

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI  
ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED DISCLOSURES  
AT 30 JUNE 2020 WITH  
AUDITOR'S REVIEW REPORT**

***(CONVENIENCE TRANSLATION OF UNCONSOLIDATED  
FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND  
FOOTNOTES ORIGINALLY ISSUED IN TURKISH, SEE NOTE. 1.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 30 June 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 six-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

### *Scope of Review*

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

### *Basis for the Qualified Conclusion*

As mentioned in Section Five Part II. 9.3 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 June 2020 include a free provision amounting to TL 2.840.000 thousand which consist of TL 830.000 thousand provided in prior periods and TL 2.010.000 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 30 June 2020 and the results of its unconsolidated operations and its unconsolidated cash flows for the six-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 six month period ended 30 June 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 31 July 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, 30 July 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 30 JUNE 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 six month period ended prepared in accordance with the "Communiqué on the Financial Statements and Related Policies and Disclosures to be Publicly Announced" as regulated by the Banking Regulation and Supervision Agency, is consist of the section listed below:

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

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

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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

---

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

The decision to increase the capital to TL 13.100.000 was approved at the Bank's Extraordinary General Assembly Meeting held on 15 May 2020, and the capital increase and the amendment made in the related article of the Articles of Association were registered on 21 May 2020. It was announced in the Trade Registry Gazette No. 10084 dated 27 May 2020. Accounting for the capital increase was made on 21 May 2020 based on the permission from the BRSA.

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

Name	Administrative Function
<b>Members of the Board of Directors</b>	
Dr. Ahmet GENÇ	Chairman
Hüseyin AYDIN	CEO and Member
Veysi KAYNAK <sup>(1)</sup>	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>	
Feyzi ÇUTUR	Member
Mahmut KAÇAR <sup>(2)</sup>	Member
<b>Executive Vice Presidents</b>	
Ali KIRBAŞ	Banking Operations and Communication
Alpaslan ÇAKAR	Retail Branch Banking-2
Bilgehan KURU	Financial Management
Mehmet Cengiz GÖĞEBAKAN	Loan Policies
Musa ARDA	Loan Allocation and Management
Süleyman TÜRETKEN	Retail Branch Banking-1
Yüksel CESUR	Internal Systems

<sup>(1)</sup> At the Ordinary General Assembly meeting of the Bank held on 12 June 2020, he was appointed in place of Yusuf Dağcan and started his duty as of 16 June 2020.

<sup>(2)</sup> At the Ordinary General Assembly meeting of the Bank held on 12 June 2020, he was appointed in place of Yusuf Bilmez and started his duty as of 12 June 2020.

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

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

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

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

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

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

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

As of 30 June 2020, Bank carries its activities with a grand total of 1.758 branches; 1.734 domestic branches including 19 corporate branches, 67 entrepreneurial branches, 1.643 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, Taşkınıköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Bank also has 1 representative office in Tehran, Iran. As of 30 June 2020, the Bank's number of employee is 24.480 (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 Karlı 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 30 JUNE 2020

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Current Period 30 June 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I- FINANCIAL ASSETS (NET)</b>		<b>105.312.240</b>	<b>88.804.188</b>	<b>194.116.428</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>4.635.667</b>	<b>42.055.814</b>	<b>46.691.481</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)	4.363.402	39.921.721	44.285.123	2.846.413	49.361.246	52.207.659
1.1.2. Banks	(4)	50.460	2.134.302	2.184.762	129.851	4.723.528	4.853.379
1.1.3. Money Markets		222.367	-	222.367	328.596	-	328.596
1.1.4. Expected Loss Provision (-)		562	209	771	714	120	834
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	(2)	<b>11.410.166</b>	<b>8.008</b>	<b>11.418.174</b>	<b>1.890.575</b>	<b>7.310</b>	<b>1.897.885</b>
1.2.1. Government Debt Securities		11.410.166	8.008	11.418.174	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>87.147.620</b>	<b>45.181.641</b>	<b>132.329.261</b>	<b>74.704.727</b>	<b>36.181.990</b>	<b>110.886.717</b>
1.3.1. Government Debt Securities		86.468.371	44.410.874	130.879.245	74.042.653	35.552.979	109.595.632
1.3.2. Equity Instruments		149.669	468.664	618.333	132.561	397.578	530.139
1.3.3. Other Financial Assets		529.580	302.103	831.683	529.513	231.433	760.946
<b>1.4 Derivative Financial Assets</b>	(3)	<b>2.118.787</b>	<b>1.558.725</b>	<b>3.677.512</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		2.118.787	1.558.725	3.677.512	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>427.911.842</b>	<b>139.432.298</b>	<b>567.344.140</b>	<b>320.935.164</b>	<b>131.587.049</b>	<b>452.522.213</b>
2.1. Loans	(7)	432.979.638	124.933.431	557.913.069	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)	11.666.857	14.541.015	26.207.872	4.480.563	13.069.520	17.550.083
2.4.1. Government Debt Securities		11.580.796	14.539.414	26.120.210	4.395.402	13.068.073	17.463.475
2.4.2. Other Financial Assets		86.061	1.601	87.662	85.161	1.447	86.608
2.5. Expected Credit Loss (-)		16.734.653	42.148	16.776.801	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>6.055.443</b>	<b>-</b>	<b>6.055.443</b>	<b>4.781.720</b>	<b>-</b>	<b>4.781.720</b>
3.1. Held for Sale Purpose		6.055.443	-	6.055.443	4.781.720	-	4.781.720
3.2. Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>6.296.597</b>	<b>3.062.475</b>	<b>9.359.072</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>126.845</b>	<b>-</b>	<b>126.845</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		126.845	-	126.845	99.539	-	99.539
<b>4.2 Subsidiaries (Net)</b>	(10)	<b>6.169.752</b>	<b>2.956.730</b>	<b>9.126.482</b>	<b>4.245.797</b>	<b>3.146.056</b>	<b>7.391.853</b>
4.2.1. Unconsolidated Financial Subsidiaries		6.103.448	2.956.730	9.060.178	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>105.745</b>	<b>105.745</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		-	105.745	105.745	-	111.059	111.059
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	(16)	<b>5.431.217</b>	<b>27.295</b>	<b>5.458.512</b>	<b>5.462.267</b>	<b>16.380</b>	<b>5.478.647</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>817.708</b>	<b>13.860</b>	<b>831.568</b>	<b>732.176</b>	<b>12.913</b>	<b>745.089</b>
6.1. Goodwill		-	-	-	-	-	-
6.2. Other		817.708	13.860	831.568	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>1.595.883</b>	<b>-</b>	<b>1.595.883</b>	<b>1.148.611</b>	<b>-</b>	<b>1.148.611</b>
<b>X. OTHER ASSETS (Net)</b>	(20)	<b>9.407.588</b>	<b>2.400.257</b>	<b>11.807.845</b>	<b>3.187.722</b>	<b>1.316.767</b>	<b>4.504.489</b>
<b>TOTAL ASSETS</b>		<b>562.828.518</b>	<b>233.740.373</b>	<b>796.568.891</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 30 JUNE 2020

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five II)	Current Period 30 June 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	(1)	307.626.713	256.706.131	564.332.844	241.031.548	206.219.425	447.250.973
<b>II. FUNDS BORROWED</b>	(3)	1.050.751	31.792.462	32.843.213	4.462.415	30.066.075	34.528.490
<b>III. MONEY MARKETS</b>	(4)	30.296.068	22.593.237	52.889.305	28.801.883	20.473.527	49.275.410
<b>IV. SECURITIES ISSUED (Net)</b>	(5)	3.579.939	11.255.335	14.835.274	3.279.260	9.826.766	13.106.026
4.1 Bills		2.569.249	304.053	2.873.302	2.268.570	279.678	2.548.248
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	10.951.282	11.961.972	1.010.690	9.547.088	10.557.778
<b>V. FUNDS</b>		6.075.538	-	6.075.538	6.066.464	-	6.066.464
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		6.075.538	-	6.075.538	6.066.464	-	6.066.464
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	(2)	999.357	1.962.714	2.962.071	536.536	1.122.322	1.658.858
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		999.357	1.962.714	2.962.071	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>IX. LEASE LIABILITIES (Net)</b>	(7)	711.501	58.450	769.951	565.614	56.146	621.760
<b>X. PROVISIONS</b>	(9)	5.822.821	5.823	5.828.644	3.362.285	456.293	3.818.578
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.464.308	-	1.464.308	1.664.035	-	1.664.035
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		4.358.513	5.823	4.364.336	1.698.250	456.293	2.154.543
<b>XI. CURRENT TAX LIABILITY</b>	(10)	2.890.826	5.783	2.896.609	1.714.874	5.713	1.720.587
<b>XII. DEFERRED TAX LIABILITY</b>	(10)	-	-	-	-	-	-
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	(11)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	(12)	-	10.760.595	10.760.595	-	9.565.957	9.565.957
14. Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	10.760.595	10.760.595	-	9.565.957	9.565.957
<b>XV. OTHER LIABILITIES</b>	(6)	13.658.328	3.030.528	16.688.856	8.960.448	3.118.098	12.078.546
<b>XVI. SHAREHOLDERS' EQUITY</b>	(13)	89.495.921	(3.809.930)	85.685.991	71.106.589	(1.042.047)	70.064.542
16.1 Paid-in capital		13.100.000	-	13.100.000	6.100.000	-	6.100.000
16.2 Capital Reserves		(768)	-	(768)	(571)	-	(571)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(768)	-	(768)	(571)	-	(571)
16.3. Accumulated Other Comprehensive Profit or Loss Not Reclassified Through Profit or Loss		7.807.215	(540.176)	7.267.039	5.728.837	123.518	5.852.355
16.4. Accumulated Other Comprehensive Profit or Loss Reclassified Through Profit or Loss		3.108.897	(3.269.754)	(160.857)	807.677	(1.165.565)	(357.888)
16.5 Profit Reserves		58.398.544	-	58.398.544	52.110.376	-	52.110.376
16.5.1 Legal Reserves		5.000.726	-	5.000.726	4.750.183	-	4.750.183
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		53.397.818	-	53.397.818	47.360.193	-	47.360.193
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		7.082.033	-	7.082.033	6.360.270	-	6.360.270
16.6.1 Prior Periods' Profit or (Loss)		2.572.804	-	2.572.804	173.382	-	173.382
16.6.2 Current Period Profit or (Loss)		4.509.229	-	4.509.229	6.186.888	-	6.186.888
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		462.207.763	334.361.128	796.568.891	369.887.916	279.868.275	649.756.191

