflect the current situation, to the loan parameters. The Bank increased the weight of the adverse scenario in the expected credit loss calculation. This approach, which is preferred in the expected credit loss for the first quarter of 2020, will be revised in the coming reporting periods by considering the impact of the outbreak, loan portfolio and changes in 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 disruptions in economic and commercial activities resulting from the COVID-19 pandemic. The Bank's practices regarding the classification of the loans have been updated in accordance with the BRSA decisions effective from 17 March 2020.

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.

**b. Explanation for convenience translation to English:**

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

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### EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

Main activity of the Bank comprises of banking services, such as; launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Bank’s main funding sources are deposits 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 (“BIST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from liquidity risk since the Bank is a public bank with an extensive branch network.

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

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

Capital payments in US Dollar amounts transferred to the subsidiaries operating abroad and evaluation differences, are converted to Turkish Liras by effective exchange rate on valuation date and presented on the financial statements. For currency risk arising from foreign currency conversion of subsidiaries’ capital that is paid in Euro amounts, Euro deposits are used for hedging purposes. The total capital amount linked to this purpose is EUR 268.075 thousand.

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 EQUITY INVESTMENTS

Based on “Turkish Accounting Standard for Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost value and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

Investments related to subsidiaries and joint ventures which are operating abroad and recorded in foreign currency are accounted by their fair values. Fair values have been determined by the valuation reports prepared for these subsidiaries and joint ventures and recognized under shareholders’ equity as of the valuation date.

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**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 losses from banking, agency and intermediary services are recognized as profit/loss 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.

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**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 "Test for Contractual Cash Flow Characteristics named as SPPI" 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.

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 financial assets 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 "Other Accumulated Comprehensive Income or Expenses that will be reclassified at 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

**Equity investments**

Equities, which are classified as fair value through other comprehensive income, that have a quoted market price in an active market and whose fair value can be reliably measured are carried at fair value. Equity is that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost less provision for impairment. Regarding the banking operations of the Bank, there exist ineffective shares of Kredi Garanti Fonu, Türk Ticaret Bankası in liquidation, Borsa İstanbul, Borica Bank Services AD, Central Bank of the Republic of Turkey and Milli Reasürans T.A.Ş. The related investments are classified under fair value through other comprehensive income and are carried at book value. For the other equity investments not related to banking activities are classified under financial assets measured at fair value through other comprehensive income; exceptionally, its costs are considered as fair value. In limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

**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.

**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.

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**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. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. For such assets, impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the credit quality.

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (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 losses is calculated for at stage 1, lifetime expected credit loss is calculated for loans at stage 2.

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

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

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

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

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

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

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

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

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

**Probability of Default (PD)**

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

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

**Exposure at Default (EAD)**

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

**Loss Given Default (LGD)**

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



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

**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 main macroeconomic indicators that create these estimation models are Gross Domestic Product (GDP) and Consumer Price Index (CPI). Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

**The Methodology of Behavioral Maturity Calculation**

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

**Write-off Policy**

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

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS**

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XI. INFORMATION ON NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS” AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS**

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

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan.

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.

**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%.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. As of 31 January 2014 the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. The net book value of the real estates included in the property and equipment of the Bank was 816.950 TL prior to the first valuation dated 30 January 2014 made by independent expertise companies for the properties registered in the Bank. As of 31 December 2016 the valuation studies have been carried out and valuation results are reflected to accounting records. As of 31 March 2020, the fair value difference of the net real estates amounting to TL 3.498.231 (31 December 2019: TL 3.559.872) is followed under shareholders’ 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:

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

**Leases in accordance with TFRS 16**

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

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

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

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

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

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

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.

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS**

**Employment Termination and Vacation Benefits**

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

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination or resignation depending on the arise of the legal conditions. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement bonus pension/severance payments are calculated for the 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 31 March 2020, retirement benefit obligation is TL 1.111.690 (31 December 2019: TL 1.038.524).

	<b>Current Period</b>	<b>Prior Period</b>
Discount Rate	12,15%	12,15%
Inflation	8,68%	8,68%

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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 loss amounting to TL 81.552 was classified under shareholders’ equity in the financials.

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.

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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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 2019 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

**XVII. EXPLANATIONS ON TAXATION**

**Current Tax**

The corporate tax rate of 20% 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, will be applied as 22% for corporation earnings for three years from 1 January 2018 with the regulation dated 28 November 2017 numbered 7061. Furthermore, Cabinet is made authorized to decrease this ratio to 20% from 22%. The bank applies new regulations to its current and deferred tax responsibilities. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income (like affiliate gains) and other allowances. If there is no dividend distribution, no further tax charges are made.

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 22% on their corporate income. Advance tax is declared by the 17th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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).

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, 75% of real estates, 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.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments with tax authorities. 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 “Law No. 7061 of November 28, 2017 mentioned in the “Current Tax” section”, 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.

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. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized as deferred tax liability or asset if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

**Deferred Tax (Continued)**

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.

The deferred tax benefit is not taken into account in profit distribution in accordance with the relevant circular of BRSA.

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.

**XVIII. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES**

Since the Bank does not have issued shares, there are no transaction costs related to share issue in the current period.

**XIX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES**

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

**XX. EXPLANATIONS ON GOVERNMENT GRANTS**

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

**XXI. 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.

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXII. EXPLANATIONS ON SEGMENT REPORTING**

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

**XXIII. EXPLANATIONS ON OTHER MATTERS**

*Profit distribution*

Since the Bank's Ordinary General Assembly Meeting for 2019 was not held as of the report date, no dividend distribution for 2019 was made.

*Classification*

In order to comply with the presentation of the financial statement dated March 31, 2020, some classification procedures were made on the statement of cash flow dated March 31, 2019.

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**SECTION FOUR**

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

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

Shareholders' equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to the regulations of BRSA numbered 3397 dated 23 March 2020. Based on recent regulation changes:

- In calculating the amount subject to credit risk, the purchase rate of foreign exchange, which is the basis for the preparation of the financial statements dated 31 December 2019, can be used while calculating the valued amounts in foreign currency.
- As of 23 March 2020, if the net valuation differences of the securities held by banks in the portfolio of “Financial Assets at Fair Value through Other Comprehensive Income” are negative, these differences may not be taken into consideration in the equity amount.

As of 31 March 2020 Bank's total regulatory capital has been calculated as TL 88.326.811 (31 December 2019: TL 83.636.178), capital adequacy ratio is 16,37% (31 December 2019: 17,02%). This ratio is well above the minimum ratio required by the legislation.

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

	<b>Current Period 31 March 2020</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	6.100.000	-
Share issue premiums	-	-
Reserves	52.110.376	-
Gains recognized in equity as per TAS	7.332.258	-
Profit	8.211.615	-
Current Period Profit	1.871.451	-
Prior Period Profit	6.340.164	-
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>73.771.637</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	276.134	-
Improvement costs for operating leasing	17.571	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	794.538	794.538
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	-	-
Communique Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-

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

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

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

	<b>Current Period 31 March 2020</b>	<b>Amount as per the regulation before 01/01/2014*</b>
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
<b>Total Deductions from Common Equity Tier I Capital</b>	<b>1.088.243</b>	<b>-</b>
<b>Total Common Equity Tier I Capital</b>	<b>72.683.394</b>	<b>-</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	10.026.520	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>10.026.520</b>	<b>-</b>
<b>Deductions from Additional Tier I Capital</b>		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>10.026.520</b>	<b>-</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>82.709.914</b>	<b>-</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)	5.669.618	-
<b>Tier II Capital Before Deductions</b>	<b>5.669.618</b>	<b>-</b>
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>5.669.618</b>	<b>-</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>88.379.532</b>	<b>-</b>

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

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

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

	Current Period 31 March 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>88.379.532</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	52.721	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	88.326.811	-
Total Risk Weighted Assets	539.638.889	-
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	13,47	-
Tier I Capital Ratio (%)	15,33	-
Capital Adequacy Ratio (%)	16,37	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2,57	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,07	-
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	8,97	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	187.825	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	95.391	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	2.092.287	-
<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)	5.669.618	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	5.669.618	-
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”.

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

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

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

	Prior Period 31 December 2019	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	6.100.000	-
Share issue premiums	-	-
Reserves	52.110.376	-
Gains recognized in equity as per TAS	6.643.351	-
Profit	6.360.270	-
Current Period Profit	6.186.888	-
Prior Period Profit	173.382	-
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>71.231.385</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	1.166.843	-
Improvement costs for operating leasing	20.164	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	745.089	745.089
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-

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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 2019	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>1.932.096</b>	-
<b>Total Common Equity Tier I Capital</b>	<b>69.299.289</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	9.246.580	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>9.246.580</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>9.246.580</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>78.545.869</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)	5.185.668	-
<b>Tier II Capital Before Deductions</b>	<b>5.185.668</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>5.185.668</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>83.731.537</b>	-

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BANK (Continued)**

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

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

	<b>Prior Period 31 December 2019</b>	<b>Amount as per the regulation before 01/01/2014*</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>83.731.537</b>	<b>-</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 (-)	95.359	-
<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)	83.636.178	-
Total Risk Weighted Assets	491.404.718	-
<b>CAPITAL ADEQUACY RATIOS</b>		
CET 1 Capital Ratio (%)	14,10	-
Tier I Capital Ratio (%)	15,98	-
Capital Adequacy Ratio (%)	17,02	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	2,52	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,02	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	9,60	-
<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	180.672	-
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	90.883	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	1.148.611	-
<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)	5.185.668	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	5.185.668	-
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".



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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)	10.027
Nominal value of instrument (TL million)	10.027
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.

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**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>67.596.679</b>	<b>70.064.542</b>
Operational Leasing Development Costs	(17.571)	(20.164)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(794.538)	(745.089)
TIER 2 Capital (Provisions)	5.669.618	5.185.668
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	10.026.520	9.246.580
Other deductions from common equity	(52.721)	(95.359)
Other regulations	5.898.824	-
Amount recognized in regulatory capital	<b>88.326.811</b>	<b>83.636.178</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**

“Liquidity Gap Analysis”, “Repricing Gap Analysis” and “Structural Liquidity Gap Analysis” which takes into account historical repricing rates of foreign currency accounts, are prepared periodically in order to define liquidity and interest rate risks at US Dollar and Euro, which are mainly used by the Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders’ Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

**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>
24.03.2020	6,4060	6,9102	3,8007	0,9256	0,6291	6,5268	4,4244	0,5749	7,4964	1,7058	5,7541
25.03.2020	6,3887	6,9043	3,8058	0,9248	0,6291	6,5198	4,4518	0,5818	7,4729	1,7014	5,7303
26.03.2020	6,3308	6,9430	3,8149	0,9302	0,6336	6,5360	4,4992	0,6025	7,6160	1,6860	5,7626
27.03.2020	6,3937	7,0318	3,8771	0,9426	0,6397	6,6545	4,5358	0,6032	7,8553	1,7023	5,9146
30.03.2020	6,5048	7,1735	4,0057	0,9609	0,6465	6,7829	4,5977	0,6158	8,0777	1,7316	6,0258
31.03.2020	6,5167	7,1618	3,9843	0,9599	0,6561	6,7600	4,5731	0,6197	8,0950	1,7315	6,0412

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

**EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY (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
6,2814	6,9358	3,9123	0,9287	0,6393	6,5581	4,5104	0,6153	7,7866	1,6731	5,8354

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

	EUR	USD	Other FC <sup>(1)</sup>	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	15.358.524	13.687.444	4.639.957	33.685.925
Banks	536.302	664.829	4.442.709	5.643.840
Financial Assets at Fair Value Through Profit and Loss <sup>(2)</sup>	-	31.570	6.975.138	7.006.708
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.763.013	30.904.006	101.038	40.768.057
Loans <sup>(3)</sup>	46.239.871	77.122.974	170.022	123.532.867
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	2.225.219	1.202.256	-	3.427.475
Financial Assets Measured at Amortised Cost	10.460.324	3.854.594	928	14.315.846
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	12.154	783	12.844	25.781
Intangible Assets	3.759	-	9.041	12.800
Other Assets <sup>(5)</sup>	2.943.851	3.646.123	22.409	6.612.383
<b>Total Assets <sup>(6)</sup></b>	<b>87.543.017</b>	<b>131.114.579</b>	<b>16.374.086</b>	<b>235.031.682</b>
<b>Liabilities</b>				
Interbank Deposits	15.105.055	1.742.715	299.409	17.147.179
Foreign Currency Deposits	104.485.111	77.543.225	26.021.147	208.049.483
Money Market Borrowings	-	21.461.425	-	21.461.425
Funds Provided from Other Financial Institutions	9.615.338	21.470.128	353	31.085.819
Issued Marketable Securities <sup>(7)</sup>	10.501.276	10.732.419	121.569	21.355.264
Miscellaneous Payables	1.376.655	271.017	6.584	1.654.256
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	741.206	3.500.760	172.499	4.414.465
<b>Total Liabilities</b>	<b>141.824.641</b>	<b>136.721.689</b>	<b>26.621.561</b>	<b>305.167.891</b>
<b>Net Balance Sheet Position</b>	<b>(54.281.624)</b>	<b>(5.607.110)</b>	<b>(10.247.475)</b>	<b>(70.136.209)</b>
<b>Net Off-Balance Sheet Position <sup>(4)</sup></b>	<b>55.207.963</b>	<b>(10.418.527)</b>	<b>12.003.350</b>	<b>56.792.786</b>
Financial Derivative Assets	63.334.238	72.996.818	12.931.296	149.262.352
Financial Derivative Liabilities	8.126.275	83.415.345	927.946	92.469.566
<b>Non-Cash Loans</b>	<b>35.754.636</b>	<b>47.072.678</b>	<b>7.157.196</b>	<b>89.984.510</b>
<b>Prior Period</b>				
Total Assets	89.048.642	127.705.243	11.744.891	228.498.776
Total Liabilities	131.167.995	128.509.449	20.110.556	279.788.000
<b>Net Balance Sheet Position</b>	<b>(42.119.353)</b>	<b>(804.206)</b>	<b>(8.365.665)</b>	<b>(51.289.224)</b>
<b>Net Off-Balance Sheet Position <sup>(4)</sup></b>	<b>44.304.336</b>	<b>(12.237.928)</b>	<b>9.701.530</b>	<b>41.767.938</b>
Financial Derivative Assets	50.670.614	62.729.032	10.593.739	123.993.385
Financial Derivative Liabilities	6.366.278	74.966.960	892.209	82.225.447
<b>Non-Cash Loans</b>	<b>32.279.847</b>	<b>41.797.633</b>	<b>6.626.573</b>	<b>80.704.053</b>

<sup>(1)</sup> The foreign currencies presented in the other FC column of assets 91,16% is Gold 1,49% is GBP, 4,06% is SAR, 0,72% is IQD, and the remaining 2,57% is other foreign currencies. The foreign currencies presented in the other FC column of liabilities, 79,96% is Gold, 9,44% is GBP, 4,20% is CHF, 1,51% is DKK, 2,08% is SAR and the remaining 2,81% is other foreign currencies. (31 December 2019: Of the foreign currencies presented in the other FC column of assets 89,91% is Gold, 2,65% is SAR, 11,07% is GBP, 1,11% is IQD, and the remaining 1,91% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 77,67% Gold, 11,07% GBP, 4,94 CHF, 1,79% DKK, 1,38% ) consists of SAR and the remaining 3,15% from other currencies.)