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

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

## TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 30 JUNE 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 30 June 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>182.990.602</b>	<b>359.180.237</b>	<b>542.170.839</b>	<b>138.892.389</b>	<b>301.480.421</b>	<b>440.372.810</b>
<b>I.</b>	<b>GÜARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>39.450.954</b>	<b>92.657.094</b>	<b>132.108.048</b>	<b>39.120.560</b>	<b>80.704.053</b>	<b>119.824.613</b>
1.1	Letters of Guarantee		39.156.571	63.519.220	102.675.791	38.884.228	52.376.336	91.260.564
1.1.1	Guarantees Subject to State Tender Law		1.038.986	13.916.939	14.955.925	1.045.669	12.331.455	13.377.124
1.1.2	Guarantees Given for Foreign Trade Operations		33.965.264	49.224.090	83.189.354	33.271.753	38.990.248	72.262.001
1.1.3	Other Letters of Guarantee		4.152.321	378.191	4.530.512	4.566.806	1.054.633	5.621.439
1.2	Bank Acceptances		115.192	10.467.590	10.582.782	9.724	8.192.527	8.202.251
1.2.1	Import Letter of Acceptance		113.508	10.464.421	10.577.929	6.517	8.187.488	8.194.005
1.2.2	Other Bank Acceptances		1.684	3.169	4.853	3.207	5.039	8.246
1.3	Letters of Credit		156.691	17.304.447	17.461.138	226.608	19.165.683	19.392.291
1.3.1	Documentary Letters of Credit		156.691	17.286.524	17.443.215	226.608	19.150.134	19.376.742
1.3.2	Other Letters of Credit		-	17.923	17.923	-	15.549	15.549
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		22.500	1.365.837	1.388.337	-	969.507	969.507
1.5.1	Endorsements to the Central Bank of Turkey		22.500	1.365.837	1.388.337	-	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>62.211.295</b>	<b>11.150.924</b>	<b>73.362.219</b>	<b>52.637.562</b>	<b>14.557.536</b>	<b>67.195.098</b>
2.1	Irrevocable Commitments	<b>(1)</b>	62.211.295	11.150.924	73.362.219	52.637.562	14.557.536	67.195.098
2.1.1	Asset Purchase Commitments		5.518.817	7.797.746	13.316.563	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		3.150	-	3.150	7.500	-	7.500
2.1.4	Loan Granting Commitments		14.708.420	3.074	14.711.494	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		4.173.903	-	4.173.903	3.695.596	-	3.695.596
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		24.931.858	-	24.931.858	24.220.013	-	24.220.013
2.1.10	Commitments for Credit Cards and Banking Services Promotions		53.318	-	53.318	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		12.821.829	3.350.104	16.171.933	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>81.328.353</b>	<b>255.372.219</b>	<b>336.700.572</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		81.328.353	255.372.219	336.700.572	47.134.267	206.218.832	253.353.099
3.2.1	Forward Foreign Currency Buy/Sell Transactions		3.503.778	6.658.859	10.162.637	3.854.913	6.418.511	10.273.424
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.754.173	3.332.584	5.086.757	1.626.296	3.507.008	5.133.304
3.2.1.2	Forward Foreign Currency Transactions-Sell		1.749.605	3.326.275	5.075.880	2.228.617	2.911.503	5.140.120
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		77.824.575	248.713.360	326.537.935	43.277.330	199.771.811	243.049.141
3.2.2.1	Foreign Currency Swap-Buy		2.937.586	135.115.032	138.052.618	1.340.652	98.363.800	99.704.452
3.2.2.2	Foreign Currency Swap-Sell		73.576.989	64.643.568	138.220.557	41.796.678	57.191.367	98.988.045
3.2.2.3	Interest Rate Swap-Buy		655.000	24.477.380	25.132.380	70.000	22.108.322	22.178.322
3.2.2.4	Interest Rate Swap-Sell		655.000	24.477.380	25.132.380	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>2.056.361.662</b>	<b>280.066.678</b>	<b>2.336.428.340</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>830.479.009</b>	<b>56.315.870</b>	<b>886.794.879</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		13.078.623	26.807.436	39.886.059	16.068.422	21.363.653	37.432.075
4.3	Cheques Received for Collection		12.063.571	1.439.704	13.503.275	10.470.124	1.397.404	11.867.528
4.4	Commercial Notes Received for Collection		12.937.397	972.151	13.909.548	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		761.999.965	44.241	762.044.206	738.596.223	-	738.596.223
4.7	Other Items Under Custody		30.388.988	27.052.338	57.441.326	25.349.017	20.158.358	45.507.375
4.8	Custodians		1.649	-	1.649	1.649	-	1.649
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>1.224.532.739</b>	<b>219.860.650</b>	<b>1.444.384.389</b>	<b>1.104.055.321</b>	<b>191.572.318</b>	<b>1.295.627.639</b>
5.1	Marketable Securities		2.549.130	1.390.183	3.939.313	2.446.267	1.146.602	3.592.869
5.2	Guarantee Notes		14.532.042	2.040.426	16.572.468	15.642.486	1.989.052	17.631.538
5.3	Commodity		934.751	109.754	1.044.505	934.751	95.196	1.029.947
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		977.767.874	140.003.770	1.117.771.644	877.668.953	124.665.021	1.002.333.974
5.6	Other Pledged Items		228.734.733	76.291.547	305.026.280	207.357.655	63.654.787	271.012.442
5.7	Pledged Items-Depository		5.209	24.970	30.179	5.209	21.660	26.869
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>1.358.914</b>	<b>3.890.158</b>	<b>5.249.072</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>2.239.352.264</b>	<b>639.246.915</b>	<b>2.878.599.179</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 SIX MONTH PERIOD**  
**ENDED 30 JUNE 2020**

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

	Note (Section Five IV)	Current Period 1 January-30 June 2020	Prior Period 1 January-30 June 2019	Current Period 1 April-30 June 2020	Prior Period 1 April-30 June 2019
<b>IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS</b>					
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>32.233.032</b>	<b>32.765.251</b>	<b>16.182.189</b>	<b>17.180.930</b>
1.1 Interest on Loans		25.040.484	25.656.623	12.497.207	13.458.486
1.2 Interest on Reserve Requirements		65.093	289.105	31.823	144.813
1.3 Interest on Banks		32.152	196.886	13.688	106.253
1.4 Interest on Money Market Transactions		14	6.598	7	6.587
1.5 Interest on Marketable Securities Portfolio		6.979.433	6.532.191	3.624.263	3.433.911
1.5.1 Fair Value Through Profit or Loss		57.384	3.785	39.426	1.366
1.5.2 Fair Value Through Other Comprehensive Income		6.148.395	5.807.939	3.149.603	3.046.707
1.5.3 Measured at Amortised Cost		773.654	720.467	435.234	385.838
1.6 Financial Lease Interest Income		-	-	-	-
1.7 Other Interest Income		115.856	83.848	15.201	30.880
<b>II. INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>13.706.702</b>	<b>21.786.106</b>	<b>6.538.170</b>	<b>11.123.671</b>
2.1 Interest on Deposits		9.687.058	14.850.006	4.681.924	7.650.641
2.2 Interest on Funds Borrowed		636.699	855.804	280.758	489.228
2.3 Interest Expense on Money Market Transactions		1.711.514	5.226.183	861.137	2.524.490
2.4 Interest on Securities Issued		753.833	657.359	384.584	374.871
2.5 Interest on Leases		51.454	44.418	24.936	24.876
2.6 Other Interest Expenses		866.144	152.336	304.831	59.565
<b>III. NET INTEREST INCOME (I - II)</b>		<b>18.526.330</b>	<b>10.979.145</b>	<b>9.644.019</b>	<b>6.057.259</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1.203.884</b>	<b>1.612.723</b>	<b>345.170</b>	<b>791.119</b>
4.1 Fees and Commissions Received		2.217.229	2.581.001	938.881	1.327.741
4.1.1 Non-cash Loans		445.090	443.465	220.778	228.907
4.1.2 Other		1.772.139	2.137.536	718.103	1.098.834
4.2 Fees and Commissions Paid (-)		1.013.345	968.278	593.711	536.622
4.2.1 Non-cash Loans		642	848	267	478
4.2.2 Other		1.012.703	967.430	593.444	536.144
<b>V. DIVIDEND INCOME</b>		<b>1.041.002</b>	<b>1.030.484</b>	<b>1.039.931</b>	<b>1.023.174</b>
<b>VI. TRADING PROFIT/(LOSS) (Net)</b>	<b>(3)</b>	<b>(2.785.860)</b>	<b>(4.494.783)</b>	<b>(626.740)</b>	<b>(3.074.867)</b>
6.1 Trading Gains / (Losses) on Securities		2.636.727	30.407	1.734.629	29.272
6.2 Gains / (Losses) on Derivative Financial Transactions		(2.721.877)	(4.571.911)	(1.224.942)	(2.981.009)
6.3 Foreign Exchange Gains / (Losses)		(2.700.710)	46.721	(1.136.427)	(123.130)
<b>VII. OTHER OPERATING INCOME</b>	<b>(4)</b>	<b>1.576.070</b>	<b>826.451</b>	<b>854.234</b>	<b>378.723</b>
<b>VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>19.561.426</b>	<b>9.954.020</b>	<b>11.256.614</b>	<b>5.175.408</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(5)</b>	<b>4.934.950</b>	<b>1.838.844</b>	<b>3.206.785</b>	<b>863.919</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(5)</b>	<b>2.021.971</b>	<b>3.028</b>	<b>1.106.259</b>	<b>888</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>2.472.395</b>	<b>1.725.542</b>	<b>1.499.242</b>	<b>892.688</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(6)</b>	<b>3.985.690</b>	<b>3.014.220</b>	<b>1.929.877</b>	<b>1.468.826</b>
<b>XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>6.146.420</b>	<b>3.372.386</b>	<b>3.514.451</b>	<b>1.949.087</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-	-	-
<b>XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	<b>(7)</b>	<b>6.146.420</b>	<b>3.372.386</b>	<b>3.514.451</b>	<b>1.949.087</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(8)</b>	<b>(1.637.191)</b>	<b>(556.785)</b>	<b>(876.673)</b>	<b>(235.307)</b>
18.1 Current Tax Provision		(2.424.648)	(664.671)	(1.941.798)	(167.914)
18.2 Deferred Tax Expense Effect (+)		(1.744.429)	(2.346.519)	(748.049)	(1.048.693)
18.3 Deferred Tax Income Effect (-)		2.531.886	2.454.405	1.813.174	981.300
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)</b>	<b>(9)</b>	<b>4.509.229</b>	<b>2.815.601</b>	<b>2.637.778</b>	<b>1.713.780</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1 Income from Non-current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
<b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>		-	-	-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-	-	-
<b>XXV. NET PROFIT/(LOSS) (XVIII+XXIII)</b>	<b>(10)</b>	<b>4.509.229</b>	<b>2.815.601</b>	<b>2.637.778</b>	<b>1.713.780</b>
Earnings/(Loss) per share (in TL full)		0,587	0,462	0,280	0,281

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR SIX MONTH PERIOD ENDED 30 JUNE 2020**