<sup>(2)</sup> TL 6.975.138 equivalent to Financial Assets at Fair Value through Profit and Loss Other FC balance arises from gold indexed bonds. (31 December 2019: TL 1.856.094 equivalent to Other FC balance arises from gold indexed bonds).

<sup>(3)</sup> TL 117.668 equivalent of loans granted is USD and TL 72.127 equivalent of balance is caused by foreign currency indexed loans (31 December 2019: 108.045 TL equivalent of USD and 74.099 TL equivalent of EUR).

<sup>(4)</sup> Indicates the net balance of receivables and payables on derivative financial instruments.

<sup>(5)</sup> Prepaid expenses in other assets amounting to TL 5.102 are not included in the table.

<sup>(6)</sup> Expected loss provisions for financial assets and other assets are reflected in related items.

<sup>(7)</sup> Includes subordinated debt instruments.

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
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**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	19.292.934	-	-	-	-	16.578.051	35.870.985
Banks	796.548	-	50.565	-	-	4.830.838	5.677.951
Financial Assets at Fair Value Through Profit and Loss	301.638	2.707	3.529.357	3.236.822	6.737	-	7.077.261
Money Markets	279.955	-	-	-	-	-	279.955
Financial Assets at Fair Value Through Other Comprehensive Income	4.640.959	20.678.443	34.829.903	29.609.212	31.519.380	922.404	122.200.301
Loans Given <sup>(3)</sup>	115.874.783	60.234.439	88.848.356	162.318.192	35.498.012	4.089.543	466.863.325
Financial Assets Measured at Amortised Cost	32.992	800.248	2.491.505	11.995.306	3.515.118	-	18.835.169
Other Assets <sup>(2)</sup>	1.314.907	2.399.585	867.719	91.279	16.962	33.942.599	38.633.051
<b>Total Assets <sup>(1) (5)</sup></b>	<b>142.534.716</b>	<b>84.115.422</b>	<b>130.617.405</b>	<b>207.250.811</b>	<b>70.556.209</b>	<b>60.363.435</b>	<b>695.437.998</b>
<b>Liabilities</b>							
Interbank Deposits	20.838.355	7.328.597	1.089.153	-	-	4.515.537	33.771.642
Other Deposits	199.229.507	74.018.699	41.592.022	1.081.814	1.679	140.357.569	456.281.290
Money Market Borrowings	40.310.938	7.519.769	556.709	1.295.165	-	-	49.682.581
Miscellaneous Payables	-	-	-	-	-	7.991.359	7.991.359
Issued Marketable Securities <sup>(6)</sup>	539.721	849.886	2.105.202	21.442.250	-	-	24.937.059
Funds Provided from Other Financial Institutions	15.674.570	4.590.190	5.845.501	6.484.951	686.818	-	33.282.030
Other Liabilities <sup>(4)</sup>	2.609.481	1.021.784	631.607	1.003.769	5.267.663	78.957.733	89.492.037
<b>Total Liabilities <sup>(1)</sup></b>	<b>279.202.572</b>	<b>95.328.925</b>	<b>51.820.194</b>	<b>31.307.949</b>	<b>5.956.160</b>	<b>231.822.198</b>	<b>695.437.998</b>
<b>Balance Sheet Long Position</b>	-	-	<b>78.797.211</b>	<b>175.942.862</b>	<b>64.600.049</b>	-	<b>319.340.122</b>
<b>Balance Sheet Short Position</b>	<b>(136.667.856)</b>	<b>(11.213.503)</b>	-	-	-	<b>(171.458.763)</b>	<b>(319.340.122)</b>
Off-Balance Sheet Long Position	-	2.350.796	-	189	-	-	2.350.985
Off-Balance Sheet Short Position	(26.694)	-	(1.130.521)	-	(1.015.345)	-	(2.172.560)
<b>Total Position</b>	<b>(136.694.550)</b>	<b>(8.862.707)</b>	<b>77.666.690</b>	<b>175.943.051</b>	<b>63.584.704</b>	<b>(171.458.763)</b>	<b>178.425</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.

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**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	29.153.534	-	-	-	-	23.053.613	52.207.147
Banks	457.130	-	61.906	-	-	4.334.021	4.853.057
Financial Assets at Fair Value Through Profit and Loss	26.018	61.107	965.783	837.851	7.126	-	1.897.885
Money Markets	328.596	-	-	-	-	-	328.596
Financial Assets at Fair Value Through Other Comprehensive Income	16.151.890	10.418.649	27.788.033	25.045.470	30.716.396	766.279	110.886.717
Loans Given <sup>(3)</sup>	134.348.424	32.041.250	84.875.895	146.483.937	32.798.550	4.426.443	434.974.499
Financial Assets Measured at Amortised Cost	2.460.269	84.298	710.377	10.570.596	3.722.174	-	17.547.714
Other Assets <sup>(2)</sup>	1.092.860	1.331.551	399.731	51.871	12.881	24.171.682	27.060.576
<b>Total Assets <sup>(1)(5)</sup></b>	<b>184.018.721</b>	<b>43.936.855</b>	<b>114.801.725</b>	<b>182.989.725</b>	<b>67.257.127</b>	<b>56.752.038</b>	<b>649.756.191</b>
<b>Liabilities</b>							
Interbank Deposits	20.677.298	6.868.724	405.635	-	-	3.528.208	31.479.865
Other Deposits	181.302.372	67.626.548	44.984.490	1.369.474	869	120.487.355	415.771.108
Money Market Borrowings	45.101.031	2.948.343	541.873	684.163	-	-	49.275.410
Miscellaneous Payables	-	-	-	-	-	7.490.147	7.490.147
Issued Marketable Securities	54.957	2.591.278	371.294	19.654.454	-	-	22.671.983
Funds Provided from Other Financial Institutions	6.333.174	6.012.324	15.563.009	5.937.602	682.381	-	34.528.490
Other Liabilities <sup>(4)</sup>	1.628.007	147.377	422.109	921.942	5.227.647	80.192.106	88.539.188
<b>Total Liabilities <sup>(1)</sup></b>	<b>255.096.839</b>	<b>86.194.594</b>	<b>62.288.410</b>	<b>28.567.635</b>	<b>5.910.897</b>	<b>211.697.816</b>	<b>649.756.191</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>52.513.315</b>	<b>154.422.090</b>	<b>61.346.230</b>	<b>-</b>	<b>268.281.635</b>
<b>Balance Sheet Short Position</b>	<b>(71.078.118)</b>	<b>(42.257.739)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(154.945.778)</b>	<b>(268.281.635)</b>
Off-Balance Sheet Long Position	-	-	-	6	-	-	6
Off-Balance Sheet Short Position	(150.673)	(36.895)	(88.465)	-	-	-	(276.033)
<b>Total Position</b>	<b>(71.228.791)</b>	<b>(42.294.634)</b>	<b>52.424.850</b>	<b>154.422.096</b>	<b>61.346.230</b>	<b>(154.945.778)</b>	<b>(276.027)</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.

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**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>	-	-	-	8,00
Banks	4,30	-	-	17,25
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	9,20
Money Market Placements	-	-	-	8,75
Financial Assets at Fair Value Through Other Comprehensive Income	3,70	5,86	-	11,93
Loans Given <sup>(2)</sup>	4,76	6,80	5,49	11,81
Financial Assets Measured at Amortised Cost	4,96	7,40	-	13,34
<b>Liabilities</b>				
Interbank Deposits	0,16	0,78	-	9,02
Other Deposits	0,37	1,27	-	9,02
Money Market Borrowings	-	2,45	-	9,45
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(3)</sup>	5,08	4,96	-	12,17
Funds Provided from Other Financial Institutions	1,77	3,79	-	9,47

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

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

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

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

	EUR	USD	JPY	TL
<b>Prior Period <sup>(4)</sup></b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	10,00
Banks	4,30	-	-	17,25
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,58
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,07	5,91	-	13,33
Loans Given <sup>(2)</sup>	5,00	6,97	5,19	13,35
Financial Assets Measured at Amortised Cost	4,99	7,40	-	15,14
<b>Liabilities</b>				
Interbank Deposits	0,34	1,56	-	11,20
Other Deposits	0,49	2,09	-	10,50
Money Market Borrowings	-	2,92	-	11,53
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(3)</sup>	5,08	4,97	1,50	13,65
Funds Provided from Other Financial Institutions	1,78	3,98	-	11,47

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

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

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

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

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**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	-	-	-
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 (*)	159.629	159.629	-

(\*) These stock investments are not traded on the stock exchange and cost values are taken into account as an appropriate estimation method in determining the fair value of the cost.

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 (*)	153.641	153.641	-

(\*) These stock investments are not traded on the stock exchange and cost values are taken into account as an appropriate estimation method in determining the fair value of the cost.

*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 159.629 and 100% of them are risk weighted (31 December 2019: TL 153.641 and 100% of them are risk weighted).

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**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 put in place to reduce the effects of the COVID-19 outbreak on the economy, the effects of the new loans on the existing loans and potential new disbursements on existing and future cash flows and related alternative resource plans, The necessary evaluations have been made by taking into consideration, and will be followed up in the future.

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 epidemic 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.

*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 Group 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.



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

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

**1. Liquidity Risk (Continued)**

***Explanation related to liquidity management as currencies forming at least 5 percentage of aggregate liabilities of the Parent 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 garnular sturucutre 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.

***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”.

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BANK (Continued)**

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

**2. Liquidity Coverage Ratio**

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 356,05 in the week of 27 March 2020; and for the total 127,71 in the week of 27 March 2020. The highest ratios that took place were for FC as 588,86 in the week of 17 January 2020 and for the total as 148,3 in the week of 6 March 2020 (31 December 2019: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 433,12 in the week of 29 November 2019; and for the total 122,43 in the week of 29 November 2019. As for the highest ratios that took place were; for FC as 544,10 in the week of 25 October 2019 and for the total as 143,69 in the week of 20 December 2019).

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			119.159.514	59.129.852
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	308.109.865	148.982.258	25.968.123	14.898.226
Stable deposits	96.857.264	-	4.842.863	-
Less stable deposits	211.252.601	148.982.258	21.125.260	14.898.226
Unsecured wholesale funding, of which;	148.577.550	56.574.444	78.086.601	32.636.385
Operational deposit	8.736.706	396.103	2.184.176	99.026
Non-operational deposits	113.502.344	44.053.412	53.438.960	20.483.217
Other unsecured funding	26.338.500	12.124.929	22.463.465	12.054.142
Secured funding			-	-
Other cash outflows, of which;	65.584.045	6.295.164	7.334.244	2.189.477
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	2.430.406	700.749	2.430.406	700.749
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	63.153.639	5.594.415	4.903.838	1.488.728
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	45.597.953	29.704.188	2.420.978	1.485.209
<b>TOTAL CASH OUTFLOWS</b>			<b>113.809.946</b>	<b>51.209.297</b>
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	41.264.365	19.655.273	27.989.632	14.944.789
Other cash inflows	1.390.238	38.559.082	1.390.238	38.559.082
<b>Total Cash Inflows</b>	<b>42.654.603</b>	<b>58.214.355</b>	<b>29.379.870</b>	<b>53.503.871</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>119.159.514</b>	<b>59.129.852</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>84.430.076</b>	<b>12.802.324</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>141,13</b>	<b>461,87</b>

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

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

**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			100.902.069	53.873.101
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	286.874.819	136.857.531	24.294.672	13.685.753
Stable deposits	87.856.203	-	4.392.810	-
Less stable deposits	199.018.616	136.857.531	19.901.862	13.685.753
Unsecured wholesale funding , of which;	125.584.130	49.613.462	65.330.544	26.539.540
Operational deposit	7.266.139	241.478	1.816.535	60.370
Non-operational deposits	101.558.203	43.391.817	49.995.269	20.555.490
Other unsecured funding	16.759.788	5.980.167	13.518.740	5.923.680
Secured funding			-	-
Other cash outflows, of which;	61.201.674	5.881.985	6.845.440	1.921.423
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	2.130.153	418.050	2.130.153	418.050
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	59.071.521	5.463.935	4.715.287	1.503.373
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	45.422.930	29.331.892	2.505.052	1.466.595
<b>Total Cash Outflows</b>			<b>98.975.708</b>	<b>43.613.311</b>
<b>Cash Inflows</b>				
Secured lending	-	-	-	-
Unsecured lending	35.980.668	16.292.731	22.310.874	11.441.687
Other cash inflows	1.251.600	43.658.702	1.251.600	43.658.702
<b>Total Cash Inflows</b>	<b>37.232.268</b>	<b>59.951.433</b>	<b>23.562.474</b>	<b>55.100.389</b>
			<b>Upper Limit Applied Amounts</b>	
<b>Total HQLA Stock</b>			<b>100.902.069</b>	<b>53.873.101</b>
<b>Total Net Cash Outflows</b>			<b>75.413.234</b>	<b>10.903.328</b>
<b>Liquidity Coverage Ratio (%)</b>			<b>133,80</b>	<b>494,10</b>

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

**3. Minimum Statements Concerning Liquidity Coverage Ratio by Banks**

***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.

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

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

**3. Minimum Statements Concerning Liquidity Coverage Ratio by Banks (Continued)**

Bonds and bills in the securities portfolio are being used in repo transactions as collateral. Since the securities used in repo transactions transform to encumbered securities, they impact the liquidity coverage ratio depending on being or not being used as collateral in repo transactions.