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

<b>V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		<b>Current Period</b>	<b>Prior Period</b>
		<b>1 January-30 June 2020</b>	<b>1 January-30 June 2019</b>
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>4.509.229</b>	<b>2.815.601</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>1.611.715</b>	<b>(180.843)</b>
2.1	Not Reclassified Through Profit or Loss	1.414.684	211.364
2.1.1	Property and Equipment Revaluation Increase/Decrease	(16.107)	(55.992)
2.1.2	Defined Benefit Plan Remeasurement Gain/Loss	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	192.246	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	1.523.157	319.964
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(284.612)	(52.608)
2.2	Reclassified Through Profit or Loss	197.031	(392.207)
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	252.604	(478.493)
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	(55.573)	86.286
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>6.120.944</b>	<b>2.634.758</b>

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

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

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

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR SIX MONTH PERIOD ENDED 30 JUNE 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				
CURRENT PERIOD 30 June 2020														
I. Prior Period End Balance	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	6.100.000	-	-	(571)	3.748.812	(81.552)	2.185.095	-	(357.888)	-	52.110.376	6.360.270	-	70.064.542
IV. Total comprehensive income (loss)	-	-	-	-	(14.496)	153.797	1.275.383	-	197.031	-	-	-	4.509.229	6.120.944
V. Capital increase by cash	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000
VI. Capital increase by internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds to shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by other changes	-	-	-	(197)	-	-	-	-	-	-	-	2.500.702	-	2.500.505
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	6.288.168	(6.288.168)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	6.137.985	(6.137.985)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(768)	3.734.316	72.245	3.460.478	-	(160.857)	-	58.398.544	2.572.804	4.509.229	85.685.991

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 SIX MONTH PERIOD ENDED 30 JUNE 2020**

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3	4	5	6				
PRIOR PERIOD 30 June 2019														
I. Prior Period End Balance	6.100.000	-	-	(483)	3.760.738	(57.499)	2.009.231	-	(6.429.909)	-	37.320.380	14.698.936	-	57.401.394
Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	6.100.000	-	-	(483)	3.760.738	(57.499)	2.009.231	-	(6.429.909)	-	37.320.380	14.698.936	-	57.401.394
IV. Total comprehensive income	-	-	-	-	(50.902)	-	262.266	-	(392.207)	-	-	-	2.815.601	2.634.758
V. Capital increase by cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase by internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds to shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by other changes	-	-	-	(58)	188.940	-	-	-	-	-	143.700	(1.560)	-	331.022
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	14.646.296	(14.646.296)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	14.574.793	(14.574.793)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	71.503	(71.503)	-	-
Balance at the end of the period (III+IV+.....+X+XI)	6.100.000	-	-	(541)	3.898.776	(57.499)	2.271.497	-	(6.822.116)	-	52.110.376	51.080	2.815.601	60.367.174

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

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

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

4. Exchange Differences on Translation

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

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

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

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

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

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTH PERIOD ENDED 30 JUNE 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- 30 June 2020	Prior Period 1 January- 30 June 2019
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		7.731.824	(2.464.606)
1.1.1	Interest Received		26.842.297	30.065.305
1.1.2	Interest Paid		(13.664.281)	(20.338.383)
1.1.3	Dividend Received		1.041.002	1.023.184
1.1.4	Fees and Commissions Received		2.989.276	2.575.109
1.1.5	Other Income		4.212.797	826.450
1.1.6	Collections from Previously Written-off Loans and Other Receivables		930.126	880.870
1.1.7	Cash Payments to Personnel and Service Suppliers		(2.791.762)	(1.967.950)
1.1.8	Taxes Paid		(1.418.590)	(1.591.284)
1.1.9	Other		(10.409.041)	(13.937.907)
1.2	Changes in Operating Assets and Liabilities		2.764.377	11.051.476
1.2.1	Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(7.598.861)	(552.986)
1.2.2	Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		5.905.888	(11.205.600)
1.2.3	Net (Increase) / Decrease in Loans		(110.087.006)	(38.162.499)
1.2.4	Net (Increase) / Decrease in Other Assets		(7.826.880)	656.916
1.2.5	Net Increase / (Decrease) in Bank Deposits		(4.996.998)	3.136.068
1.2.6	Net Increase / (Decrease) in Other Deposits		121.910.630	54.461.782
1.2.7	Net Increase / (Decrease) in Financial Liabilities At Fair Value Through Profit Or Loss		-	747.100
1.2.8	Net Increase / (Decrease) in Funds Borrowed		(1.738.313)	2.722.233
1.2.9	Net Increase / (Decrease) in Payables		-	-
1.2.10	Net Increase / (Decrease) in Other Liabilities		7.195.917	(751.538)
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>		<b>10.496.201</b>	<b>8.586.870</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>		<b>(21.561.468)</b>	<b>(16.898.116)</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		(166.259)	(605.882)
2.4	Disposals of Property and Equipment		397.606	136.534
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(49.793.040)	(21.473.529)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		33.328.244	10.711.605
2.7	Purchase of Financial Assets Measured at Amortized Cost		(7.492.059)	(9.459.129)
2.8	Sale of Financial Assets Measured at Amortized Cost		777.633	1.794.543
2.9	Other		1.423.888	1.997.742
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>		<b>5.541.860</b>	<b>8.426.364</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued		2.696.636	12.252.033
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(4.025.659)	(3.653.455)
3.3	Issued Equity Instruments		7.000.000	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		(129.117)	(172.214)
3.6	Other		-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>2.444.554</b>	<b>1.066.580</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(3.078.853)</b>	<b>1.181.698</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>25.083.686</b>	<b>24.571.427</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  
30 JUNE 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**

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 June 30, 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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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
30 JUNE 2020**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

As of 30 June 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, the adjustments required in fair valuation measurement has taken into account. Fair values have been determined and accounted based on the valuation reports prepared for the subsidiaries, joint ventures and equity instruments measured at their fair values as of the valuation date. 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 and no change that require any correction as of the reporting date. As of 30 June 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 30 June 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. In addition, the Bank analyzed the corporate, SME and retail loan portfolios and the sector distributions in these portfolios. Therefore, post-model adjustments for customer groups, which are considered as affected by the Covid-19 outbreak are reflected to model outputs by using the expert judgement. This approach, which is preferred in provision calculations in 2020, will be revised in the coming reporting periods, by considering the impact of the epidemic, the 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.

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.

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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**

Investments related to joint ventures and financial subsidiaries are monitored with their fair values in the unconsolidated financial statements according to "Separate Financial Statements Turkey Accounting Standard 27 (TAS 27)" and the scope of TFRS 9 Financial Instruments Standard.

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

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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 “TFRS 9 Financial Instruments Standard”(“TFRS 9”) , “Derivative Financial Assets Measured at Fair Value through Profit or loss”.

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

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

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

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

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

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

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

**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 TFRS 15 Revenue from Contracts with Customers on the date they are collected.

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

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

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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. This assumption can be proved otherwise in the light of supportable information. As explained in first numbered part one of Section third, the BRSA's decisions on 17 March 2020, numbered 8948 and 27 March 2020, numbered 8970 are mainly valid as of 17 March 2020 due to the disruptions in economic and commercial activities as a result of the COVID-19 outbreak. Accordingly, the definition of default is applied as 180 days until 31 December 2020.
- 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 30 June 2020, the fair value difference of the net real estates amounting to TL 3.473.273 (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 30 June 2020, retirement benefit obligation is TL 990.599 (31 December 2019: TL 1.038.524).

	<b>Current Period</b>	<b>Prior Period</b>
Discount Rate	12,21%	12,15%
Inflation	7,50%	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 72.245 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.

**XVIII. EXPLANATIONS ON BORROWING**

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

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods.

The Bank has issued no convertible bonds to shares and has no instruments representing its own borrowings.

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

The decision to increase the capital to TL 13,100,000 was approved at the Bank's Extraordinary General Assembly Meeting held on 15 May 2020, and the capital increase and the amendment made in the related article of the Articles of Association were registered on 21 May 2020 and it was announced in the Trade Registry Gazette No. 10084 dated 27 May 2020. Accounting for the said capital increase was made on 21 May 2020 based on the permission from the BRSA.

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

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

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS**

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

**XXII. CASH AND CASH EQUIVALENTS**

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XXIII. EXPLANATIONS ON SEGMENT REPORTING**

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

**XXIV. EXPLANATIONS ON OTHER MATTERS**

***Profit distribution***

According to the Bank's Ordinary General Assembly Meeting dated 12 June 2020; in accordance with Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; after deducting the deferred tax income amounting to TL 1.277.304 from the net profit of TL 6.186.888 in accordance with the Circular No. 2004/3 of the BRSA, 5% (245.479 TL) of the remaining legal reserve has been set aside, the remaining 4.664.104 TL has been allocated to the Bank. Real estate sales revenue exception calculated in accordance with the VUK within the scope of the 5/1-e clause of the Corporate Tax Law no. After deducting 50% of its base, 72.102 TL, allocating 5% of legal reserves over the remaining 101.280 TL (5.064 TL), transferring the remaining 96.216 TL to extraordinary reserves, 72.102 TL which is 50% of the real estate sales profit exception and which should be monitored in a special fund account. is decided to transfer to other reserves.

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**SECTION FOUR**

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

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

Shareholders' equity 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 30 June 2020, Bank's total regulatory capital has been calculated as TL 104,319.392 (31 December 2019: TL 83,636.178), capital adequacy ratio is 18,50% (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 30 June 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	13.100.000	-
Share issue premiums	-	-
Reserves	58.398.544	-
Gains recognized in equity as per TAS	10.918.046	-
Profit	7.082.033	-
Current Period Profit	4.509.229	-
Prior Period Profit	2.572.804	-
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>89.516.011</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	915.459	-
Improvement costs for operating leasing	14.963	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	831.568	831.568
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-

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

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

	<b>Current Period 30 June 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>1.761.990</b>	<b>-</b>
<b>Total Common Equity Tier I Capital</b>	<b>87.754.021</b>	<b>-</b>
<b>ADDITIONAL TIER I CAPITAL</b>	<b>-</b>	<b>-</b>
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	10.663.240	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>10.663.240</b>	<b>-</b>
<b>Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</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>10.663.240</b>	<b>-</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>98.417.261</b>	<b>-</b>
<b>TIER II CAPITAL</b>	<b>-</b>	<b>-</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)	5.940.265	-
<b>Tier II Capital Before Deductions</b>	<b>5.940.265</b>	<b>-</b>
<b>Deductions from Tier II Capital</b>	<b>-</b>	<b>-</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>5.940.265</b>	<b>-</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>104.357.526</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 30 June 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>104.357.526</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	38.134	-
<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 I 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)	104.319.392	-
Total Risk Weighted Assets	563.772.947	-
<b>CAPITAL ADEQUACY RATIOS</b>		
CET I Capital Ratio (%)	15,57	-
Tier I Capital Ratio (%)	17,46	-
Capital Adequacy Ratio (%)	18,50	-
<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 I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	11,07	-
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	191.625	-
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	50.596	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	1.595.883	-
<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)	5.940.265	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	5.940.265	-
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)**

	<b>Prior Period 31 December 2019</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	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	-
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	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)	10.663
Nominal value of instrument (TL million)	10.663
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 incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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BANK (Continued)**

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

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance Sheet - Equity</b>	<b>85.685.991</b>	<b>70.064.542</b>
Operational Leasing Development Costs	(14.963)	(20.164)
Goodwill and Other Intangible Assets and Related Deferred Taxes		
Liabilities	(831.568)	(745.089)
TIER 2 Capital (Provisions)	5.940.265	5.185.668
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	10.663.240	9.246.580
Other deductions from common equity	(38.134)	(95.359)
Other regulations	2.914.561	-
<b>Amount recognized in regulatory capital</b>	<b>104.319.392</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. 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/Equity Standard Ratio and Foreign Currency Liquidity Position are also monitored regularly. The Bank monitors the Turkish Lira and foreign currency risks that may occur in domestic and international markets and the transactions that create these risks, and manages these risks at the optimum level based on their strategies and market expectations by considering the other financial risks carried out. However, as of the end of June, the Foreign Currency Net General Position/Equity Standard Ratio calculated within the scope of "Regulation on the Calculation and Implementation of Foreign Currency Net General Position/Equity Standard Ratio by Banks on Consolidated and Non-Consolidated Basis" has limitedly exceeded promulgated ratio of 20%, the Bank explained this situation to the BRSA within the legal period determined by BRSA. This situation is manageable considering the Bank's asset-liability structure, capital development and sustainable profitability. The Bank is working on the needed action plan for foreign currency net general position management. The sensitivity analysis of the Bank's currency risk is explained in Note 6.

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

	<b>USD</b>	<b>EUR</b>	<b>AUD</b>	<b>DKK</b>	<b>SEK</b>	<b>CHF</b>	<b>CAD</b>	<b>NOK</b>	<b>GBP</b>	<b>SAR</b>	<b>100 JPY</b>
23.06.2020	6,7837	7,6873	4,7215	1,0317	0,7318	7,1976	5,0246	0,7167	8,4960	1,8089	6,3877
24.06.2020	6,7862	7,6508	4,6777	1,0266	0,7288	7,1645	4,9998	0,7074	8,4448	1,8092	6,3500
25.06.2020	6,7865	7,6090	4,6535	1,0209	0,7263	7,1549	4,9729	0,6995	8,4166	1,8095	6,3342
26.06.2020	6,7865	7,5995	4,6433	1,0195	0,7240	7,1466	4,9493	0,6964	8,3589	1,8096	6,3253
29.06.2020	6,7862	7,6297	4,6485	1,0239	0,7298	7,1434	4,9549	0,7015	8,3273	1,8097	6,2963
30.06.2020	6,7860	7,6166	4,6735	1,0222	0,7289	7,1650	4,9820	0,7027	8,3847	1,8093	6,2961

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TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF  
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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

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

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

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
6,7567	7,6008	4,6574	1,0197	0,7252	7,0970	4,9841	0,7083	8,4529	1,8011	6,2766

**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	17.379.647	17.203.329	5.338.744	39.921.720
Banks	691.234	799.482	643.378	2.134.094
Financial Assets at Fair Value Through Profit and Loss <sup>(2)</sup>	-	8.008	11.345.477	11.353.485
Money Markets	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	7.517.369	37.558.557	105.715	45.181.641
Loans <sup>(3)</sup>	47.815.065	77.066.618	180.171	125.061.854
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	1.812.203	1.250.272	-	3.062.475
Financial Assets Measured at Amortised Cost	11.250.534	3.289.519	962	14.541.015
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	12.304	2.078	12.913	27.295
Intangible Assets	4.888	3.465	5.507	13.860
Other Assets <sup>(5)</sup>	1.311.991	2.503.538	138.005	3.953.534
<b>Total Assets <sup>(6)</sup></b>	<b>87.795.235</b>	<b>139.684.866</b>	<b>17.770.872</b>	<b>245.250.973</b>
<b>Liabilities</b>				
Interbank Deposits	11.968.549	1.191.270	193.686	13.353.505
Foreign Currency Deposits	109.061.207	102.872.169	31.419.250	243.352.626
Money Market Borrowings	-	22.593.237	-	22.593.237
Funds Provided from Other Financial Institutions	8.044.875	23.747.217	370	31.792.462
Issued Marketable Securities <sup>(7)</sup>	10.760.595	11.129.064	126.271	22.015.930
Miscellaneous Payables	1.570.434	361.241	5.502	1.937.177
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	732.236	2.298.762	95.123	3.126.121
<b>Total Liabilities</b>	<b>142.137.896</b>	<b>164.192.960</b>	<b>31.840.202</b>	<b>338.171.058</b>
<b>Net Balance Sheet Position</b>	<b>(54.342.661)</b>	<b>(24.508.094)</b>	<b>(14.069.330)</b>	<b>(92.920.085)</b>
<b>Net Off-Balance Sheet Position <sup>(4)</sup></b>	<b>55.241.442</b>	<b>515.590</b>	<b>14.720.741</b>	<b>70.477.773</b>
Financial Derivative Assets	64.288.668	82.901.841	15.734.487	162.924.996
Financial Derivative Liabilities	9.047.226	82.386.251	1.013.746	92.447.223
<b>Non-Cash Loans</b>	<b>38.662.711</b>	<b>46.280.488</b>	<b>7.713.895</b>	<b>92.657.094</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 93,05% is Gold 2,06% is GBP, 2,08% is SAR, 0,66% is IQD, and the remaining 2,15% is other foreign currencies. The foreign currencies presented in the other FC column of liabilities, 82,88% is Gold, 8,75% is GBP, 3,70% is CHF, 1,35% is DKK, 0,91% is SAR and the remaining 2,41% 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, 2,34% is GBP, 1,11% is IQD, and the remaining 3,99% 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 11.345.477 (31 December 2019: 1.856.094 TL) equivalent to Financial Assets at Fair Value through Profit and Loss Other FC balance arises from gold indexed bonds.

<sup>(3)</sup> TL 120.489 (31 December 2019: 108.045 TL) equivalent of loans granted is USD and TL 50.082 (31 December 2019: 74.099 TL) equivalent of balance is caused by foreign currency indexed loans.

<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 5.448 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  
BANK (Continued)**

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

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

***Currency Risk Sensitivity Analysis***

The effect of 10% depreciation of TL against the US Dollar, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the six-month period ending on 30 June 2020 and 30 June 2019 is shown in the table below.

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

	Current Period - 30 June 2020		Prior Period - 30 June 2019	
	Profit/Loss	Equity <sup>(*)</sup>	Profit/Loss	Equity <sup>(*)</sup>
USD	(2.366.999)	(2.493.482)	(289.275)	(404.377)
EUR	(9.239)	(189.003)	68.382	(156.585)
Other currencies	12.638	12.638	16.076	16.076
<b>Total (Net) <sup>(**)</sup></b>	<b>(2.363.600)</b>	<b>(2.669.847)</b>	<b>(204.817)</b>	<b>(544.886)</b>

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

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

The effect of 10% appreciation of TL against the US Dollar, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the six-month period ending on 30 June 2020 and 30 June 2019 is shown in the table below.

	Current Period - 30 June 2020		Prior Period - 30 June 2019	
	Profit/Loss	Equity <sup>(*)</sup>	Profit/Loss	Equity <sup>(*)</sup>
USD	2.366.999	2.493.482	289.275	404.377
EUR	9.239	189.003	(68.382)	156.585
Other currencies	(12.638)	(12.638)	(16.076)	(16.076)
<b>Total (Net) <sup>(**)</sup></b>	<b>2.363.600</b>	<b>2.669.847</b>	<b>204.817</b>	<b>544.886</b>

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

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

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**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	2.806.469	-	-	-	-	41.478.197	44.284.666
Banks	544.092	44.027	76.194	-	-	1.520.135	2.184.448
Financial Assets at Fair Value Through Profit and Loss	401.443	517.222	7.254.892	3.236.818	7.799	-	11.418.174
Money Markets	222.367	-	-	-	-	-	222.367
Financial Assets at Fair Value Through Other Comprehensive Income	24.266.736	16.591.217	26.969.421	27.541.879	36.215.801	744.207	132.329.261
Loans Given <sup>(3)</sup>	119.849.525	32.741.501	128.463.916	216.651.675	39.727.021	3.706.168	541.139.806
Financial Assets Measured at Amortised Cost	2.562.344	89.848	7.121.342	12.809.474	3.621.326	-	26.204.334
Other Assets <sup>(2)</sup>	404.971	1.097.051	2.205.575	98.279	25.902	34.954.057	38.785.835
<b>Total Assets <sup>(1)(5)</sup></b>	<b>151.057.947</b>	<b>51.080.866</b>	<b>172.091.340</b>	<b>260.338.125</b>	<b>79.597.849</b>	<b>82.402.764</b>	<b>796.568.891</b>
<b>Liabilities</b>							
Interbank Deposits	13.736.317	3.947.604	4.920.811	-	-	3.482.450	26.087.182
Other Deposits	229.264.880	98.096.399	29.794.938	1.254.743	531	179.834.171	538.245.662
Money Market Borrowings	37.733.836	13.224.903	1.370.879	559.687	-	-	52.889.305
Miscellaneous Payables	-	-	-	-	-	9.616.659	9.616.659
Issued Marketable Securities <sup>(6)</sup>	-	2.927.660	3.548.515	19.119.694	-	-	25.595.869
Funds Provided from Other Financial Institutions	4.190.982	7.579.398	13.844.918	6.593.481	634.434	-	32.843.213
Other Liabilities <sup>(4)</sup>	2.494.360	569.054	467.300	1.046.253	5.230.593	101.483.441	111.291.001
<b>Total Liabilities <sup>(1)</sup></b>	<b>287.420.375</b>	<b>126.345.018</b>	<b>53.947.361</b>	<b>28.573.858</b>	<b>5.865.558</b>	<b>294.416.721</b>	<b>796.568.891</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>118.143.979</b>	<b>231.764.267</b>	<b>73.732.291</b>	<b>-</b>	<b>423.640.537</b>
<b>Balance Sheet Short Position</b>	<b>(136.362.428)</b>	<b>(75.264.152)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(212.013.957)</b>	<b>(423.640.537)</b>
Off-Balance Sheet Long Position	-	2.244.276	-	185	-	-	2.244.461
Off-Balance Sheet Short Position	(444.678)	-	(578.463)	-	(1.015.345)	-	(2.038.486)
<b>Total Position</b>	<b>(136.807.106)</b>	<b>(73.019.876)</b>	<b>117.565.516</b>	<b>231.764.452</b>	<b>72.716.946</b>	<b>(212.013.957)</b>	<b>205.975</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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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
BANK (Continued)**

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

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

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	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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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
BANK (Continued)**

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

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

	EUR	USD	JPY	TL
<b>Current Period <sup>(4)</sup></b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	8,00
Banks	4,30	-	-	17,25
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	9,03
Money Market Placements	-	-	-	7,14
Financial Assets at Fair Value Through Other Comprehensive Income	2,85	5,90	-	10,63
Loans Given <sup>(2)</sup>	4,61	5,43	5,76	10,60
Financial Assets Measured at Amortised Cost	4,93	7,46	-	11,47
<b>Liabilities</b>				
Interbank Deposits	0,19	0,08	-	7,80
Other Deposits	0,35	1,18	-	7,62
Money Market Borrowings	-	2,43	-	7,46
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(3)</sup>	5,08	4,96	-	10,69
Funds Provided from Other Financial Institutions	1,56	2,88	-	9,86

<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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BANK (Continued)**

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

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

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

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
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 (*)	175.451	175.451	-

(\*) 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 175.451 and 100% of them are risk weighted (31 December 2019: TL 153.641 and 100% of them are risk weighted).