***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.

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(Continued)**

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

*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.

**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	16.578.051	19.292.934	-	-	-	-	-	35.870.985
Banks	4.830.838	796.548	-	50.565	-	-	-	5.677.951
Financial Assets at Fair Value Through Profit and Loss	-	272.899	294	3.530.075	3.267.256	6.737	-	7.077.261
Money Market Placements	-	279.955	-	-	-	-	-	279.955
Financial Assets at Fair Value Through Other Comprehensive Income	-	1.257.934	6.144.815	11.543.573	51.282.157	51.453.581	518.241	122.200.301
Loans Given	-	23.879.608	29.543.921	147.163.077	199.464.610	62.722.566	4.089.543	466.863.325
Investments Held-to-Maturity	-	32.992	800.248	2.491.505	11.995.307	3.515.117	-	18.835.169
Other Assets	6.869.265	1.314.907	2.399.585	867.719	91.279	16.962	27.073.334	38.633.051
<b>Total Assets<sup>(2)</sup></b>	<b>28.278.154</b>	<b>47.127.777</b>	<b>38.888.863</b>	<b>165.646.514</b>	<b>266.100.609</b>	<b>117.714.963</b>	<b>31.681.118</b>	<b>695.437.998</b>
<b>Liabilities</b>								
Interbank Deposits	4.515.537	20.838.355	7.328.597	1.089.153	-	-	-	33.771.642
Other Deposits	140.357.569	199.140.448	73.884.944	41.640.075	1.253.841	4.413	-	456.281.290
Funds Provided from Other Financial Institutions	-	11.721.300	2.765.712	6.494.299	8.582.325	3.718.394	-	33.282.030
Money Market Borrowings	-	40.310.547	7.520.160	556.709	1.295.165	-	-	49.682.581
Issued Marketable Securities <sup>(3)</sup>	-	539.721	99.886	2.855.202	21.442.250	-	-	24.937.059
Miscellaneous Payables	2.948.260	5.043.099	-	-	-	-	-	7.991.359
Other Liabilities	4.785.034	3.283.088	1.544.530	631.607	1.003.769	7.142.173	71.101.836	89.492.037
<b>Total Liabilities</b>	<b>152.606.400</b>	<b>280.876.558</b>	<b>93.143.829</b>	<b>53.267.045</b>	<b>33.577.350</b>	<b>10.864.980</b>	<b>71.101.836</b>	<b>695.437.998</b>
<b>Liquidity Gap</b>	<b>(124.328.246)</b>	<b>(233.748.781)</b>	<b>(54.254.966)</b>	<b>112.379.469</b>	<b>232.523.259</b>	<b>106.849.983</b>	<b>(39.420.718)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(189.609)</b>	<b>(92.967)</b>	<b>335.737</b>	<b>189</b>	<b>125.078</b>	<b>-</b>	<b>178.428</b>
Financial Derivative Assets	-	94.802.570	18.922.077	14.125.258	160.069	1.140.423	-	129.150.397
Financial Derivative Liabilities	-	94.992.179	19.015.044	13.789.521	159.880	1.015.345	-	128.971.969
<b>Non-cash Loans</b>	<b>43.020.278</b>	<b>5.501.705</b>	<b>11.771.743</b>	<b>38.983.667</b>	<b>24.250.836</b>	<b>5.306.423</b>	<b>-</b>	<b>128.834.652</b>
<b>Prior Period</b>								
Total Assets	30.976.792	57.575.805	35.074.827	176.698.811	236.308.550	87.583.983	25.537.423	649.756.191
Total Liabilities	131.645.361	257.768.740	82.222.782	62.036.598	33.238.720	10.336.154	72.507.836	649.756.191
<b>Liquidity Gap</b>	<b>(100.668.569)</b>	<b>(200.192.935)</b>	<b>(47.147.955)</b>	<b>114.662.213</b>	<b>203.069.830</b>	<b>77.247.829</b>	<b>(46.970.413)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>143.676</b>	<b>(34.663)</b>	<b>(88.465)</b>	<b>670.218</b>	<b>18.825</b>	<b>-</b>	<b>709.591</b>
Financial Derivative Assets	-	71.356.363	24.683.220	6.719.809	1.357.756	735.875	-	104.853.023
Financial Derivative Liabilities	-	71.212.687	24.717.883	6.808.274	687.538	717.050	-	104.143.432
<b>Non-cash Loans</b>	<b>40.586.579</b>	<b>5.911.961</b>	<b>10.856.336</b>	<b>33.280.829</b>	<b>24.150.009</b>	<b>5.038.899</b>	<b>-</b>	<b>119.824.613</b>

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

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

(3) Includes subordinated debt instruments.

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**VI. EXPLANATIONS ON LEVERAGE RATIO**

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

The Bank’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 8,93% (31 December 2019: 9,32%). The increase on leverage results occur from the increase in Tier 1 capital amount. The regulation sentenced the minimum leverage as 3%.

<b>Balance sheet assets</b>	<b>Current Period <sup>(*)</sup></b>	<b>Prior Period <sup>(*)</sup></b>
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	675.263.657	632.454.602
(Assets deducted in determining Tier 1 capital)	(3.724.259)	(2.509.960)
<b>Total on-balance sheet risks (sum of lines 1 and 2)</b>	<b>671.539.398</b>	<b>629.944.642</b>
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost associated with all derivative financial instruments and credit derivatives	3.704.113	2.569.958
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	1.732.416	1.625.888
Total risks of derivative financial instruments and credit derivatives	5.436.529	4.195.846
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets	7.913.571	8.795.288
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	7.913.571	8.795.288
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	209.113.412	180.614.425
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	209.113.412	180.614.425
<b>Capital and total risks</b>		
Tier 1 capital	79.694.401	76.774.417
Total risks	894.002.910	823.550.201
<b>Leverage ratio</b>		
Leverage ratio %	8,93	9,32

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
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**VII. EXPLANATIONS ON RISK MANAGEMENT**

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

**I. 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)	451.747.585	418.483.426	36.139.807
2	Standardised approach	451.747.585	418.483.426	36.139.807
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	4.030.974	5.751.999	322.478
5	Standardised approach for counterparty credit risk	4.030.974	5.751.999	322.478
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	4.002.011	4.416.689	320.161
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	40.416.926	27.461.275	3.233.354
17	Standardised approach	40.416.926	27.461.275	3.233.354
18	Internal model approaches	-	-	-
19	Operational risk	39.441.393	35.291.329	3.155.311
20	Basic Indicator approach	39.441.393	35.291.329	3.155.311
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>539.638.889</b>	<b>491.404.718</b>	<b>43.171.111</b>

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

**VIII. 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 entrepreneurial banking, specialized banking, investment banking and international banking areas.

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

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

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

As of 31 March 2020 explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.



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

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

**2. 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>3.786.577</b>	<b>5.125.675</b>	<b>2.091.877</b>	<b>4.946.059</b>	<b>100.655</b>	<b>16.050.843</b>
Interest Income from Loans	3.786.577	5.125.675	2.091.877	1.539.148	-	12.543.277
Interest Income from Banks	-	-	-	18.464	-	18.464
Interest Income from Securities	-	-	-	3.355.170	-	3.355.170
Other Interest Income	-	-	-	33.277	100.655	133.932
<b>Interest Expense</b>	<b>3.130.810</b>	<b>1.470.553</b>	<b>-</b>	<b>1.979.338</b>	<b>587.831</b>	<b>7.168.532</b>
Interest Expense on Deposits	3.130.810	1.470.553	-	403.771	-	5.005.134
Interest Expense on Funds Borrowed	-	-	-	355.941	-	355.941
Interest Expense on Money Market Transactions	-	-	-	850.377	-	850.377
Interest Expense on Securities Issued	-	-	-	369.249	-	369.249
Other Interest Expense	-	-	-	-	587.831	587.831
<b>Net Interest Income/Expense</b>	<b>655.767</b>	<b>3.655.122</b>	<b>2.091.877</b>	<b>2.966.721</b>	<b>(487.176)</b>	<b>8.882.311</b>
<b>Net Fees and Commission Income</b>	<b>704.618</b>	<b>464.601</b>	<b>40.660</b>	<b>(316.616)</b>	<b>(34.549)</b>	<b>858.714</b>
Fees and Commissions Received	704.618	464.601	40.660	3.851	64.618	1.278.348
Fees and Commissions Paid	-	-	-	320.467	99.167	419.634
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.071</b>	<b>-</b>	<b>1.071</b>
Trading Profit/Loss (Net)	-	-	-	(2.159.120)	-	(2.159.120)
<b>Other Operating Income</b>	<b>12.976</b>	<b>48.058</b>	<b>8.837</b>	<b>1.353</b>	<b>650.612</b>	<b>721.836</b>
Provision for Expected Loss (-)	451.257	1.003.187	273.721	-	-	1.728.165
Other Provision Expenses(-)	-	-	-	2.413	913.299	915.712
Personnel Expenses (-)	-	-	-	-	973.153	973.153
<b>Other Operating Expense</b>	<b>690.365</b>	<b>25.734</b>	<b>22.140</b>	<b>-</b>	<b>1.317.574</b>	<b>2.055.813</b>
<b>Net Operating Profit/Loss</b>	<b>231.739</b>	<b>3.138.860</b>	<b>1.845.513</b>	<b>490.996</b>	<b>(3.075.139)</b>	<b>2.631.969</b>
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(760.518)	(760.518)
<b>Net Profit/Loss</b>	<b>231.739</b>	<b>3.138.860</b>	<b>1.845.513</b>	<b>490.996</b>	<b>(3.835.657)</b>	<b>1.871.451</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at FV Through P/L Banks and Money Markets	-	-	-	7.077.261	-	7.077.261
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	5.957.906	-	5.957.906
Loans	124.278.146	250.698.303	74.715.056	17.171.820	-	466.863.325
Financial Assets Measured at Amortised Cost (Net)	-	-	-	18.835.169	-	18.835.169
Derivative Financial Assets	-	-	-	4.570.201	-	4.570.201
Associates, Subsidiaries and Joint Ventures	-	-	-	7.809.943	-	7.809.943
Other Assets	16.539	5.929.844	156.778	32.811.793	23.208.938	62.123.892
<b>Total Segment Assets</b>	<b>124.294.685</b>	<b>256.628.147</b>	<b>74.871.834</b>	<b>216.434.394</b>	<b>23.208.938</b>	<b>695.437.998</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	339.294.785	95.709.391	-	33.771.642	21.277.114	490.052.932
Derivative Financial Liabilities Held for Trading	-	-	-	3.698.099	-	3.698.099
Funds Borrowed	-	-	-	33.282.030	-	33.282.030
Money Markets	7.540	28.073.327	-	21.601.714	-	49.682.581
Securities Issued (Net)	-	-	-	14.435.783	-	14.435.783
Provisions	-	1.141.970	-	-	3.856.407	4.998.377
Other Liabilities	-	-	-	-	31.691.517	31.691.517
Shareholders' Equity	-	-	-	-	67.596.679	67.596.679
<b>Total Segment Liabilities</b>	<b>339.302.325</b>	<b>124.924.688</b>	<b>-</b>	<b>106.789.268</b>	<b>124.421.717</b>	<b>695.437.998</b>

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

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

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

Prior Period – 31 March 2019	Retail Banking	Corporate/ Entrepreneur Banking	Specialized Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
<b>Interest Income</b>	<b>3.253.292</b>	<b>5.762.950</b>	<b>1.888.312</b>	<b>4.626.799</b>	<b>52.968</b>	<b>15.584.321</b>
Interest Income from Loans	3.253.292	5.762.950	1.888.312	1.293.583	-	12.198.137
Interest Income from Banks	-	-	-	90.633	-	90.633
Interest Income from Securities	-	-	-	3.098.280	-	3.098.280
Other Interest Income	-	-	-	144.303	52.968	197.271
<b>Interest Expense</b>	<b>4.561.795</b>	<b>1.885.370</b>	<b>-</b>	<b>4.102.957</b>	<b>112.313</b>	<b>10.662.435</b>
Interest Expense on Deposits	4.561.795	1.885.370	-	752.200	-	7.199.365
Interest Expense on Funds Borrowed	-	-	-	366.576	-	366.576
Interest Expense on Money Market Transactions	-	-	-	2.701.693	-	2.701.693
Interest Expense on Securities Issued	-	-	-	282.488	-	282.488
Other Interest Expense	-	-	-	-	112.313	112.313
<b>Net Interest Income/Expense</b>	<b>(1.308.503)</b>	<b>3.877.580</b>	<b>1.888.312</b>	<b>523.842</b>	<b>(59.345)</b>	<b>4.921.886</b>
<b>Net Fees and Commission Income</b>	<b>684.128</b>	<b>466.127</b>	<b>28.989</b>	<b>(349.930)</b>	<b>(7.710)</b>	<b>821.604</b>
Fees and Commissions Received	684.128	466.127	28.989	3.000	71.016	1.253.260
Fees and Commissions Paid	-	-	-	352.930	78.726	431.656
<b>Personnel Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>832.854</b>	<b>832.854</b>
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.310</b>	<b>-</b>	<b>7.310</b>
<b>Trading Profit/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.419.916)</b>	<b>-</b>	<b>(1.419.916)</b>
<b>Other Operating Income</b>	<b>8.204</b>	<b>48.488</b>	<b>8.209</b>	<b>1.346</b>	<b>381.481</b>	<b>447.728</b>
<b>Provision for Expected Loss (-)</b>	<b>235.117</b>	<b>578.437</b>	<b>161.371</b>	<b>-</b>	<b>-</b>	<b>974.925</b>
<b>Other Provision Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540</b>	<b>197.387</b>	<b>197.927</b>
<b>Other Operating Expense</b>	<b>490.321</b>	<b>12.575</b>	<b>14.757</b>	<b>-</b>	<b>831.954</b>	<b>1.349.607</b>
<b>Net Operating Profit/Loss</b>	<b>(1.341.609)</b>	<b>3.801.183</b>	<b>1.749.382</b>	<b>(1.237.888)</b>	<b>(1.547.769)</b>	<b>1.423.299</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>(321.478)</b>	<b>(321.478)</b>
<b>Net Profit/Loss</b>	<b>(1.341.609)</b>	<b>3.801.183</b>	<b>1.749.382</b>	<b>(1.237.888)</b>	<b>(1.869.247)</b>	<b>1.101.821</b>
<b>SEGMENT ASSETS</b>						
<b>31 December 2019</b>						
Financial Assets at FV Through P/L	-	-	-	1.897.885	-	1.897.885
Banks and Other Financial Institutions	-	-	-	5.181.653	-	5.181.653
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	110.886.717	-	110.886.717
Loans	117.853.602	229.969.949	70.408.159	16.742.789	-	434.974.499
Financial Assets Measured at Amortised Cost (Net)	-	-	-	17.547.714	-	17.547.714
Derivative Financial Assets	-	-	-	2.797.886	-	2.797.886
Associates, Subsidiaries and Joint Ventures	-	-	-	7.602.451	-	7.602.451
Other Assets	18.767	4.479.822	150.770	45.640.968	18.577.059	68.867.386
<b>Total Segment Assets</b>	<b>117.872.369</b>	<b>234.449.771</b>	<b>70.558.929</b>	<b>208.298.063</b>	<b>18.577.059</b>	<b>649.756.191</b>
<b>SEGMENT LIABILITIES</b>						
<b>31 December 2019</b>						
Deposits	317.327.558	82.904.436	-	31.398.883	15.620.096	447.250.973
Derivative Financial Liabilities Held for Trading	-	-	-	1.658.858	-	1.658.858
Funds Borrowed	-	-	-	34.528.490	-	34.528.490
Money Markets	6.649	26.580.217	-	22.688.544	-	49.275.410
Securities Issued (Net)	-	-	-	13.106.026	-	13.106.026
Provisions	-	1.086.387	-	-	2.732.191	3.818.578
Other Liabilities	-	-	-	-	30.053.314	30.053.314
Shareholders' Equity	-	-	-	-	70.064.542	70.064.542
<b>Total Segment Liabilities</b>	<b>317.334.207</b>	<b>110.571.040</b>	<b>-</b>	<b>103.380.801</b>	<b>118.470.143</b>	<b>649.756.191</b>

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**SECTION FIVE**

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1.752.036	1.361.419	2.066.402	2.071.843
Central Bank of the Republic of Turkey	431.391	32.250.431	780.011	44.730.986
Other	2.002	74.076	-	2.558.417
<b>Total</b>	<b>2.185.429</b>	<b>33.685.926</b>	<b>2.846.413</b>	<b>49.361.246</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 the amendments made in 2019, the Central Bank has linked the TL and FC required reserve rates and the interest to be paid on the required reserves maintained in TL with the annual growth rates of TL cash loans. Required reserve rates vary according to the maturity structure of the liabilities, and are applied between 1% -7% for TL deposits and other liabilities, 8%-19% for FX deposits and 0%-21% 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	317.478	13.068.714	672.664	15.680.915
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Other <sup>(1)</sup>	113.913	19.181.717	107.347	29.050.071
<b>Total</b>	<b>431.391</b>	<b>32.250.431</b>	<b>780.011</b>	<b>44.730.986</b>

<sup>(1)</sup> Includes required reserves and CBRT restricted electronic money funds amounting to TL 2.327. Required reserve of branches abroad amounting to TL 184.326 is presented in this line. TL 2.632.832 of the current period’s FC required reserve is the part of the TL required reserves that are held in FC (31 December 2019: Includes required reserves and CBRT restricted electronic money funds amounting to TL 3.373. Required reserve of branches abroad amounting to TL 160.297 is presented in this line. TL 3.317.307 of the current period’s FC required reserve is the part of the TL required reserves that are held in FC).

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	3.772.254	-
<b>Total</b>	<b>3.772.254</b>	<b>-</b>

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

**3. Information on Derivative Financial Assets Held-for-Trading**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	214.565	22.745	156.547	33.478
Swap Transactions	1.953.078	2.379.813	1.139.190	1.468.650
Futures Transactions	-	-	-	-
Options	-	-	-	21
Other	-	-	-	-
<b>Total</b>	<b>2.167.643</b>	<b>2.402.558</b>	<b>1.295.737</b>	<b>1.502.149</b>

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

**4.1. Information on Bank Balances**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	2.905	212.653	2.118	14.990
Foreign Banks	31.430	5.431.339	127.733	4.708.538
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>34.335</b>	<b>5.643.992</b>	<b>129.851</b>	<b>4.723.528</b>

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	49.494.894	50.605.054
Assets Blocked/Given as Collateral	27.178.173	30.536.506
<b>Total</b>	<b>76.673.067</b>	<b>81.141.560</b>

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

	Current Period	Prior Period
Debt Securities	129.029.083	112.464.458
Quoted in Stock Exchange	128.805.941	112.263.419
Not Quoted in Stock Exchange	223.142	201.039
Share Certificates	544.923	554.295
Quoted in Stock Exchange	358.612	376.498
Not Quoted in Stock Exchange	186.311	177.797
Provision for Impairment (-)	7.373.705	2.132.036
<b>Total</b>	<b>122.200.301</b>	<b>110.886.717</b>

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

**7. Information Related to Loans**

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(1) (2)</sup>	597.129	-	452.130	-
<b>Total</b>	<b>597.129</b>	<b>-</b>	<b>452.130</b>	<b>-</b>

<sup>(1)</sup> Interest rediscount and interest accrual amounting TL 4.569, are not included (31 December 2019: Interest rediscount and interest accrual amounting TL 4.228 are not included).

<sup>(2)</sup> Since the balance of overdraft accounts related to employees amounting TL 17.366, is showed under Table 7.3, as overdraft accounts (real person), it is not included to the table above. (31 December:2019: Since the balance of overdraft accounts related to employees amounting TL 22.557, is showed under Table 7.4, as overdraft accounts (real person), it is not included to the table above.)

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

Current Period	Cash Loans	Standard Loans	Loans Under Close Monitoring		
			Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled Loans with revised contract terms Refinancing	
Non-Specialized Loans		361.467.359	18.120.060	5.062.999	-
Commercial Loans		224.837.803	8.532.614	4.808.045	-
Export Loans		5.042.762	318.189	-	-
Import Loans		-	-	-	-
Loans Given to Financial Sector		4.302.918	7.507.951	-	-
Consumer Loans		114.412.389	1.514.296	252.982	-
Credit Cards		11.502.206	243.216	1.972	-
Other		1.369.281	3.794	-	-
Specialized Loans <sup>(1) (2)</sup>		67.531.360	1.788.157	1.171.992	-
Other Receivables		-	-	-	-
Interest Income Accruals		9.311.717	3.122.252	354.341	-
<b>Total</b>		<b>438.310.436</b>	<b>23.030.469</b>	<b>6.589.332</b>	<b>-</b>

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

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

Prior Period	Cash Loans	Standard Loans	Loans Under Close Monitoring		
			Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled Loans with revised contract terms Refinancing	
Non-Specialized Loans		333.995.564	17.195.693	6.318.882	-
Commercial Loans		204.790.778	7.861.911	6.117.723	-
Export Loans		4.680.534	320.911	-	-
Import Loans		-	-	-	-
Loans Given to Financial Sector		4.954.641	6.786.703	-	-
Consumer Loans		107.460.182	1.933.126	199.478	-
Credit Cards		11.061.529	287.413	1.681	-
Other		1.047.900	5.629	-	-
Specialized Loans <sup>(1) (2)</sup>		63.022.874	2.283.220	898.711	-
Other Receivables		-	-	-	-
Interest Income Accruals		8.440.854	2.670.652	465.814	-
<b>Total</b>		<b>405.459.292</b>	<b>22.149.565</b>	<b>7.683.407</b>	<b>-</b>

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

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

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

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

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	1.467.254	-	1.346.524	-
Significant Increase in Credit Risk	-	3.689.201	-	3.397.684

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

Current Period	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans-TL</b>	<b>1.022.200</b>	<b>113.048.114</b>	<b>114.070.314</b>
Mortgage Loans <sup>(2)</sup>	12.629	68.712.221	68.724.850
Automotive Loans	4.944	381.950	386.894
Consumer Loans <sup>(2)</sup>	1.004.627	43.953.943	44.958.570
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>1.026</b>	<b>52.123</b>	<b>53.149</b>
Mortgage Loans	-	7.645	7.645
Automotive Loans	-	-	-
Consumer Loans	1.026	44.478	45.504
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>6.895.595</b>	<b>189.130</b>	<b>7.084.725</b>
With Installment	2.202.919	180.543	2.383.462
Without Installment	4.692.676	8.587	4.701.263
<b>Retail Credit Cards-FC</b>	<b>877</b>	-	<b>877</b>
With Installment	-	-	-
Without Installment	877	-	877
<b>Personnel Loans-TL</b>	<b>26.327</b>	<b>423.741</b>	<b>450.068</b>
Mortgage Loans	-	178	178
Automotive Loans	-	-	-
Consumer Loans	26.327	423.563	449.890
Other	-	-	-
<b>Personnel Loans-Indexed to FC</b>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>140.384</b>	<b>6.650</b>	<b>147.034</b>
With Installment	52.268	6.483	58.751
Without Installment	88.116	167	88.283
<b>Personnel Credit Cards-FC</b>	<b>27</b>	-	<b>27</b>
With Installment	-	-	-
Without Installment	27	-	27
<b>Overdraft Accounts-TL (Real Person)</b>	<b>1.606.136</b>	-	<b>1.606.136</b>
<b>Overdraft Accounts-FC (Real Person)</b>	-	-	-
<b>Total <sup>(1)</sup></b>	<b>9.692.572</b>	<b>113.719.758</b>	<b>123.412.330</b>

<sup>(1)</sup> TL 740.425 of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.941.007 are included.

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

<b>Prior Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>1.124.603</b>	<b>106.403.629</b>	<b>107.528.232</b>
Mortgage Loans <sup>(2)</sup>	16.423	64.771.146	64.787.569
Automotive Loans	6.481	384.676	391.157
Consumer Loans <sup>(2)</sup>	1.101.699	41.247.807	42.349.506
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>1.535</b>	<b>48.337</b>	<b>49.872</b>
Mortgage Loans	-	6.989	6.989
Automotive Loans	-	-	-
Consumer Loans	1.535	41.348	42.883
Other	-	-	-
<b>Retail Credit Cards-TL</b>	<b>7.013.410</b>	<b>189.176</b>	<b>7.202.586</b>
With Installment	2.484.024	181.398	2.665.422
Without Installment	4.529.386	7.778	4.537.164
<b>Retail Credit Cards-FC</b>	<b>762</b>	<b>-</b>	<b>762</b>
With Installment	-	-	-
Without Installment	762	-	762
<b>Personnel Loans-TL</b>	<b>21.460</b>	<b>275.212</b>	<b>296.672</b>
Mortgage Loans	-	131	131
Automotive Loans	-	-	-
Consumer Loans	21.460	275.081	296.541
Other	-	-	-
<b>Personnel Loans-Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>148.749</b>	<b>6.658</b>	<b>155.407</b>
With Installment	56.923	6.508	63.431
Without Installment	91.826	150	91.976
<b>Personnel Credit Cards-FC</b>	<b>51</b>	<b>-</b>	<b>51</b>
With Installment	-	-	-
Without Installment	51	-	51
<b>Overdraft Accounts-TL (Real Person)</b>	<b>1.718.010</b>	<b>-</b>	<b>1.718.010</b>
<b>Overdraft Accounts-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total <sup>(1)</sup></b>	<b>10.028.580</b>	<b>106.923.012</b>	<b>116.951.592</b>

<sup>(1)</sup> TL 796.082 of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.908.975 are included.

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

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

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

<b>Current Period</b>	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment Based Commercial Loans-TL</b>	<b>2.304.368</b>	<b>60.022.939</b>	<b>62.327.307</b>
Mortgage Loans	1.327	572.932	574.259
Automotive Loans	50.886	1.264.889	1.315.775
Consumer Loans	2.252.155	58.185.118	60.437.273
Other	-	-	-
<b>Installment Based Commercial Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Based Commercial Loans - FC</b>	<b>20.258</b>	<b>30.199.000</b>	<b>30.219.258</b>
Mortgage Loans	-	43.109	43.109
Automotive Loans	-	2.174	2.174
Consumer Loans	20.258	30.153.717	30.173.975
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>4.472.943</b>	<b>41.388</b>	<b>4.514.331</b>
With Installment	1.724.985	39.516	1.764.501
Without Installment	2.747.958	1.872	2.749.830
<b>Corporate Credit Cards-FC</b>	<b>400</b>	<b>-</b>	<b>400</b>
With Installment	-	-	-
Without Installment	400	-	400
<b>Overdraft Account-TL (Legal Entity)</b>	<b>798.130</b>	<b>-</b>	<b>798.130</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total <sup>(1)</sup></b>	<b>7.596.099</b>	<b>90.263.327</b>	<b>97.859.426</b>

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

<b>Prior Period</b>	<b>Short - Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment Based Commercial Loans-TL</b>	<b>1.785.721</b>	<b>49.899.587</b>	<b>51.685.308</b>
Mortgage Loans	2.253	485.569	487.822
Automotive Loans	57.549	1.130.670	1.188.219
Consumer Loans	1.725.919	48.283.348	50.009.267
Other	-	-	-
<b>Installment Based Commercial Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Based Commercial Loans - FC</b>	<b>27.940</b>	<b>30.747.951</b>	<b>30.775.891</b>
Mortgage Loans	-	40.163	40.163
Automotive Loans	-	2.186	2.186
Consumer Loans	27.940	30.705.602	30.733.542
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>3.959.096</b>	<b>32.154</b>	<b>3.991.250</b>
With Installment	1.494.093	28.798	1.522.891
Without Installment	2.465.003	3.356	2.468.359
<b>Corporate Credit Cards-FC</b>	<b>567</b>	<b>-</b>	<b>567</b>
With Installment	-	-	-
Without Installment	567	-	567
<b>Overdraft Account-TL (Legal Entity)</b>	<b>718.320</b>	<b>-</b>	<b>718.320</b>
<b>Overdraft Account-FC (Legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total <sup>(1)</sup></b>	<b>6.491.644</b>	<b>80.679.692</b>	<b>87.171.336</b>

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



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

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

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

	<b>Current Period</b>	<b>Priod Period</b>
Domestic Loans	443.879.387	413.792.927
Foreign Loans	11.262.540	9.922.017
Interest Income Accruals of Loans	12.788.310	11.577.320
<b>Total</b>	<b>467.930.237</b>	<b>435.292.264</b>

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

	<b>Current Period</b>	<b>Priod Period</b>
Direct loans granted to subsidiaries and associates	1.961.678	2.288.776
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>1.961.678</b>	<b>2.288.776</b>