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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**

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 granular structure of the deposits. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non-deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed.

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

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

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

***General information on liquidity urgent and unexpected situation plan***

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

Within the framework of the "Regulation on the Calculation of Liquidity Coverage Ratio of Banks" published by the BRSA in the Official Gazette dated 21 March 2014 and numbered 28948, the Bank calculates the liquidity coverage ratio and transmits it to the BRSA on a weekly unconsolidated and monthly consolidated basis. The lowest unconsolidated rates in the last three months for FX were 267,06 for the week of 22 May 2020; for the total, it was 115,93 in the week of 8 May 2020. The highest rates are 412,86 in the week of 24 April 2020 for the FX and 139,59 in the week of 19 June 2020 for the total (31 December 2019: The lowest unconsolidated rates in the last three months were 433,12 in the week of 29 November 2019 for the FX; for the total, it was 122,43 in the week of 29 November 2019. The highest rates are 544,10 in the week of 25 October 2019 for the FX and 143,69 in the week of 20 December 2019 for the total).

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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)**

**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 267,06 in the week of 22 May 2020; and for the total 115,93 in the week of 8 May 2020. The highest ratios that took place were for FC as 412,86 in the week of 24 April 2020 and for the total as 139,59 in the week of 19 June 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			124.776.760	48.276.644
<b>CASH OUTFLOWS</b>				
Retail and Small Business Customers, of which;	356.526.336	169.706.030	30.106.260	16.970.603
Stable deposits	110.927.463	-	5.546.373	-
Less stable deposits	245.598.873	169.706.030	24.559.887	16.970.603
Unsecured wholesale funding, of which;	176.510.772	68.330.707	88.002.646	38.077.190
Operational deposit	10.766.851	405.010	2.691.713	101.252
Non-operational deposits	139.055.553	55.138.692	62.814.509	25.260.964
Other unsecured funding	26.688.368	12.787.005	22.496.424	12.714.974
Secured funding			-	-
Other cash outflows, of which;	70.601.068	7.360.060	7.640.301	3.018.177
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	2.410.999	1.491.266	2.410.999	1.491.266
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	68.190.069	5.868.794	5.229.302	1.526.911
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	50.428.214	35.095.193	2.725.344	1.754.760
<b>TOTAL CASH OUTFLOWS</b>			128.474.551	59.820.730
<b>CASH INFLOWS</b>				
Secured lending	-	-	-	-
Unsecured lending	40.100.625	20.487.435	27.451.747	15.251.868
Other cash inflows	2.794.293	39.148.475	2.794.293	39.148.475
<b>Total Cash Inflows</b>	42.894.918	59.635.910	30.246.040	54.400.343
			<b>Upper Limit</b>	<b>Applied Amounts</b>
<b>TOTAL HQLA STOCK</b>			124.776.760	48.276.644
<b>TOTAL NET CASH OUTFLOWS</b>			98.228.511	14.960.784
<b>LIQUIDITY COVERAGE RATIO (%)</b>			127,03	322,69

<sup>(\*)</sup> 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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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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**EXPLANATIONS RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK  
(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	22.767.402	21.517.264	-	-	-	-	-	44.284.666
Banks	1.520.135	544.092	44.027	76.194	-	-	-	2.184.448
Financial Assets at Fair Value Through Profit and Loss	-	376.174	514.951	7.269.914	3.249.336	7.799	-	11.418.174
Money Market Placements	-	222.367	-	-	-	-	-	222.367
Financial Assets at Fair Value Through Other Comprehensive Income	-	3.145.683	5.848.975	14.120.444	56.135.282	52.460.544	618.333	132.329.261
Loans Given	-	20.244.451	29.318.524	171.564.306	254.533.605	61.772.752	3.706.168	541.139.806
Investments Held-to-Maturity	-	168.466	89.848	2.436.873	12.809.472	10.699.675	-	26.204.334
Other Assets	6.552.477	404.971	1.097.051	2.205.575	98.279	25.902	28.401.580	38.785.835
<b>Total Assets<sup>(2)</sup></b>	<b>30.840.014</b>	<b>46.623.468</b>	<b>36.913.376</b>	<b>197.673.306</b>	<b>326.825.974</b>	<b>124.966.672</b>	<b>32.726.081</b>	<b>796.568.891</b>
<b>Liabilities</b>								
Interbank Deposits	3.482.450	13.736.317	3.947.604	4.920.811	-	-	-	26.087.182
Other Deposits	179.834.171	229.229.710	97.977.617	29.767.971	1.432.672	3.521	-	538.245.662
Funds Provided from Other Financial Institutions	-	1.782.098	645.022	14.874.085	11.830.348	3.711.660	-	32.843.213
Money Market Borrowings	-	37.733.836	13.224.903	1.370.879	559.687	-	-	52.889.305
Issued Marketable Securities <sup>(3)</sup>	-	-	2.927.660	3.548.515	19.119.694	-	-	25.595.869
Miscellaneous Payables	2.911.635	6.705.024	-	-	-	-	-	9.616.659
Other Liabilities	6.587.196	3.291.404	2.668.619	467.300	1.046.253	6.694.901	90.535.328	111.291.001
<b>Total Liabilities</b>	<b>192.815.452</b>	<b>292.478.389</b>	<b>121.391.425</b>	<b>54.949.561</b>	<b>33.988.654</b>	<b>10.410.082</b>	<b>90.535.328</b>	<b>796.568.891</b>
<b>Liquidity Gap</b>	<b>(161.975.438)</b>	<b>(245.854.921)</b>	<b>(84.478.049)</b>	<b>142.723.745</b>	<b>292.837.320</b>	<b>114.556.590</b>	<b>(57.809.247)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(614.332)</b>	<b>(300.464)</b>	<b>585.337</b>	<b>185</b>	<b>172.212</b>	<b>-</b>	<b>(157.062)</b>
Financial Derivative Assets	-	90.570.789	29.902.745	21.318.621	159.670	1.187.550	-	143.139.375
Financial Derivative Liabilities	-	91.185.121	30.203.209	20.733.284	159.485	1.015.338	-	143.296.437
<b>Non-cash Loans</b>	<b>44.281.663</b>	<b>5.155.621</b>	<b>9.892.237</b>	<b>37.863.352</b>	<b>29.745.282</b>	<b>5.169.893</b>	<b>-</b>	<b>132.108.048</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>

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

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

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

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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 8,88% (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)	776.942.889	632.454.602
(Assets deducted in determining Tier 1 capital)	(5.484.969)	(2.509.960)
<b>Total on-balance sheet risks (sum of lines 1 and 2)</b>	<b>771.457.920</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	4.674.501	2.569.958
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	1.853.576	1.625.888
<b>Total risks of derivative financial instruments and credit derivatives</b>	<b>6.528.077</b>	<b>4.195.846</b>
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets	12.744.876	8.795.288
Risks from brokerage activities related exposures	-	-
<b>Total risks related with securities or commodity financing transactions</b>	<b>12.744.876</b>	<b>8.795.288</b>
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	217.476.227	180.614.425
(Adjustments for conversion to credit equivalent amounts)	-	-
<b>Total risks of off-balance sheet items</b>	<b>217.476.227</b>	<b>180.614.425</b>
<b>Capital and total risks</b>		
Tier 1 capital	89.487.964	76.774.417
<b>Total risks</b>	<b>1.008.207.100</b>	<b>823.550.201</b>
<b>Leverage ratio</b>		
Leverage ratio %	8,88	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.

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

*Overview of Risk Weighted Amounts*

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	463.860.592	418.483.426	37.108.847
2	Standardised approach	463.860.592	418.483.426	37.108.847
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	6.980.088	5.751.999	558.407
5	Standardised approach for counterparty credit risk	6.980.088	5.751.999	558.407
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	4.380.555	4.416.689	350.444
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	49.110.319	27.461.275	3.928.826
17	Standardised approach	49.110.319	27.461.275	3.928.826
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>563.772.947</b>	<b>491.404.718</b>	<b>45.101.835</b>



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

*Credit quality of assets*

Current Period	Estimated gross amount in accordance with TAS in the Unconsolidated financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Credits	12.999.095	544.913.974	16.773.263	541.139.806
Debt instruments	-	98.880.767	1.775.940	97.104.827
Off-balance sheet receivables	692.444	204.777.823	1.279.070	204.191.197
<b>Total</b>	<b>13.691.539</b>	<b>848.572.564</b>	<b>19.828.273</b>	<b>842.435.830</b>

Prior Period	Estimated gross amount in accordance with TAS in the Unconsolidated financial statements prepared according to legal consolidation		Provisions / Depreciation and impairment	Net value
	Defaulted	Non-defaulted		
Credits	12.690.487	435.292.264	13.008.252	434.974.499
Debt instruments	-	132.467.406	2.132.721	130.334.685
Off-balance sheet receivables	739.804	186.279.907	1.086.387	185.933.324
<b>Total</b>	<b>13.430.291</b>	<b>754.039.577</b>	<b>16.227.360</b>	<b>751.242.508</b>

*Changes in default receivables and debt instruments inventory*

	Current Period
<b>1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period</b>	<b>12.690.487</b>
2 Credits and borrowing instruments that defaulted since the last reporting period	1.358.860
3 Receivables that have not re-defaulted	120.126
4 Amounts write-off from assets	-
5 Other changes	(930.126)
<b>6 The amount of defaulted loans and borrowing instruments at the end of the reporting period (1 + 2-3-4 ± 5)</b>	<b>12.999.095</b>

	Prior Period
<b>1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period</b>	<b>7.459.749</b>
2 Credits and borrowing instruments that defaulted since the last reporting period	7.695.331
3 Receivables that have not re-defaulted	63.232
4 Amounts write-off from assets	-
5 Other changes	(2.401.361)
<b>6 The amount of defaulted loans and borrowing instruments at the end of the reporting period (1 + 2-3-4 ± 5)</b>	<b>12.690.487</b>