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

	<b>Current Period</b>	<b>Priod Period</b>
Loans and other receivables with limited collectability	264.274	548.928
Loans and other receivables with doubtful collectability	2.001.678	1.491.663
Uncollectible loans and other receivables	6.583.731	6.223.453
<b>Total</b>	<b>8.849.683</b>	<b>8.264.044</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	67.498	521.633	301.103
Restructured loans	67.498	521.633	301.103
<b>Period Period</b>			
Gross amounts before the provisions	72.597	199.997	259.471
Restructured loans	72.597	199.997	259.471

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

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

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

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

	<b>Group III Loans 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>1.807.761</b>	<b>3.172.929</b>	<b>7.709.797</b>
Additions (+)	711.251	76.809	176.327
Transfers from Other Categories of Non-Performing Loans(+)	-	1.614.214	544.546
Transfers to Other Categories of Loans Non-Performing Loans(-)	1.614.214	544.546	-
Collections (-) <sup>(1)</sup>	192.992	217.166	305.490
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b>	<b>711.806</b>	<b>4.102.240</b>	<b>8.125.180</b>
Provision (-)	264.274	2.001.678	6.583.731
<b>Net Balance on Balance Sheet</b>	<b>447.532</b>	<b>2.100.562</b>	<b>1.541.449</b>

<sup>(1)</sup> Includes transfers to the first and second group loans amounting to TL 75.459

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

	<b>Group III Loans and other receivables with limited collectability</b>	<b>Group IV Loans and other receivables with doubtful collectability</b>	<b>Group V Uncollectible loans and other receivables</b>
<b>Current Period:</b>			
<b>Period Ending Balance</b>	<b>1.132</b>	<b>715</b>	<b>29.405</b>
Provision Provided for Expected Credit Losses (-)	400	391	27.746
<b>Net Balance on Balance Sheet</b>	<b>732</b>	<b>324</b>	<b>1.659</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>655</b>	<b>698</b>	<b>28.293</b>
Provision Provided for Expected Credit Losses (-)	187	426	26.653
<b>Net Balance on Balance Sheet</b>	<b>468</b>	<b>272</b>	<b>1.640</b>

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

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

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other 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>447.532</b>	<b>2.100.562</b>	<b>1.541.449</b>
Loans to Real Persons and Legal Entities (Gross)	711.806	4.102.240	7.978.930
Provisions (-)	264.274	2.001.678	6.437.481
Loans to Real Persons and Legal Entities (Net)	447.532	2.100.562	1.541.449
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	146.250
Provisions (-)	-	-	146.250
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>1.258.833</b>	<b>1.681.266</b>	<b>1.486.344</b>
Loans to Real Persons and Legal Entities (Gross)	1.807.761	3.172.929	7.563.830
Provisions (-)	548.928	1.491.663	6.077.486
Loans to Real Persons and Legal Entities (Net)	1.258.833	1.681.266	1.486.344
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	145.967
Provisions (-)	-	-	145.967
Other Loans and Receivables (Net)	-	-	-

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

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other 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>24.356</b>	<b>144.166</b>	<b>60.207</b>
Interest Accruals and Valuation Differences	44.231	338.015	282.516
Provisions (-)	19.875	193.849	222.309
<b>Prior Period (Net)</b>	<b>103.300</b>	<b>139.371</b>	<b>54.580</b>
Interest Accruals and Valuation Differences	150.292	271.159	203.749
Provisions (-)	46.992	131.788	149.169

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

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

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	2.165.091	1.992.099	1.989.088	2.104.824
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.165.091</b>	<b>1.992.099</b>	<b>1.989.088</b>	<b>2.104.824</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	2.030.875	11.419.213	2.021.297	10.404.413
Other	-	-	-	-
<b>Total</b>	<b>2.030.875</b>	<b>11.419.213</b>	<b>2.021.297</b>	<b>10.404.413</b>

**8.2. Information on Government Debt Securities**

	Current Period	Prior Period
Government Bonds	18.711.917	17.427.402
Treasury Bills	-	-
Other Public Sector Debt Securities	37.630	36.073
<b>Total</b>	<b>18.749.547</b>	<b>17.463.475</b>

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

	Current Period	Prior Period
Debt securities	18.837.712	17.550.083
Listed in a Stock Exchange	18.749.547	17.463.475
Not Listed in a Stock Exchange	88.165	86.608
Provision for Impairment (-)	-	-
<b>Total</b>	<b>18.837.712</b>	<b>17.550.083</b>

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

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

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

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>17.550.083</b>	<b>10.254.639</b>
Foreign Currency Differences on Monetary Assets	1.148.866	562.552
Purchases During the Year <sup>(1)</sup>	148.712	10.608.138
Disposals through Sales and Redemptions	(9.949)	(3.875.246)
Provision for Impairment (-)	-	-
<b>Period End Balance</b>	<b>18.837.712</b>	<b>17.550.083</b>

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

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

**9.1. Information about Investment in Associates**

	Description	Address (City/ Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Bankalararası Kart Merkezi A.Ş.	İstanbul / Turkey	12,50	17,98
2	Kredi Kayıt Bürosu A.Ş.	İstanbul / Turkey	10,00	9,09
3	Arap Türk Bankası A.Ş.	İstanbul / Turkey	22,20	15,43
4	Platform Ortak Karlı Sistemler A.Ş.	İstanbul / Turkey	26,67	26,67
5	Bileşim Alternatif Dağıtım Kan. A.Ş.	İstanbul / Turkey	33,34	33,34

	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	147.650	100.983	77.383	1.439	-	8.775	8.943	-
2	315.839	183.791	196.679	941	-	11.540	12.147	-
3	5.748.151	1.058.879	141.354	43.169	9.122	18.249	50.665	-
4	5.250	5.250	-	-	-	-	-	-
5	71.454	45.047	19.072	666	-	543	4.342	-

<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 information of associates has been provided from unaudited financial statements as of 31 March 2020. Prior period profit/loss information of associates has been provided from audited financial statements as of 31 March 2019.

<sup>(3)</sup> Total fixed assets include tangible and intangible assets.

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

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

**9.2. Movement Schedule of Investments in Associates (Net)**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Prior Period End Balance</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	-	-
Period Ending Share of Capital Participation (%)	-	-

**9.3. Sectoral Information and Related Amounts of Financial Associates**

	<b>Current Period</b>	<b>Prior Period</b>
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 2019: None).

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

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

**10.1. Information on Subsidiaries**

Investments related to subsidiaries and joint ventures operating abroad in foreign currency are followed by their fair values. For these subsidiaries, fair value is determined by valuation reports, TL equivalents of investments related to subsidiaries are fixed as of revaluation date and revaluation differences added to subsidiaries’ values are recognized in “Marketable Securities Revaluation Fund” under shareholders’ 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	100,00	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Turkey	100,00	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	100,00	100,00
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.	İstanbul / Turkey	66,66	85,00
8	Ziraat Bank International A.G.	Frankfurt / Germany	100,00	100,00
9	Ziraat Bank BH d.d.	Sarajevo / Bosnia Herzegovina	100,00	100,00
10	Ziraat Bank (Moscow) JSC	Moscow / Russia	100,00	100,00
11	Kazakhstan Ziraat Int. Bank	Almaty / Kazakhstan	100,00	99,58
12	Ziraat Bank Azerbaycan ASC	Baku / Azerbaijan	100,00	100,00
13	Ziraat Bank Montenegro AD	Podgorica / Montenegro	100,00	100,00
14	JSC Ziraat Bank Georgia	Tbilisi / Georgia	100,00	100,00
15	Ziraat Bank Uzbekistan JSC	Tashkent / Uzbekistan	100,00	100,00

	Total Assets	Shareholders’ Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit / Loss	Prior Period Profit /Loss	Fair Value	Shareholder’s equity amount needed
1	402.065	239.598	3.862	11.267	-	44.509	21.618	-	-
2	130.199	117.244	34.297	2.068	-	15.222	7.425	-	-
3	36.392.174	3.166.828	278.238	3.348.724	245.733	516.735	325.233	-	-
4	2.752.137	1.828.611	1.995.871	914	-	18.111	9.424	-	-
5	878.972	877.397	1.429	9.955	-	8.507	35.476	-	-
6	81.786	22.239	2.918	299	-	6.367	(549)	-	-
7	682.838	75.957	344.735	167	-	(20.083)	(51)	-	-
8	8.518.488	1.807.688	24.221	70.787	-	34.523	43.140	1.622.971	-
9	3.709.196	238.155	143.606	25.342	-	5.279	1.698	467.860	-
10	711.941	266.035	11.014	18.954	169	8.956	5.728	269.215	-
11	1.360.945	447.844	24.370	28.953	-	14.942	7.559	407.842	-
12	963.393	278.948	75.217	14.429	451	7.440	2.730	196.898	-
13	575.529	120.497	9.224	5.857	327	1.067	(109)	99.227	-
14	244.034	108.530	13.304	3.005	782	(2.301)	1.666	107.737	-
15	531.843	196.084	14.964	12.484	-	7.673	5.237	144.665	-

(1) The subsidiaries other than the ones presented with fair value are carried at cost less impairment, if any. For the subsidiaries having fair value, fair value shows the portion belonging to Ziraat Bank.

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

(3) Information on Ziraat Katılım Bankası A.Ş. has been provided from audited financial statements as of 31 December 2019, the prior period profit/loss balances have been provided from audited financial statements as of 31 December 2018. Information on other subsidiaries shown in the table above has been provided from unaudited financial statements as of 31 March 2020, the prior period profit/loss balances have been provided from audited financial statements as of 31 March 2019.

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>7.335.025</b>	<b>7.394.408</b>
<b>Movements During the Period</b>	<b>170.360</b>	<b>(59.383)</b>
Additions to Scope of Consolidation	-	-
Purchases <sup>(1)</sup>	-	106.806
Bonus Shares Obtained	-	2.065
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase <sup>(2)</sup>	170.360	325.990
Impairment Provision (-)	-	364.273
Transfer (-)	-	129.971
<b>Balance at the End of the Period</b>	<b>7.505.385</b>	<b>7.335.025</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

<sup>(1)</sup> Paid Capital Increases are classified under “Purchases” account.

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Banks	5.349.255	5.178.895
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	2.156.130	2.156.130

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

None (31 December 2019: None).

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

<b>Entities under Common Control (Joint Ventures) <sup>(1)</sup></b>	<b>Parent Bank’s Share (%)</b>	<b>Group’s Share (%)</b>	<b>Current Assets</b>	<b>Non-Current Assets</b>	<b>Long Term Liabilities</b>	<b>Income</b>	<b>Expense</b>
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	6.307.500	16.509	6.802	31.882	15.054

<sup>(1)</sup> Information on entity under joint control is provided from the unaudited financial statements as of 31 March 2020.

Entities under common control domiciled and operating abroad are followed by their fair values. For these entities under common control, fair value is determined by independent valuation firm’s report and revaluation differences are accounted as the value of entities under common control and under shareholders’ equity.

**12. Information on Lease Receivables**

The Bank has no financial lease receivables.



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

**13. Information on the Hedging Derivative Financial Assets**

The Bank has no hedging derivative financial assets.

**14. Information on the Investment Properties**

None

**15. Information on non-currents assets or disposal groups "held for sale" and "from discontinued operations"**

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

The Bank’s immovables acquired amount to TL 6.103.161 (31 December 2019: TL 4.649.359) consisting of TL 16.539 (31 December 2019: TL 18.767) due to consumer loans, TL 5.929.844 (31 December 2019: TL 4.479.822) on its commercial loans and TL 156.778 (31 December 2019: TL 150.770) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1.558 (31 December 2019: TL 2.390)

Representing 99,97% of capital of Ziraat Sigorta A.Ş. and Ziraat Hayat Emeklilik, one of the subsidiaries of the Bank- by a company to be established by Turkey Wealth Funds. After obtaining the necessary permissions and completing share transfers, the general assembly reductions of the companies in question will be taken and legal procedures will be completed. In this context, as of the balance sheet date, these companies are classified as “Assets Held for Sale and Discontinued Operations.” As stated in the fifth section, VI, “Explanations and Footnotes Regarding Post-Balance Sheet Matters”, the mentioned transfers were completed on April 22, 2020.

**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	5.391.246	685.790	1.259.272	139.260	257.561	-	7.733.129
Accumulated Depreciation (-)	993.926	96.236	877.862	45.632	237.397	-	2.251.053
Impairment (-)	3.429	-	-	-	-	-	3.429
<b>Net Book Value</b>	<b>4.393.891</b>	<b>589.554</b>	<b>381.410</b>	<b>93.628</b>	<b>20.164</b>	-	<b>5.478.647</b>
<b>Current Period End</b>							
Net Book Value at the Beginning of the Period	4.393.891	589.554	381.410	93.628	20.164	-	5.478.647
Change During the Period (Net)	(87.296)	32.846	710	56.164	(2.593)	-	(169)
- Cost	(95.964)	44.991	30.884	62.452	964	-	43.327
- Depreciation – net (-)	(10.550)	12.145	30.174	6.288	3.557	-	41.614
- Impairment (-)	1.882	-	-	-	-	-	1.882
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	5.295.282	730.781	1.290.156	201.712	258.525	-	7.776.456
Accumulated Depreciation at Period End (-)	983.376	108.381	908.036	51.920	240.954	-	2.292.667
Impairment (-)	5.311	-	-	-	-	-	5.311
<b>Closing Net Book Value</b>	<b>4.306.595</b>	<b>622.400</b>	<b>382.120</b>	<b>149.792</b>	<b>17.571</b>	-	<b>5.478.478</b>

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

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

None.

**18. Pledges, mortgages and other restrictions on the tangible 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	370	512
Banks and Money Markets	376	322
Financial Assets Measured at Amortized Cost	2.543	2.369
Other	71.740	25.755
<b>Total</b>	<b>75.029</b>	<b>28.958</b>

**20. Information on Other Assets**

As of 31 March 2020, 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**

**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	42.865.907	-	5.237.804	69.247.072	24.126.627	2.391.734	8.323.878	211.298	152.404.320
Foreign Currency Deposits	55.010.677	-	13.855.763	68.583.598	12.600.998	9.274.564	27.557.875	6.990	186.890.465
Residents in Turkey	45.266.052	-	12.330.301	57.646.105	7.891.867	3.619.094	9.152.122	5.483	135.911.024
Residents Abroad	9.744.625	-	1.525.462	10.937.493	4.709.131	5.655.470	18.405.753	1.507	50.979.441
Public Sector Deposits	10.787.601	-	10.858.484	6.184.081	790.206	1.727.786	4.304	-	30.352.462
Commercial Inst. Deposits	12.123.196	-	20.730.977	13.026.885	566.131	2.578.805	528.003	-	49.553.997
Other Inst. Deposits	1.904.139	-	2.820.508	6.306.332	3.255.150	1.283.592	233.211	-	15.802.932
Precious Metals	17.666.049	-	262.168	2.630.101	295.490	246.695	176.611	-	21.277.114
Interbank Deposits	4.515.537	-	18.482.684	6.545.575	2.774.025	1.369.096	84.725	-	33.771.642
CBRT	2.869	-	-	-	-	-	-	-	2.869
Domestic Banks	218.795	-	18.197.757	88.897	63.672	2.081	-	-	18.571.202
Foreign Banks	2.922.076	-	284.927	5.723.586	2.401.683	981.177	84.725	-	12.398.174
Participation Banks	1.371.797	-	-	733.092	308.670	385.838	-	-	2.799.397
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>144.873.106</b>	<b>-</b>	<b>72.248.388</b>	<b>172.523.644</b>	<b>44.408.627</b>	<b>18.872.272</b>	<b>36.908.607</b>	<b>218.288</b>	<b>490.052.932</b>

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

**1. Information on Deposits**

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	35.581.357	-	4.237.081	67.768.913	24.683.146	2.501.760	8.212.210	209.613	143.194.080
Foreign Currency Deposits	48.613.677	-	17.732.279	61.492.670	11.496.435	8.125.155	26.667.206	6.056	174.133.478
Residents in Turkey	39.834.641	-	16.446.344	50.992.758	7.259.895	3.793.055	8.458.349	4.746	126.789.788
Residents Abroad	8.779.036	-	1.285.935	10.499.912	4.236.540	4.332.100	18.208.857	1.310	47.343.690
Public Sector Deposits	10.390.666	-	5.285.909	5.948.535	676.310	1.721.733	5.126	-	24.028.279
Commercial Inst. Deposits	10.681.697	-	15.446.366	14.937.802	583.115	2.627.321	501.315	-	44.777.616
Other Inst. Deposits	2.103.727	-	2.174.807	5.835.250	3.120.939	433.837	348.999	-	14.017.559
Precious Metals	13.116.231	-	150.419	1.867.099	212.200	143.416	130.731	-	15.620.096
Interbank Deposits	3.528.208	-	17.879.257	5.028.707	3.841.992	675.331	526.370	-	31.479.865
CBRT	1.412	-	-	-	-	-	-	-	1.412
Domestic Banks	243.636	-	17.537.397	250.727	120.458	2.130	-	-	18.154.348
Foreign Banks	2.311.746	-	341.860	4.132.691	3.449.833	673.201	526.370	-	11.435.701
Participation Banks	971.414	-	-	645.289	271.701	-	-	-	1.888.404
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>124.015.563</b>	<b>-</b>	<b>62.906.118</b>	<b>162.878.976</b>	<b>44.614.137</b>	<b>16.228.553</b>	<b>36.391.957</b>	<b>215.669</b>	<b>447.250.973</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**

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits <sup>(1)</sup>	104.115.608	97.647.381	48.118.634	45.079.450
Foreign Currency Saving Deposits <sup>(1)</sup>	64.587.184	60.512.530	87.175.767	75.967.350
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(2)</sup>	1.538.048	1.381.203	263.140	263.633
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 258.268 and TL 15.277 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2019: TL 227.092 and TL 16.176).

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL 535 (31 December 2019: TL 536) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 1.606.432 (31 December 2019: TL 1.553.917) 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.

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

**1. Information on Deposits**

**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	56.953	39.051
Deposits of Ultimate Shareholders and Their Close Family Members	-	-
Deposits of Chairman and Members of the Board of Directors, CEO, Executive Vice Presidents and Their Close Family Members	24.546	20.948
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. Information on Trading Derivative Financial Liabilities**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	199.823	47.322	128.419	20.630
Swap Transactions	223.573	3.227.381	408.117	1.101.684
Futures Transactions	-	-	-	-
Options	-	-	-	8
Other	-	-	-	-
<b>Total</b>	<b>423.396</b>	<b>3.274.703</b>	<b>536.536</b>	<b>1.122.322</b>

**3. Information on Borrowings**

**3.1. 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	1.821.103	3.730.161	4.088.885	3.576.251
Foreign Banks, Institutions and Funds	375.108	27.355.658	373.530	26.489.824
<b>Total</b>	<b>2.196.211</b>	<b>31.085.819</b>	<b>4.462.415</b>	<b>30.066.075</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	1.820.330	1.318.539	4.088.115	1.682.486
Medium and Long-Term	375.881	29.767.280	374.300	28.383.589
<b>Total</b>	<b>2.196.211</b>	<b>31.085.819</b>	<b>4.462.415</b>	<b>30.066.075</b>

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**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**

70,47% 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 Funds Supplied from Repurchase Agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>28.221.156</b>	<b>-</b>	<b>28.801.883</b>	<b>-</b>
Financial Institutions and Organizations	28.121.037	-	28.179.581	-
Other Institutions and Organizations	92.580	-	615.654	-
Real Person	7.539	-	6.648	-
<b>From Overseas Operations</b>	<b>-</b>	<b>21.461.425</b>	<b>-</b>	<b>20.473.527</b>
Financial Institutions and Organizations	-	21.461.425	-	20.473.527
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>28.221.156</b>	<b>21.461.425</b>	<b>28.801.883</b>	<b>20.473.527</b>

**5. Information on Securities Issued (Net)**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2.571.105	291.352	2.268.570	279.678
Asset-Backed Securities	-	-	-	-
Treasury Bills	1.010.690	10.562.636	1.010.690	9.547.088
<b>Total</b>	<b>3.581.795</b>	<b>10.853.988</b>	<b>3.279.260</b>	<b>9.826.766</b>

**6. Information on Other Foreign Liabilities**

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	27.665	17.375	23.822	12.856
Between 1-4 Years	576.439	325.706	521.476	270.506
More than 4 Years	702.306	387.341	646.786	338.398
<b>Total</b>	<b>1.306.410</b>	<b>730.422</b>	<b>1.192.084</b>	<b>621.760</b>

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**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 2019: 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 31 March 2020, unpaid vacation liability amounted to TL 316.640 and employment termination amounted to TL 1.111.690 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2019: unpaid vacation liability amounted to TL 265.511, and employment termination amounted to TL 1.038.524 are presented under the “Employee Benefits Provision” in the financial statements).

**9.3. Information on Other Provisions**

These financial statements include a free provision amounting to TL 1.740.000 which consist of TL 830.000 provided in prior periods and TL 910.000 recognized in the current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 37.000 and other provision of TL 157 exist for cash transfers made by Bank officials. The Bank has provided provision amounting to TL 1.141.969 for possible losses arising from the off-balance sheet items. (31 December 2019: These financial statements include a free provision amounting to TL 830.000 which consist of TL 952.000 provided in prior periods and TL 122.000 reversed in the current period by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 37.000 and other provision of TL 217 exist for cash transfers made by Bank officials. The Bank has provided provision amounting to TL 1.086.387 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 110.383 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 44.700 but not yet finalized (31 December 2019: For the lawsuits filed against the Bank amounting to TL 110.166, a provision of TL 42.600 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

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**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 31 March 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 503.824 (As of 31 December 2019, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 939.810).

**10.1.2. Information on Current Taxes Payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	503.824	939.810
Taxation on Income From Securities	318.128	340.458
Property Tax	3.275	3.059
Banking Insurance Transactions Tax (BITT)	195.809	250.846
Foreign Exchange Transactions Tax	13.799	7.251
Value Added Tax Payable	21.448	11.164
Other	136.099	127.132
<b>Total</b>	<b>1.192.382</b>	<b>1.679.720</b>

**10.1.3. Information on Premium Payables**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums – Employee	52	48
Social Security Premiums – Employer	71	65
Bank Social Aid Pension Fund Premium - Employee	33	15.201
Bank Social Aid Pension Fund Premium - Employer	88	22.271
Pension Fund Membership Fees and Provisions - Employee	1	1
Pension Fund Membership Fees and Provisions - Employer	2	1
Unemployment Insurance - Employee	1.241	1.093
Unemployment Insurance - Employer	2.483	2.187
Other	-	-
<b>Total</b>	<b>3.971</b>	<b>40.867</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 liabilities related to non-current assets “held for sale” and “held from discontinued operations”.

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

**12. Explanations on Subordinated Loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	10.501.276	-	9.565.957
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	10.501.276	-	9.565.957
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10.501.276</b>	<b>-</b>	<b>9.565.957</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	6.100.000	6.100.000
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.



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

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

**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 Subsidiaries, Associates and Entities under Common Control	30.038	(151.795)	34.241	(172.810)
Valuation Difference	1.489.860	(6.167.845)	807.677	(1.165.565)
Foreign Exchange Difference	2.008.638	-	2.008.638	-
<b>Total</b>	<b>3.528.536</b>	<b>(6.319.640)</b>	<b>2.850.556</b>	<b>(1.338.375)</b>

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

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

**1.1. Type and Amount Of Irrevocable Commitments**

	Current Period	Prior Period
Asset Purchase Commitments	19.095.866	13.596.736
Subsidiaries and Associates Capital Contribution Commitments	6.450	7.500
Loan Granting Commitments	13.000.211	11.845.018
Payment Commitments for Cheque Payments	4.136.419	3.695.596
Commitments for Credit Card Expenditure Limits	25.306.362	24.220.013
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	41.441	36.161
Other Irrevocable Commitments	14.828.243	13.794.074
<b>Total</b>	<b>76.414.992</b>	<b>67.195.098</b>

**1.2. Type and Amount of Probable Losses and Obligations Arising from Off-Balance Sheet Items**

The Bank has provided provision amounting to TL 1.141.969 for possible losses arising from the off-balance sheet items in the current period. (31 December 2019: TL 1.086.387).

**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	98.150.887	91.260.564
Letters of Credit	20.881.990	19.392.291
Bank Acceptances	8.573.388	8.202.251
Endorsements	1.228.387	969.507
<b>Total</b>	<b>128.834.652</b>	<b>119.824.613</b>

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

**1.2. Type and Amount of Probable Losses and Obligations Arising from Off-Balance Sheet Items  
(Continued)**

**1.2.2. Revocable, Irrevocable Guarantees and Other Similar Commitments and Contingencies**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Certain Guarantees	74.354.387	67.879.220
Letters of Advance Guarantees	16.697.318	15.303.379
Letters of Temporary Guarantees	2.686.457	2.456.525
Letters of Guarantees Given to Customs Offices	1.634.926	1.552.648
Other Letters of Guarantees	2.777.799	4.068.792
<b>Total</b>	<b>98.150.887</b>	<b>91.260.564</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>172.492</b>	<b>441.107</b>
With Original Maturity of One Year or Less	-	-
With Original Maturity of More than One Year	172.492	441.107
<b>Other Non-Cash Loans</b>	<b>128.662.160</b>	<b>119.383.506</b>
<b>Total</b>	<b>128.834.652</b>	<b>119.824.613</b>

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

**1. Information on Interest Income**

**1.1. Information on Interest Income on 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>10.546.546</b>	<b>1.996.731</b>	<b>10.178.422</b>	<b>2.019.715</b>
Short Term Loans	2.316.310	131.046	3.239.321	208.606
Medium and Long Term Loans	7.966.580	1.865.682	6.768.730	1.811.103
Interest on Under Follow-up Loans	263.656	3	170.371	6
Premiums from Resource Utilization Support Fund	-	-	-	-

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

**1.2. Information on Interest Received 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	-	-	33.736	-
Domestic Banks	1.940	14	40.314	12
Foreign Banks	8.636	7.874	7.549	9.022
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>10.576</b>	<b>7.888</b>	<b>81.599</b>	<b>9.034</b>

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**IV. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF PROFIT OR LOSS (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	17.680	278	1.186	1.233
Financial Assets at Fair Value Through Other Comprehensive Income	2.420.883	577.909	2.384.245	376.987
Financial Assets Measured at Amortized Cost	151.777	186.643	246.182	88.447
<b>Total</b>	<b>2.590.340</b>	<b>764.830</b>	<b>2.631.613</b>	<b>466.667</b>

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

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	30.656	44.837

**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>	91.272	264.669	71.763	294.813
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	80.845	45.351	48.493	47.074
Foreign Banks	10.427	219.318	23.270	247.739
Foreign Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>91.272</b>	<b>264.669</b>	<b>71.763</b>	<b>294.813</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	48.974	92.386

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Given on Securities Issued	106.647	262.602	122.593	159.895

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

**2. Information on Interest Expense (Continued)**

**2.4 Maturity Structure of the Interest Expense on Deposits**

Current Period	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	-	388.825	1.389	-	81	-	-	390.295
Saving Deposit	-	100.892	1.643.159	705.321	67.642	302.212	6.415	2.825.641
Public Sector Deposit	205	200.284	109.216	15.449	89.035	108	-	414.297
Commercial Deposit	20	311.348	321.424	15.274	135.991	15.792	-	799.849
Other Deposit	-	43.566	117.869	57.579	28.727	8.666	-	256.407
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>225</b>	<b>1.044.915</b>	<b>2.193.057</b>	<b>793.623</b>	<b>321.476</b>	<b>326.778</b>	<b>6.415</b>	<b>4.686.489</b>
FC								
Foreign Currency Deposit	119	29.425	153.059	20.557	29.060	69.051	3	301.274
Bank Deposit	3	3.997	5.197	2.121	1.386	772	-	13.476
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	233	2.618	306	429	309	-	3.895
<b>Total</b>	<b>122</b>	<b>33.655</b>	<b>160.874</b>	<b>22.984</b>	<b>30.875</b>	<b>70.132</b>	<b>3</b>	<b>318.645</b>
<b>Grand Total</b>	<b>347</b>	<b>1.078.570</b>	<b>2.353.931</b>	<b>816.607</b>	<b>352.351</b>	<b>396.910</b>	<b>6.418</b>	<b>5.005.134</b>

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

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

**2. Information on Interest Expense (Continued)**

**2.4 Maturity Structure of the Interest Expense on Deposits (Continued)**

Prior Period	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	-	694.515	-	-	129	125	-	694.769
Saving Deposit	-	91.913	3.243.215	347.771	144.833	165.935	1.622	3.995.289
Public Sector Deposit	241	185.410	194.987	37.797	101.770	114	-	520.319
Commercial Deposit	91	303.650	445.079	26.310	160.742	7.377	-	943.249
Other Deposit	10	48.230	168.173	135.140	48.163	22.081	-	421.797
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>342</b>	<b>1.323.718</b>	<b>4.051.454</b>	<b>547.018</b>	<b>455.637</b>	<b>195.632</b>	<b>1.622</b>	<b>6.575.423</b>
FC								
Foreign Currency Deposit	302	72.186	311.582	38.101	33.400	108.503	-	564.074
Bank Deposit	4	46.475	4.323	1.788	2.610	2.231	-	57.431
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	84	1.894	208	107	144	-	2.437
<b>Total</b>	<b>306</b>	<b>118.745</b>	<b>317.799</b>	<b>40.097</b>	<b>36.117</b>	<b>110.878</b>	<b>-</b>	<b>623.942</b>
<b>Grand Total</b>	<b>648</b>	<b>1.442.463</b>	<b>4.369.253</b>	<b>587.115</b>	<b>491.754</b>	<b>306.510</b>	<b>1.622</b>	<b>7.199.365</b>

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

	Current Period	Prior Period
<b>Profit</b>	<b>34.967.450</b>	<b>21.004.677</b>
Profit from the Capital Market Transactions	904.992	5.350
Profit on Derivative Financial Instruments	2.995.970	1.530.829
Foreign Exchange Profits	31.066.488	19.468.498
<b>Loss (-)</b>	<b>37.126.570</b>	<b>22.424.593</b>
Loss from the Capital Market Transactions	2.894	4.215
Loss on Derivative Financial Instruments	4.492.905	3.121.731
Foreign Exchange Loss	32.630.771	19.298.647

**4. Explanation on Other Operating Income**

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 504.434 and income from sales of assets amounting to TL 52.710 (31 March 2019: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 308.982 and income from sales of assets amounting to TL 18.590).