*Credit risk mitigation techniques - Overview*

Current Period	Unsecured receivables: TAS probable valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Credits	383.053.719	135.424.125	65.229.452	131.052.712	63.097.215	-	-
Debt instruments	92.403.879	-	-	-	-	-	-
<b>Total</b>	<b>475.457.598</b>	<b>135.424.125</b>	<b>65.229.452</b>	<b>131.052.712</b>	<b>63.097.215</b>	-	-
Defaulted	12.081.680	912.879	318.089	903.758	317.277	-	-

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

<b>Prior Period</b>	Unsecured receivables: TAS probable valued amount	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Loans protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Credits	355.381.887	84.336.820	48.242.825	67.009.421	44.952.792	-	-
Debt instruments	130.334.685	-	-	-	-	-	-
<b>Total</b>	<b>485.716.572</b>	<b>84.336.820</b>	<b>48.242.825</b>	<b>67.009.421</b>	<b>44.952.792</b>	<b>-</b>	<b>-</b>
Defaulted	10.579.251	2.111.236	733.725	2.109.151	733.709	-	-

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

<b>Current Period</b>	<b>The credit conversion rate and the credit amount before the credit risk reduction</b>		<b>The credit conversion rate and the credit amount after the credit risk reduction</b>		<b>Risk weighted amount and risk weighted amount density</b>	
<b>Risk classes</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance sheet amount</b>	<b>Off-balance sheet amount</b>	<b>On-balance amount</b>	<b>Off- balance sheet amount</b>
Receivables from central government or central banks	138.448.646	833.244	200.575.899	586.155	6.219.357	3,09%
Receivables from regional or local governments	592.645	70.220	629.649	43.887	330.455	49,06%
Receivables from administrative units and non-commercial enterprises	270.677	690.958	247.383	309.440	537.539	96,54%
Multilateral development receivables from banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	45.368.477	11.767.943	46.260.210	6.420.766	9.139.044	17,35%
Corporate receivables	210.084.052	106.466.306	183.833.959	59.626.982	241.538.286	99,21%
Retail receivables	220.366.933	56.511.182	187.813.020	6.154.264	144.297.973	74,39%
Receivables secured with real estate mortgage for residence	61.380.597	862.473	61.377.735	355.265	21.605.273	35,00%
Receivables secured by real estate mortgage	27.353.264	1.395.989	23.452.714	772.509	16.030.807	66,17%
Delayed receivables	3.164.689	-	2.847.415	-	1.950.264	68,49%
The risk is high determined receivables	1.337.869	214.924	1.337.866	113.625	2.148.180	148,00%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	4.323.477	130.437	4.315.477	65.080	4.380.555	100,00%
Other receivables	31.948.630	-	31.948.629	-	22.491.501	70,40%
Equity investments	6.406.232	-	6.406.232	-	3.033.742	47,36%
<b>Total</b>	<b>751.046.188</b>	<b>178.943.676</b>	<b>751.046.188</b>	<b>74.447.973</b>	<b>473.702.976</b>	<b>57,38%</b>

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

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

Prior Period	The credit conversion rate and the credit amount before the credit risk reduction		The credit conversion rate and the credit amount after the credit risk reduction		Risk weighted amount and risk weighted amount density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance amount	Off- balance sheet amount
<b>Risk classes</b>						
Receivables from central government or central banks	137.386.761	824.931	180.062.198	2.739.787	31.630.420	17,3%
Receivables from regional or local governments	618.086	77.751	442.183	44.102	231.623	47,6%
Receivables from administrative units and non-commercial enterprises	243.217	757.225	1.196.718	385.687	1.542.669	97,5%
Multilateral development receivables from banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	73.633.221	14.890.869	74.897.681	8.288.251	12.658.563	15,2%
Corporate receivables	196.017.305	102.469.416	169.312.241	56.039.840	222.622.745	98,8%
Retail receivables	157.023.430	52.234.252	140.355.731	4.531.954	107.486.351	74,2%
Receivables secured with real estate mortgage for residence	59.603.803	352.789	59.275.334	174.748	20.818.566	35,0%
Receivables secured by real estate mortgage	8.464.297	740.249	8.214.361	445.931	4.397.972	50,8%
Delayed receivables	3.891.589	-	3.172.906	-	2.229.256	70,3%
The risk is high determined receivables	3.992.028	381.000	3.944.385	156.606	6.145.752	149,9%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	4.527.084	112.063	4.527.084	55.817	4.416.688	96,4%
Other receivables	27.127.402	-	27.127.401	-	14.317.867	52,8%
Equity investments	153.641	-	153.641	-	153.641	100,0%
<b>Total</b>	<b>672.681.864</b>	<b>172.840.545</b>	<b>672.681.864</b>	<b>72.862.723</b>	<b>428.652.113</b>	<b>57,5%</b>

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

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

##### *Receivables related with Risk Classes and Risk Weights*

Risk Classes/ Risk Weight – Current Period	0%	10%	20%	35% Secured by property mortgage	50% Secured by property mortgage	50% <sup>(*)</sup>	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	189.114.982	-	185.285	-	-	11.358.975	-	502.812	-	-	-	201.162.054
Exposures to regional and local government	31.328	-	34	-	-	623.452	-	18.722	-	-	-	673.536
Exposures to administrative bodies and non-commercial entities	19.175	-	136	-	-	-	-	537.512	-	-	-	556.823
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	26.615.242	-	11.202.111	-	-	12.298.810	-	712.164	-	-	1.852.649	52.680.976
Exposures to corporates	856.235	-	574.496	-	-	1.213.641	-	240.816.569	-	-	-	243.460.941
Retail exposures	1.004.241	-	770.175	-	-	2.854	192.190.014	-	-	-	-	193.967.284
Exposures secured by residential property	1.946	-	3.976	61.727.078	-	-	-	-	-	-	-	61.733.000
Exposures secured by commercial property	38.699	-	34.133	-	16.256.820	-	-	7.895.571	-	-	-	24.225.223
Past-due items	811	-	-	-	-	1.792.681	-	1.053.923	-	-	-	2.847.415
Exposures in high-risk categories	401	-	9	-	-	28.344	-	200	1.422.537	-	-	1.451.491
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	2	-	-	-	-	-	-	4.380.555	-	-	-	4.380.557
Equity share investments	3.372.490	-	-	-	-	-	-	3.033.742	-	-	-	6.406.232
Other exposures	9.455.793	-	1.670	-	-	-	-	22.491.166	-	-	-	31.948.629
<b>Total</b>	<b>230.511.345</b>	<b>-</b>	<b>12.772.025</b>	<b>61.727.078</b>	<b>16.256.820</b>	<b>27.318.757</b>	<b>192.190.014</b>	<b>281.442.936</b>	<b>1.422.537</b>	<b>-</b>	<b>1.852.649</b>	<b>825.494.161</b>

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

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

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

##### *Receivables related with Risk Classes and Risk Weights*

Risk Classes/ Risk Weight – Prior Period -31 December 2019	0%	10%	20%	35% Secured by property mortgage	50% Secured by property mortgage	50% <sup>(*)</sup>	75%	100%	150%	200%	Other	Total risk amount (post- CCF and CRM)
Exposures to sovereigns and their central banks	119.814.729	-	9.892	-	-	62.697.844	-	279.520	-	-	-	182.801.985
Exposures to regional and local government	27.549	-	34	-	-	454.172	-	4.530	-	-	-	486.285
Exposures to administrative bodies and non-commercial entities	39.577	-	198	-	-	-	-	1.542.630	-	-	-	1.582.405
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	46.521.243	-	17.542.922	-	-	14.318.546	-	1.933.307	-	-	2.869.914	83.185.932
Exposures to corporates	947.168	-	505.619	-	-	2.755.346	-	221.143.948	-	-	-	225.352.081
Retail exposures	1.049.738	-	711.761	-	-	146	143.125.212	-	-	-	828	144.887.685
Exposures secured by residential property	21.174	-	16.391	59.380.353	-	-	-	32.164	-	-	-	59.450.082
Exposures secured by commercial property	8.297	-	8.916	-	8.493.780	-	-	149.299	-	-	-	8.660.292
Past-due items	13	-	-	-	-	1.887.274	-	1.285.619	-	-	-	3.172.906
Exposures in high-risk categories	1.938	-	2.174	-	-	-	-	2	4.096.877	-	-	4.100.991
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	166.213	-	-	-	-	-	-	4.416.688	-	-	-	4.582.901
Equity share investments	-	-	-	-	-	-	-	153.641	-	-	-	153.641
Other exposures	12.809.527	-	9	-	-	-	-	14.317.865	-	-	-	27.127.401
<b>Total</b>	<b>181.407.166</b>	<b>-</b>	<b>18.797.916</b>	<b>59.380.353</b>	<b>8.493.780</b>	<b>82.113.328</b>	<b>143.125.212</b>	<b>245.259.213</b>	<b>4.096.877</b>	<b>-</b>	<b>2.870.742</b>	<b>745.544.587</b>

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

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

**2. Counter Party Credit Risk**

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

		Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	<b>Current Period</b>						
	Valuation Method according to fair value - CCR (for derivatives)	2.592.670	1.606.803			4.199.473	2.025.187
1	Standardised approach – CCR (for derivatives)	-	-		1,4	-	-
	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
2	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					24.081.242	2.150.162
3	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					5.425.473	1.249.428
4	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
5	<b>Total</b>						<b>5.424.777</b>

(\*) Effective Expected Positive Exposure

		Replacement cost	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(*)</sup>	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	<b>Prior Period</b>						
	Valuation Method according to fair value - CCR (for derivatives)	3.340.588	1.455.925			4.796.513	2.126.538
1	Standardised approach – CCR (for derivatives)	-	-		1,4	-	-
	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)			-	-	-	-
2	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					36.396.300	2.816.893
3	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					2.860.410	665.494
4	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
5	<b>Total</b>						<b>5.608.925</b>

(\*) Effective Expected Positive Exposure

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

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

*Capital Requirement for Loan Valuation Adjustments*

	<b>Current Period</b>	<b>Exposure at default post-CRM</b>	<b>RWA</b>
	Total portfolios subject to the Advanced CVA capital charge		
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	4.199.473	1.518.258
4	<b>Total subject to the CVA capital charge</b>	<b>4.199.473</b>	<b>1.518.258</b>

	<b>Prior Period</b>	<b>Exposure at default post-CRM</b>	<b>RWA</b>
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) Value at Risk (VaR) component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	4.796.513	85.658
4	<b>Total subject to the CVA capital charge</b>	<b>4.796.513</b>	<b>85.658</b>