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

**5. Expected Loss Provision Expenses and Other Provision Loss**

	<b>Current Period</b>	<b>Prior Period</b>
Expected Credit Loss Provisions	1.728.165	974.925
12 month expected credit loss (stage 1)	149.970	51.669
Significant increase in credit risk (stage 2)	362.116	244.517
Non-Performing loans (stage 3)	1.216.079	678.739
Marketable Securities Impairment Expense	2.413	540
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	2.413	540
Subsidiaries, Associates and Joint Ventures Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other <sup>(*)</sup>	913.299	197.387
<b>Total</b>	<b>2.643.877</b>	<b>1.172.852</b>

(\*) Includes 910.000 TL free provision expense allocated in the current period (31 March 2019: None) (Note II.9.3 of Section Fifth)

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

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Termination Benefits	74.347	47.961
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	94.729	88.208
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	21.638	18.713
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	900.793	649.596
Leasing Expenses Related to TFRS 16 Exceptions	20.504	43.058
Maintenance Expenses	29.767	21.989
Advertisement Expenses	50.107	41.053
Other Expenses	800.415	543.496
Loss on Sales of Assets	828	38
Other <sup>(1)</sup>	963.478	740.879
<b>Total</b>	<b>2.055.813</b>	<b>1.545.395</b>

<sup>(1)</sup> TL 288.720 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 237.411 consists of taxes, duties and charges expense (31 March 2019: TL 219.679 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 191.574 consists of taxes, duties and charges expense).

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

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

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

	<b>Current Period</b>	<b>Prior Period</b>
Net Interest Income	8.882.311	4.921.886
Net Fees and Commissions Income	858.714	821.604
Other Operating Income	721.836	447.728
Dividend Income	1.071	7.310
Trading Profit/Loss (Net)	(2.159.120)	(1.419.916)
Personnel Expenses (-)	973.153	832.854
Expected Credit Loss (-)	1.728.165	974.925
Other Provision Expenses (-)	915.712	197.927
Other Operating Expenses (-)	2.055.813	1.349.607
<b>Profit / (Loss) From Continuing Operations</b>	<b>2.631.969</b>	<b>1.423.299</b>

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

As of 31 March 2020, TL 760.518 of the Bank’s total tax provision expense amounting to TL 482.850 consists of current tax expense while remaining balances amounting to TL 277.668 consists of deferred tax expense. (As of 31 March 2019, TL 321.478 of the Bank’s total tax provision expense amounting to TL 496.757 consists of current tax expense while remaining balances amounting to TL 175.279 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 1.871.451 (31 March 2019: TL 1.101.821).

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

**10.1. Nature, Amount and Frequency of Income and Expenses Arising from Ordinary Banking Activities, if Required for the Understanding the Performance of the Bank in The Current Period**

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

**10.2. The Effect of the Change in Accounting Estimates to the Net Profit/Loss; Including the Effects to the Future Period, if any**

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period

**11. If Other Items in the Profit or Loss Statement Exceed 10% of the Profit or Loss Statement Total, Sub-Accounts Constituting At Least 20% of These Items are Shown Below**

The “Other” statement under the “Fees and Commission Income” in the Profit or Loss Statement mainly consists of commissions received from credit card and fees and commissions received from banking transactions.

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**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**

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						
Opening Balance	2.288.776	3.494.736	-	-	-	-
Closing Balance	1.961.678	3.545.274	-	-	-	-
Interest and Commissions Income	30.656	10.340	-	-	-	-

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	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Opening Balance	2.535.527	5.669.093	-	-	-	-
Closing Balance	2.288.776	3.494.736	-	-	-	-
Interest and Commissions Income	44.837	377	-	-	-	-

(1) Interest and Commission Income received prior period balance shows the amount as of 31 March 2019.

**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						
Opening Balance	3.721.383	2.711.172	-	-	-	-
Closing Balance	4.463.730	3.721.383	-	-	-	-
Interest Expense on Deposits (1)	48.974	92.386	-	-	-	-

(1) Interest Expense on Deposits prior period balance shows the amount as of 31 March 2019.

**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						
Opening Balance	1.161.358	1.209.831	-	-	-	-
Closing Balance	788.561	1.161.358	-	-	-	-
Total Profit/Loss (1)	(23.522)	(37.347)	-	-	-	-
Risk Protection Oriented Processes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(1) Interest and Commission Income received prior balance shows the amount as of 31 March 2019.



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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL  
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**V. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE BANK BELONGS  
TO (Continued)**

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

Fees paid to the Bank’s key management amount to TL 3.075 (31 March 2019: TL 2.523).

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

For the purpose of transfer of shares belonging to the Bank representing 99.97% of the capital of Ziraat Sigorta A.Ş. and shares representing 99.97% of the capital of Ziraat Hayat ve Emeklilik A.Ş., TVF Financial Investments A.Ş. and seller As of April 22, 2020, a share transfer agreement was signed between the Bank, Ziraat Katılım Bank A.Ş., Ziraat Teknoloji A.Ş. and Ziraat Yatırım Menkul Değerler A.Ş. and the share transfers were completed as of the same date.

Accordingly, the price to be paid to the Bank for the shares of Ziraat Sigorta A.Ş. is determined as TL 18,63 (in TL full) per share, and the total sales price is TL 931.220.550,00 (in TL full). The sale price was paid in full by a special government debt securities. The price to be paid to the Bank for the shares of Ziraat Hayat ve Emeklilik A.Ş. is determined as 23,00 TL (in TL full) per share and the total sales price is TL 1.839.448.000,00 (in TL full). The sale price was paid in full by a special government debt securities. These transactions result in Turkey Wealth Fund Financial Investments, Ziraat Sigorta A.Ş.’ share in the capital of 100% and Ziraat Hayat ve Emeklilik A.Ş.’ share in the capital has risen to 100%.

The Bank’s capital has been decided to increase by TL 7.000.000 to TL 13.100.000, all of which will be paid in cash by Turkey Wealth Fund, and the process for this capital increase in progress.

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**SECTION SIX  
EXPLANATIONS ON AUDITOR’S REVIEW REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT**

As of 31 March 2020, 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 Auditors’ Report dated 15 May 2020 is presented preceding the financial statements.

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

None.

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**SECTION SEVEN**

**EXPLANATION ON INTERIM ACTIVITY REPORT**

**I. Assessment of Chairman**

The first quarter of 2020 began with positive expectations, however was ended up as a period in which uncertainties and global recession concerns caused by the coronavirus epidemic increased. Global central banks and governments have implemented monetary and fiscal policies by taking fast, effective and coordinated action to minimize the negative effects of the epidemic. The leading global central banks supported their economies in this process with interest rate cuts, unlimited bond purchases and swap regulations. Within this scope, financial authorities have implemented expansionary policies to mitigate the reflection of the epidemic on the labor market and the real sector.

It was observed that the severity of the coronavirus epidemic increased and the national healthcare systems of the countries that became the center of the epidemic gave serious examination. After the outbreak emerged in China in December, Turkey has taken that quick decisions and strict measures to fight the coronavirus to prevent the spread of the epidemic from the first moment and has been one of the model country who successfully managing the process. It was observed that Spain, Italy and the USA had significant weaknesses in the healthcare system.

Turkey has made a positive start to 2020 with gains made on inflation and the current account balance in 2019. Turkey presents a strong view of the economy in January and February, momentum of the economy began weakening due to the outbreak since mid-March. The government, CBRT, BRSA and other public institutions and organizations have taken steps to support the financial system, the real sector and employment in order to limit the reflection of the epidemic on the economy. As the downside risks in inflation became evident, the CBRT cut interest rates of 200 basis points in total in March and April to support economic activity. As a result of the contribution of contractionary fiscal policies in the previous periods, the movement area on the budget side has also been used in a measured manner.

After a strong growth in the first quarter, economic activity is expected to decline significantly in the second quarter. Since second half of the year normalization of life in a gradually manner expected to be seen due to Turkey's dynamic structure, the measures taken and implemented incentives rapid recovery trend. Although a decline in tourism and export revenues is expected, oil prices, which have historically decreased, are considered to have a positive effect on inflation and current account balance.

In 2020, the banking sector started with a faster loan increase compared to last year. The first quarter, FX loans decreased, excluding the exchange rate effect. TL loans, which grew by 5% in the first quarter of last year, grew by more than 9% in the first quarter of this year. Although mostly public banks are predominant, it has been a positive development for private banks to contribute more to TL loan growth compared to previous years. The end of the quarter, as the impact of the epidemic developments began to be felt more, a high acceleration was achieved in loans in April, and this acceleration was originated from public banks.

As in previous years, Ziraat Bank continues its activities with the aim of transferring the resources it provides to areas that will contribute the most to the national economy. In the first quarter, while financing needs were afforded with favorable conditions with the loan products designed for the real sector and especially for SMEs, As the impact of the epidemic began to be felt more in the economy, financing support was significantly increased for the stability of our economy, with lower interest rates with long maturities to overcome the problems of the real sector and individuals. As the leading bank and moral bank of our country, a high amount of support has been provided with new products and such as postponing credit payments, configuration and limit increases. In this extraordinary period that we are going through, Ziraat Bank continues to be a solution to the problems, to support the economy to function effectively, to work actively and effectively as one of the most important assets of our country.

**Dr. Ahmet GENÇ**  
**Chairman of the board**

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**EXPLANATION ON INTERIM ACTIVITY REPORT**

**II. Assessment of General Manager**

The banking sector made a very positive start to 2020. With the nominal interest rates in the downward trend and a faster loan growth compared to last year, the first quarter of the year ended resulted well for the sector. However, with the epidemic that was globally effective in the last quarter of the year end and accelerated in our country, expectations for the rest of the year have changed negatively to some extent. Although the second quarter of the year is expected to result in a negative outcome, there is an expectation of a rapid recovery in the economy in the second half of the year with the measures taken by the authorities and the practices of economic management.

It is known that our banks have experience of crisis management in such periods even though there is an unusual and different period from previous crises. With the packages announced, the Government, related institutions and organizations have made important contributions in meeting the needs in every aspect. Although public banks are predominant, banks have increased their financing support to all segments affected by the negative impacts of the epidemic in this period. Supporting the degraded cash flow of the real sector has been supported through applications such as using loans with more favorable interest rates and maturities, structuring, giving grace periods and postponing payments. These practices will help the real sector to continue its activities and the economy will return to normal in the next periods.

Ziraat Bank continues to grow with credit and to increase its financial support to the real sector. Our total cash loans, which grew by approximately 18% in the last year, grew by more than 7% in the first quarter of this year. As in the sector, while our FX loans decreased except for the exchange rate effect, our growth in TL loans was 9%. This corresponds to an annual growth rate of up to 40%.

As Ziraat Bank, we have achieved a significant increase in loans in the first quarter and we have significantly increased our financing rate during the epidemic that accelerated at the end of the quarter. In order to sustain the activities of the real sector, production and employment, and to accelerate the economy, we increased our momentum especially in April.

By the end of March, our cash loans’ balance reached 481 billion TL and our total loans’ balance, including non-cash loans, reached 610 billion TL. Our share of the sector in TL loans has reached approximately 20%.

While continuing to support the real sector, we attach importance to the financing of SMEs, which are an important element of our economy, with appropriate maturities and interest rates. We continued our financing support in the first quarter with loan products such as Employment Focused Business Loan, Momentum Financing Package, value loans for shoes, textiles and ready-to-wear, KOSGEB SME Financing Support Program. We provided appropriate financial support to those affected by the earthquake in Elazig and Malatya.

In order to support our corporate customers, who are negatively affected by the outbreak, we have put CGF backed Business Continuity Support Loans and Cheque Payment Support Package into practice in early April. With these suitable products, we have provided significant financial support in a very short time. We also launched the Consumer Basic Needs Support Loan product for our individual customers, who were negatively affected by the outbreak, in early April, and provided significant financial support to individuals with this product.

We started making new term promotional payments for our retirees.

In order to prevent the spread of the epidemic, we have facilitated and improved our customers' transactions through our internet branch, Ziraat Mobil, Call Center and ATMs. In addition to the operational measures necessary for our branches and ATMs to meet the intensive transaction volume effectively, we have meticulously implemented the protective measures necessary to protect the health of our customers and employees, which we consider as our most important assets. Our ATM network reaching 7.257, active mobile banking reaching 10 million and the number of active internet banking users exceeding 2 million helped manage the density in a healthy way in this extraordinary period.

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**EXPLANATION ON INTERIM ACTIVITY REPORT**

**II. Assessment of General Manager (Continued)**

While increasing the deposits, which is our main funding source, we attached importance to maintaining its widespread structure on the base and not to put interest pressure on the market. We continued to provide funds from abroad as well as domestically. Despite the negative effects of the epidemic in early April, we achieved a syndication loan of 1.1 billion USD with the participation of 38 banks from 22 countries at a more affordable cost than last year. Besides the syndication loan, the FX source provided from the international money and capital markets, along with other products, amounts to 12 billion USD.

Ziraat Bank is the most established and largest financial group in our country with its branches and subsidiaries at home and abroad. Responsibility to be the morale bank of the country from its long history and as a leading bank, continues to provide the strongest financing support in every field our economy needs. It will also continue to increase this support to help overcome the negative outcomes caused by the outbreak and to recover more quickly in the coming period.

**Hüseyin AYDIN**  
**Member of the Board and CEO**

**III. Corporate Profile**

Ziraat Bank, since its establishment in 1863, Turkey has gained a prominent place among the greatest promoters of all the actors in the economic cycle. Always alongside the farmers, the trader, the businessman, the entrepreneur, the retired and the employee, the Bank has always created value with its activities and has been the driving force of economic development.

Ziraat bank; It has a broad portfolio of domestic and international subsidiaries in banking, insurance, private pension, investment services, portfolio management, venture capital, real estate investment trusts and financial technologies. This strong structure reinforces the Bank's ability to provide integrated financial services. In Turkey, serving as the only bank in nearly 400 towns and villages and having the most extensive banking network in the country, Ziraat Bank is a regional power and an important global actor with 108 international service points in 18 countries.

Ziraat Bank takes its position as the strongest national bank to a higher level each year in a sector with intense competition and international capital. Bank; continues to shape the Turkish banking sector thanks to its rich product and service diversity, unrivaled market knowledge and experience, synergy with its subsidiaries, high level human resources and strong financial structure.

Ziraat Bank by having Turkey's most common banking service network offers its customers from corporate, entrepreneur and retail banking continuous and superior quality services with;

- 1.757 domestic and foreign branch,
- 24.642 employees,
- 7257 ATM,
- Internet Banking (Individual and Corporate Internet Branch),
- Mobile Banking (Ziraat Mobile, Ziraat Tablet)
- Telephone Banking
- SMS Banking

Ziraat Bank will continue the journey that is designated in its strategic road map towards corporate objectives in an uninterrupted manner by producing more for customers and employees. Bank will keep contributing to the development of Turkish Economy and Banking Sector.

With its strong position, The Bank reflects the growth potential of the financial markets in the most accurate way and realizes best practices in business processes.

**IV. Shareholding Structure**

The paid in capital of T.C. Ziraat Bank is TL 6.100.000.000. The Bank's sole shareholder is Turkish Wealth Fund.

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

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

**V. Main Financial Indicators**

<b>ASSETS (TL Million)</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Cash and Cash Equivalents	41.829	57.389
Securities Portfolio	148.115	130.335
Cash Loans (Gross)	480.869	447.983
Other Assets	24.625	14.049
<b>Total Assets</b>	<b>695.438</b>	<b>649.756</b>
<b>LIABILITIES (TL Million)</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Deposits	490.053	447.251
Non-deposits Resources	107.902	106.476
Other Liabilities	29.886	25.964
Shareholders' Equity	67.597	70.065
<b>Total Liabilities</b>	<b>695.438</b>	<b>649.756</b>
<b>SUMMARY OF PROFIT OR LOSS TABLE (TL Million)</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Net Interest Income	8.882	4.922
Net Fees and Commission Income	859	822
Other Operations Income	722	448
Other Operations Expense	2.056	1.350
Allowance for Expected Credit Losses	1.728	975
<b>Net Profit/Losses</b>	<b>1.871</b>	<b>1.102</b>
<b>RATIOS (%)</b>	<b>31.03.2020</b>	<b>31.12.2019</b>
Capital Adequacy Ratio	16,37	17,02
Equity / Total Assets	9,7	10,8
Cash Loans (Gross) / Total Assets	69,1	68,9
Loans under follow-up (Gross) / Total Loans	2,7	2,8
FC Assets / FC Liabilities	76,2	81,5
Liquid Assets / Total Assets	6,0	8,8

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

**VI. 2020 I. Interim Period Operations**

**Bonds Issuance in Global Markets**

Within the scope of extension of funding diversity and creation of long term alternative funding with reasonable costs purposes, in order to borrow from international capital markets, the Bank’s GMTN (Global Medium Term Notes) program worth of 7 billion US Dollars, is updated as of 10 March 2020.

The Bank continued to raise funding in global markets through issuance of bonds in the form of private placement under the GMTN (Global Medium Term Notes) program in the first quarter of 2020.

**Credit Rating Agencies**

Credit Rating Agency	Category	Credit Grade	Date
Fitch Ratings	FC Long Term IDR	B+	November 2019
	Outlook	Stable	
	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	June 2019
	Long Term Deposit- FC	B3	
	Short Term Deposit –FC	Not-Prime	
	Long Term Deposit- TL	B2	
	Short Term Deposit- TL	Not-Prime	
	Long Term Issuer- FC	B2	
	Long Term Issuer-TL	B2	
	Basiline Credit Assesment	caa1	
	Adjusted Basiline Credit Assesment	caa1	
JCR Eurasia	Long Term International FC	BBB -	October 2019
	Outlook	Negative	
	Long Term International TL	BBB -	
	Outlook	Negative	
	Long Term National	AAA (Trk)	
	Outlook	Stable	
	Short Term International FC	A – 3	
	Outlook	Negative	
	Short Term International TL	A – 3	
	Outlook	Negative	
	Short Term National	A-1+ (Trk)	
	Sponsor Support	1	
	Stand Alone	A	

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

**VI. 2020 I. Interim Period Operations (Continued)**

**Financing of Agriculture Sector**

While Ziraat Bank continued to provide financial support to the agricultural sector on the one hand, projects aimed at the solution of structural problems of the sector and facilitating access to finance were developed. Work is carried out with related institutions, organizations 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. In this purpose, projects are developed for diversifying the credit products and producing alternative collaterals from the farmer's agricultural wealth.

In the upcoming period, contracted production model, increasing the level of agricultural mechanization of the enterprises, investment projects that will create added value in agricultural production and meet the needs of our country and investments of licensed warehousing and cold storage facilities, as well as storage, processing, packaging of agricultural products, increasing the investments and activities will be the target issues of the our Bank.

***TL 68,6 billion of loans for financing the agricultural sector***

Ziraat Bank has allocated TL 15,8 billion loans in the first quarter of 2020 from its own funds for financing the agricultural sector and number of the customers who took out a loan reached over 248 thousand and 14 thousand new customers have been added to the portfolio.

As of the end of the first quarter of 2020, the balance of agricultural loans extended from bank's funds reached TL 68,6 billion and the number of loan customers reached 684 thousand. On the other hand, through the funds provided by various institutions in the first three months of 2020, intermediary payments were made to a total of 33,3 million TL made to 516 customers determined by the relevant institutions. As of the end of the first quarter of 2020, the balance of loan payments originated from intermediated funds is TL 1,9 billion and the number of customers is over 70 thousand. By the end of the first quarter of 2020, Ziraat Bank's loans extended from its own funds for the financing of the agricultural sector and the intermediated funds reached TL 70,5 billion and the number of customers with loans reached 755 thousand.

33% of the Bank's agricultural loan portfolio consists of investment loans and 67% working capital 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 appropriate interest rates.

In the first three months of 2020, more than 114 thousand producers and companies operating in the agricultural sector were provided with a subsidy (interest discount) of TL 10,2 billion.



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

**VI. 2020 I. Interim Period Operations (Continued)**

**Agricultural Credit Packages**

Implemented in 2019 and still ongoing;

- **Greenhouse Credit Package**, TL 773 million was extended to approximately 4 thousand producers in the first three months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached 3,7 billion TL, and the number of manufacturers has reached 16 thousand.
- **Soybean, Corn and Sunflower Credit Package**, TL 679 million was extended to more than 8 thousand producers in the first three months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached TL 1,8 billion, and the number of manufacturers has reached 22 thousand.
- **Credit Package for Livestock Enterprises which Produce Own Feed**, TL 727 million was extended to 8 thousand producers in the first three months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached TL 2,1 billion, and the number of producers has reached 24 thousand.

Thus, within the scope of the mentioned loan packages in 2019-2020, the number of producers that have been extended loans was 62 thousand and the total allocated loan amount was TL 7,7 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" and "greenhouse cultivation" trainings organized with the collaboration of 6 universities within the scope of the project, has reached 300 out of over 10 thousand applications.

Applications in the fields of dairy cattle breeding, sheep and goat breeding, greenhouse farming and cattle breeding continue to be received in Adana, Antalya, Bursa and Izmir provinces.

**Risk Management**

Bank's risk management operations, within the frame of BRSA legislations and Basel regulations, aims to elevate the risk management function to reach the level of best risk management practices by promoting risk culture within 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.

Within the scope of "Credit Risk Management with Advanced Methods Project", studies are being carried out to calculate credit risk with an internal rating-based approach. In the Project, the modelling of risk parameters and the creation of the data architecture to be used for the calculation of the risk weighted asset amount. Within the scope of the project, it is aimed to calculate credit risk parameters in line with Basel 3 advanced methods especially for capital appreciation and credit pricing processes.

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

**VII. Other Important Activities**

Within the scope of precautions taken against economic and commercial activities that threaten public health globally and spread to many countries including our country, as a result of the coronavirus epidemic; In order to finance the basic needs of the Bank's corporate customers, which are directly or indirectly affected by the outbreak, favorably under the circumstances of the Treasury-Supported Bail System, the Business Continuing Loan Support Package, which provides KGF-guaranteed credit, and the business of check-drawer corporate customers, KGF secured Check Payment Support Package products have been put into practice within the framework of the Treasury Supported Surety System in order to contribute to their sustainability and to enable them to pay the check prices they are obliged to pay using an appropriate financing source.

As part of the "KOSGEB SME Financing Support Program", a new financing package that provides KGF guaranteed loans to facilitate SMEs' access to finance and to use loans under favorable conditions, appropriate financing sources were provided to customers affected by the earthquake within the scope of the Elazığ Malatya Emergency Support loan. .

As of the end of the first quarter of 2020, the bank corporate credit card Bankkart Başak has reached 449 thousand cards and a total risk balance of TL 4,6 billion.

As of the end of the first quarter of 2020, the number of credit cards of the Bank was 7,7 million, the market share of credit cards was 10,82% and the monthly turnover market was 7,53%. It is anticipated that the said development will continue in the medium and long term. The number of debit cards reached 35,8 million and the sector leadership of the bank continued with a market share of 21,56% monthly turnover.

As of the end of the first quarter of 2020, the number of member workplaces of the Bank is 616 thousand and the total number of terminals is 571 thousand. The first quarter total turnover of the merchant is 41,1 billion, and the Bank's turnover market share in March 2020 was 16,6%.

At the end of the first quarter of 2020, the number of digital customers exceeded 15,1 million, the number of active mobile banking users exceeded 10 million, and the active internet branch user exceeded 2 million.

Social contribution 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**

During this period, promotional activities were carried out to direct customers to ATMs and digital channels for the collection of tax payments. In particular, a first in Turkey, "Barcode Reading Technology of Ziraat" with ATM or Agriculture Mobile from tax payment process can be done, as well as Internet Banking, SMS, Innovation Practice in Operation (IPO) through this process quick and easy way that it could happen promotions were made.

In order to minimize the risk of spreading the virus epidemic during this period, customers can perform their banking transactions before reaching the Branch via Ziraat Mobile, Internet Branch, ATMs, Call Center and SMS 24/7; Guiding visuals have been prepared regarding the contactless feature of Bankkart and that they can make purchases from the ATM with a QR code if they wish. The mentioned images were announced to the public through the bank website, social media channels and print media. In this period, new financial support steps such as "Economic Stability Shield", "Individual Basic Needs Support Loan" and "Personal

"Loan / Credit Card / Overdraft Structuring" that the Bank put into practice within the framework of economic measures were introduced.

Ziraat Bank has been supporting cultural and artistic fields continuously, acting with the spirit of social sharing for 156 years. Within the framework of these values, the Bank provided necessary support to health, education, culture, service and sports activities in the first quarter of 2020 as part of its social responsibility.

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**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 has added a new link to the art chain with the Kuğulu and Tunnel Art Galleries, which have continued its support to the arts since the 1990s, as well as the Çukurambar Art Gallery opened in 2019. 12 exhibitions opened at Ankara Kuğulu and Çukurambar and Istanbul Tunnel Art Gallery in the first interim period between January 20, 2020 and 2020 were visited by more than 4 thousand art lovers.

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. 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.

***The First Banking Museum***

Ziraat Bank Museum was opened in 1981 in the Ziraat Bank Head Office Building ground floor Hall of Honor Hall, built by Italian Architect Giulio Mongeri in 1929, in the ground floor Honor Hall of Ankara. 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.

After the restoration works started in 2017 in the historical building, the Ziraat Bank Museum, which was expanded with the inclusion of the basement on the ground floor, was enriched with digital elements in line with the modern museum understanding, and was opened to visitors again in November 2019.

***Digital Platforms and Field Research***

Ziraat Bank's corporate website, ziraatbank.com.tr, provides easy access to Ziraat Bank services and functions with the most up-to-date financial data, campaigns, announcements, products, calculation tools, Ziraat Assistant chatbot application, with the possibility of connection with social networks, user-friendly menus that provide easy access to content. transportation is provided and the functionality of our corporate website is increased by integrating the innovations brought by the technology to 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 first quarter of 2020, more than 2.224.000 likes and followers have been reached. The Bank has more than 428 thousand followers on Twitter, more than 178 thousand followers on Instagram, with more than 70 million views on YouTube page and sharing on other platforms, the Bank's social media activity is increasing day by day.

***Other Activities***

Ziraat Bank continued to contribute to the realization of important projects for our country, as a sponsor for many fairs opened in Turkey and abroad in the first quarter of 2020.

Ziraat Bank, the 2019/2020 football season continues to give his name to the right to a name as a sponsor of the Turkey Cup.