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

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

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

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

Current Period Risk Weight /Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	4.445.071	-	-	-	-	-	-	-	4.445.071
Exposures to regional and local government	3.938	-	-	-	-	-	-	-	3.938
Exposures to administrative bodies and non-commercial entities	7.669	-	-	-	-	-	-	-	7.669
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	13.200.211	-	10.227.902	4.067.560	-	-	-	1.852.649	29.348.322
Exposures to corporates	391.454	-	-	-	-	1.343.957	-	-	1.735.411
Retail exposures	16.480	-	-	-	1.946	-	-	-	18.426
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets <sup>(**)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18.064.823</b>	<b>-</b>	<b>10.227.902</b>	<b>4.067.560</b>	<b>1.946</b>	<b>1.343.957</b>	<b>-</b>	<b>1.852.649</b>	<b>35.558.837</b>

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

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



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

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

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

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

Prior Period Risk Weight /Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>(*)</sup>
Exposures to sovereigns and their central banks	2.664.755	-	-	457.031	-	-	-	-	3.121.786
Exposures to regional and local government	5.001	-	-	-	-	-	-	-	5.001
Exposures to administrative bodies and non-commercial entities	2.816	-	-	-	-	-	-	-	2.816
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	42.878.830	-	11.470.585	5.544.408	-	-	-	2.869.914	62.763.737
Exposures to corporates	13.412	-	-	-	-	398.735	-	-	412.147
Retail exposures	162.312	-	-	-	1.349	-	-	828	164.489
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	166.213	-	-	-	-	-	-	-	166.213
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets <sup>(**)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45.893.339</b>	<b>-</b>	<b>11.470.585</b>	<b>6.001.439</b>	<b>1.349</b>	<b>398.735</b>	<b>-</b>	<b>2.870.742</b>	<b>66.636.189</b>

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

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

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

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

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

*Risk classes and counterparty credit risk explanations*

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Nonsegregated	Segregated	Nonsegregated		
Cash-domestic currency	-	-	-	-	11.572.775	-
Cash-foreign currency	-	-	-	-	23.531.206	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>35.103.981</b>	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Nonsegregated	Segregated	Nonsegregated		
Cash-domestic currency	-	-	-	-	26.917.003	-
Cash-foreign currency	-	-	-	-	22.943.367	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>49.860.370</b>	-

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

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

*Credit Derivatives*

None (31 December 2019: None).

*Risks Related with Central Counterparty*

	Current Period	Exposure at default (post- CRM)	RAW
1	<b>Exposure to Qualified Central Counterparties (QCCPs) (total)</b>	<b>1.852.649</b>	<b>37.053</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	101.652	2.033
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	1.750.997	35.020
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which )	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	Prior Period	Exposure at default (post- CRM)	RAW
1	<b>Exposure to Qualified Central Counterparties (QCCPs) (total)</b>	<b>2.870.742</b>	<b>57.415</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	1.088.022	21.760
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	1.782.720	35.655
10	Unfunded default fund contributions	-	-
11	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which )	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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

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

**4. Explanations on Market Risk**

*Standard approach*

<b>Current Period</b>		<b>RWA</b>
	Outright products	
1	Interest rate risk (general and specific)	21.849.843
2	Equity risk (general and specific)	885.768
3	Foreign exchange risk	26.374.708
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	<b>Total</b>	<b>49.110.319</b>

<b>Current Period</b>		<b>RWA</b>
	Outright products	
1	Interest rate risk (general and specific)	15.582.666
2	Equity risk (general and specific)	752.996
3	Foreign exchange risk	11.125.613
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	<b>Total</b>	<b>27.461.275</b>

The following tables that should be given in quarterly and six-month periods in accordance with the footnotes and related explanations prepared in accordance with the "Communiqué on Public Disclosures by the Banks" published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016. As of 30 June 2020, since the standard approach is used in the calculation of the market risk of the Bank:

Market risk RAV (Risk Weighted Assets) change table according to the internal model approach

Internal model approach for trading account

Comparison of RmD (Value at Risk) estimates with profit / loss

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
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**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 so as to diversify its funding base are among the responsibilities of the department.

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

As of 30 June 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)**

**1. Table for Segment Reporting**

Current Period	Retail Banking	Corporate/ Entrepreneur Banking	Specialize d Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
Interest Income	7.090.243	10.766.506	4.161.083	10.099.344	115.856	32.233.032
Interest Income from Loans	7.090.243	10.766.506	4.161.083	3.022.652	-	25.040.484
Interest Income from Banks	-	-	-	32.152	-	32.152
Interest Income from Securities	-	-	-	6.979.433	-	6.979.433
Other Interest Income	-	-	-	65.107	115.856	180.963
<b>Interest Expense</b>	<b>6.068.314</b>	<b>2.909.265</b>	<b>-</b>	<b>3.811.525</b>	<b>917.598</b>	<b>13.706.702</b>
Interest Expense on Deposits	6.068.314	2.909.265	-	709.479	-	9.687.058
Interest Expense on Funds Borrowed	-	-	-	636.699	-	636.699
Interest Expense on Money Market Transactions	-	-	-	1.711.514	-	1.711.514
Interest Expense on Securities Issued	-	-	-	753.833	-	753.833
Other Interest Expense	-	-	-	-	917.598	917.598
<b>Net Interest Income/Expense</b>	<b>1.021.929</b>	<b>7.857.241</b>	<b>4.161.083</b>	<b>6.287.819</b>	<b>(801.742)</b>	<b>18.526.330</b>
<b>Net Fees and Commission Income</b>	<b>1.149.371</b>	<b>873.760</b>	<b>62.123</b>	<b>(553.340)</b>	<b>(328.030)</b>	<b>1.203.884</b>
Fees and Commissions Received	1.149.371	873.760	62.123	3.862	128.113	2.217.229
Fees and Commissions Paid	-	-	-	557.202	456.143	1.013.345
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.041.002</b>	<b>-</b>	<b>1.041.002</b>
<b>Trading Profit/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.785.860)</b>	<b>-</b>	<b>(2.785.860)</b>
<b>Other Operating Income</b>	<b>24.050</b>	<b>138.448</b>	<b>12.823</b>	<b>2.545</b>	<b>1.398.204</b>	<b>1.576.070</b>
<b>Provision for Expected Loss (-)</b>	<b>1.365.042</b>	<b>2.862.659</b>	<b>707.249</b>	<b>-</b>	<b>-</b>	<b>4.934.950</b>
<b>Other Provision Expenses(-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.273</b>	<b>2.014.698</b>	<b>2.021.971</b>
<b>Personnel Expenses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.472.395</b>	<b>2.472.395</b>
<b>Other Operating Expense</b>	<b>1.558.946</b>	<b>42.640</b>	<b>34.222</b>	<b>-</b>	<b>2.349.882</b>	<b>3.985.690</b>
<b>Net Operating Profit/Loss</b>	<b>(728.638)</b>	<b>5.964.150</b>	<b>3.494.558</b>	<b>3.984.893</b>	<b>(6.568.543)</b>	<b>6.146.420</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tax Provision</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.637.191)</b>	<b>(1.637.191)</b>
<b>Net Profit/Loss</b>	<b>(728.638)</b>	<b>5.964.150</b>	<b>3.494.558</b>	<b>3.984.893</b>	<b>(8.205.734)</b>	<b>4.509.229</b>
<b>SEGMENT ASSETS</b>						
Financial Assets at FV Through P/L	-	-	-	11.418.174	-	11.418.174
Banks and Money Markets	-	-	-	2.406.815	-	2.406.815
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	132.329.261	-	132.329.261
Loans	152.895.717	293.548.364	78.228.284	16.467.441	-	541.139.806
Financial Assets Measured at Amortised Cost (Net)	-	-	-	26.204.334	-	26.204.334
Derivative Financial Assets	-	-	-	3.677.512	-	3.677.512
Associates, Subsidiaries and Joint Ventures	-	-	-	9.359.072	-	9.359.072
Other Assets	15.847	5.893.841	144.580	40.594.208	23.385.441	70.033.917
<b>Total Segment Assets</b>	<b>152.911.564</b>	<b>299.442.205</b>	<b>78.372.864</b>	<b>242.456.817</b>	<b>23.385.441</b>	<b>796.568.891</b>
<b>SEGMENT LIABILITIES</b>						
Deposits	395.073.166	116.789.764	-	26.081.023	26.388.891	564.332.844
Derivative Financial Liabilities Held for Trading	-	-	-	2.962.071	-	2.962.071
Funds Borrowed	-	-	-	32.843.213	-	32.843.213
Money Markets	15.023	11.379.200	-	41.495.082	-	52.889.305
Securities Issued (Net)	-	-	-	14.835.274	-	14.835.274
Provisions	-	1.279.070	-	-	4.549.574	5.828.644
Other Liabilities	-	-	-	-	37.191.549	37.191.549
Shareholders' Equity	-	-	-	-	85.685.991	85.685.991
<b>Total Segment Liabilities</b>	<b>395.088.189</b>	<b>129.448.034</b>	<b>-</b>	<b>118.216.663</b>	<b>153.816.005</b>	<b>796.568.891</b>

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE  
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**VIII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)**

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

Prior Period – 30 June 2019	Retail Banking	Corporate/ Entrepreneur Banking	Specialize d Banking	Treasury/ Investment Banking	Other/ Undistributed	Total
<b>OPERATING INCOME/EXPENSE</b>						
<b>Interest Income</b>	<b>6.830.448</b>	<b>12.224.417</b>	<b>3.906.599</b>	<b>9.719.939</b>	<b>83.848</b>	<b>32.765.251</b>
Interest Income from Loans	6.830.448	12.224.417	3.906.599	2.695.159	-	25.656.623
Interest Income from Banks	-	-	-	196.886	-	196.886
Interest Income from Securities	-	-	-	6.532.191	-	6.532.191
Other Interest Income	-	-	-	295.703	83.848	379.551
<b>Interest Expense</b>	<b>9.438.660</b>	<b>3.861.446</b>	<b>-</b>	<b>8.289.246</b>	<b>196.754</b>	<b>21.786.106</b>
Interest Expense on Deposits	9.438.660	3.861.446	-	1.549.900	-	14.850.006
Interest Expense on Funds Borrowed	-	-	-	855.804	-	855.804
Interest Expense on Money Market Transactions	-	-	-	5.226.183	-	5.226.183
Interest Expense on Securities Issued	-	-	-	657.359	-	657.359
Other Interest Expense	-	-	-	-	196.754	196.754
<b>Net Interest Income/Expense</b>	<b>(2.608.212)</b>	<b>8.362.971</b>	<b>3.906.599</b>	<b>1.430.693</b>	<b>(112.906)</b>	<b>10.979.145</b>
<b>Net Fees and Commission Income</b>	<b>1.405.683</b>	<b>992.665</b>	<b>56.197</b>	<b>(817.177)</b>	<b>(24.645)</b>	<b>1.612.723</b>
Fees and Commissions Received	1.405.683	992.665	56.197	6.529	119.927	2.581.001
Fees and Commissions Paid	-	-	-	823.706	144.572	968.278
<b>Dividend Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.030.484</b>	<b>-</b>	<b>1.030.484</b>
<b>Trading Profit/Loss (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.494.783)</b>	<b>-</b>	<b>(4.494.783)</b>
<b>Other Operating Income</b>	<b>17.895</b>	<b>88.915</b>	<b>15.019</b>	<b>2.747</b>	<b>701.875</b>	<b>826.451</b>
<b>Provision for Expected Loss (-)</b>	<b>447.691</b>	<b>1.084.395</b>	<b>306.758</b>	<b>-</b>	<b>-</b>	<b>1.838.844</b>
<b>Other Provision Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728</b>	<b>2.300</b>	<b>3.028</b>
<b>Personnel Expenses (-)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.725.542</b>	<b>1.725.542</b>
<b>Other Operating Expense</b>	<b>1.005.935</b>	<b>26.778</b>	<b>31.097</b>	<b>-</b>	<b>1.950.410</b>	<b>3.014.220</b>
<b>Net Operating Profit/Loss</b>	<b>(2.638.260)</b>	<b>8.333.378</b>	<b>3.639.960</b>	<b>(2.848.764)</b>	<b>(3.113.928)</b>	<b>3.372.386</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>(556.785)</b>	<b>(556.785)</b>
<b>Net Profit/Loss</b>	<b>(2.638.260)</b>	<b>8.333.378</b>	<b>3.639.960</b>	<b>(2.848.764)</b>	<b>(3.670.713)</b>	<b>2.815.601</b>
<b>SEGMENT ASSETS 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 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	1.618.369	2.055.684	2.066.402	2.071.843
Central Bank of the Republic of Turkey	2.743.976	37.850.232	780.011	44.730.986
Other	1.057	15.805	-	2.558.417
<b>Total</b>	<b>4.363.402</b>	<b>39.921.721</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	2.634.509	16.435.965	672.664	15.680.915
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	3.112	-	-
Other <sup>(1)</sup>	109.467	21.411.155	107.347	29.050.071
<b>Total</b>	<b>2.743.976</b>	<b>37.850.232</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 2.901. Required reserve of branches abroad amounting to TL 191.156 is presented in this line. TL 2.937.609 of the current period’s FC required reserve is the part of the 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 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	11.300.893	-
<b>Total</b>	<b>11.300.893</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	190.138	15.922	156.547	33.478
Swap Transactions	1.928.649	1.542.803	1.139.190	1.468.650
Futures Transactions	-	-	-	-
Options	-	-	-	21
Other	-	-	-	-
<b>Total</b>	<b>2.118.787</b>	<b>1.558.725</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	2.358	37.491	2.118	14.990
Foreign Banks	48.102	2.096.811	127.733	4.708.538
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>50.460</b>	<b>2.134.302</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	38.524.043	50.605.054
Assets Blocked/Given as Collateral	35.977.480	30.536.506
<b>Total</b>	<b>74.501.523</b>	<b>81.141.560</b>

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

	Current Period	Prior Period
Debt Securities	134.953.530	112.464.458
Quoted in Stock Exchange	134.682.333	112.263.419
Not Quoted in Stock Exchange	271.197	201.039
Share Certificates	644.841	554.295
Quoted in Stock Exchange	442.884	376.498
Not Quoted in Stock Exchange	201.957	177.797
Provision for Impairment (-)	3.269.110	2.132.036
<b>Total</b>	<b>132.329.261</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	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees <sup>(1) (2)</sup>	556.643	-	452.130	-
<b>Total</b>	<b>556.643</b>	<b>-</b>	<b>452.130</b>	<b>-</b>

<sup>(1)</sup> Interest rediscount and interest accrual amounting TL 4.010, 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 9.285, 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		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled Loans with revised contract terms	Refinancing
<b>Cash Loans</b>	<b>Standard Loans</b>			
Non-Specialized Loans	427.789.442	16.392.276	12.596.820	-
Commercial Loans	263.582.992	6.285.172	12.409.194	-
Export Loans	3.672.964	732.460	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4.212.571	7.849.447	-	-
Consumer Loans	143.580.764	1.297.679	184.803	-
Credit Cards	11.824.754	224.100	2.823	-
Other	915.397	3.418	-	-
Specialized Loans <sup>(1) (2)</sup>	71.179.133	1.822.549	1.258.013	-
Other Receivables	-	-	-	-
Interest Income Accruals	10.173.202	3.113.543	588.996	-
<b>Total</b>	<b>509.141.777</b>	<b>21.328.368</b>	<b>14.443.829</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		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured or Rescheduled Loans with revised contract terms	Refinancing
<b>Cash Loans</b>	<b>Standard Loans</b>			
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	2.090.486	-	1.346.524	-
Significant Increase in Credit Risk	-	5.389.850	-	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>	783.156	142.375.416	143.158.572
Mortgage Loans <sup>(2)</sup>	8.400	77.796.388	77.804.788
Automotive Loans	5.728	679.992	685.720
Consumer Loans <sup>(2)</sup>	769.028	63.899.036	64.668.064
Other	-	-	-
<b>Consumer Loans- Indexed to FC</b>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	863	52.059	52.922
Mortgage Loans	-	7.240	7.240
Automotive Loans	-	-	-
Consumer Loans	863	44.819	45.682
Other	-	-	-
<b>Retail Credit Cards-TL</b>	6.670.708	190.185	6.860.893
With Installment	2.008.973	180.302	2.189.275
Without Installment	4.661.735	9.883	4.671.618
<b>Retail Credit Cards-FC</b>	542	-	542
With Installment	-	-	-
Without Installment	542	-	542
<b>Personnel Loans-TL</b>	18.803	403.501	422.304
Mortgage Loans	-	78	78
Automotive Loans	-	-	-
Consumer Loans	18.803	403.423	422.226
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>	127.666	6.649	134.315
With Installment	49.156	6.465	55.621
Without Installment	78.510	184	78.694
<b>Personnel Credit Cards-FC</b>	24	-	24
With Installment	-	-	-
Without Installment	24	-	24
<b>Overdraft Accounts-TL (Real Person)</b>	1.429.448	-	1.429.448
<b>Overdraft Accounts-FC (Real Person)</b>	-	-	-
<b>Total <sup>(1)</sup></b>	<b>9.031.210</b>	<b>143.027.810</b>	<b>152.059.020</b>

<sup>(1)</sup> TL 879.910 amounting of interest income rediscount and accrual is not included.

<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.906.499 are included.

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

Prior Period	Short-Term	Medium and Long-Term	Total
<b>Consumer Loans-TL</b>	1.124.603	106.403.629	107.528.232
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>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	1.535	48.337	49.872
Mortgage Loans	-	6.989	6.989
Automotive Loans	-	-	-
Consumer Loans	1.535	41.348	42.883
Other	-	-	-
<b>Retail Credit Cards-TL</b>	7.013.410	189.176	7.202.586
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>	762	-	762
With Installment	-	-	-
Without Installment	762	-	762
<b>Personnel Loans-TL</b>	21.460	275.212	296.672
Mortgage Loans	-	131	131
Automotive Loans	-	-	-
Consumer Loans	21.460	275.081	296.541
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>	148.749	6.658	155.407
With Installment	56.923	6.508	63.431
Without Installment	91.826	150	91.976
<b>Personnel Credit Cards-FC</b>	51	-	51
With Installment	-	-	-
Without Installment	51	-	51
<b>Overdraft Accounts-TL (Real Person)</b>	1.718.010	-	1.718.010
<b>Overdraft Accounts-FC (Real Person)</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>	2.770.994	106.268.513	109.039.507
Mortgage Loans	895	509.080	509.975
Automotive Loans	36.706	1.233.297	1.270.003
Consumer Loans	2.733.393	104.526.136	107.259.529
Other	-	-	-
<b>Installment Based Commercial Loans- Indexed to FC</b>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Based Commercial Loans - FC</b>	9.729	30.240.422	30.250.151
Mortgage Loans	-	45.322	45.322
Automotive Loans	-	2.103	2.103
Consumer Loans	9.729	30.192.997	30.202.726
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	5.005.632	49.970	5.055.602
With Installment	2.001.669	49.958	2.051.627
Without Installment	3.003.963	12	3.003.975
<b>Corporate Credit Cards-FC</b>	301	-	301
With Installment	-	-	-
Without Installment	301	-	301
<b>Overdraft Account-TL (Legal Entity)</b>	584.641	-	584.641
<b>Overdraft Account-FC (Legal Entity)</b>	-	-	-
<b>Total <sup>(1)</sup></b>	<b>8.371.297</b>	<b>136.558.905</b>	<b>144.930.202</b>

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

<b>Prior Period</b>	<b>Short - Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
<b>Installment Based Commercial Loans-TL</b>	1.785.721	49.899.587	51.685.308
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>	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
<b>Installment Based Commercial Loans - FC</b>	27.940	30.747.951	30.775.891
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>	3.959.096	32.154	3.991.250
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>	567	-	567
With Installment	-	-	-
Without Installment	567	-	567
<b>Overdraft Account-TL (Legal Entity)</b>	718.320	-	718.320
<b>Overdraft Account-FC (Legal Entity)</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	519.275.196	413.792.927
Foreign Loans	11.763.037	9.922.017
Interest Income Accruals of Loans	13.875.741	11.577.320
<b>Total</b>	<b>544.913.974</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	1.685.364	2.288.776
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>1.685.364</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	31.874	548.928
Loans and other receivables with doubtful collectability	1.688.496	1.491.663
Uncollectible loans and other receivables	7.572.557	6.223.453
<b>Total</b>	<b>9.292.927</b>	<b>8.264.044</b>

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

**7.8.1. Information on Non-peforming 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	697	471.698	432.267
Restructured loans	697	471.698	432.267
<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)**

**7.8.2. 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 (+)	803.116	194.599	361.145
Transfers from Other Categories of Non-Performing Loans(+)	-	2.295.817	1.965.602
Transfers to Other Categories of Non-Performing Loans(-)	2.295.817	1.965.602	-
Collections (-) <sup>(1)</sup>	207.046	339.390	503.816
Write-offs (-)			
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b>	<b>108.014</b>	<b>3.358.353</b>	<b>9.532.728</b>
Provision (-)	31.874	1.688.496	7.572.557
<b>Net Balance on Balance Sheet</b>	<b>76.140</b>	<b>1.669.857</b>	<b>1.960.171</b>

<sup>(1)</sup> Includes transfers to the first and second group loans amounting to TL 120.126.

**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>2.400</b>	<b>1.349</b>	<b>31.048</b>
Provision (-)	712	982	29.513
<b>Net Balance on Balance Sheet</b>	<b>1.688</b>	<b>367</b>	<b>1.535</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>655</b>	<b>698</b>	<b>28.293</b>
Provision (-)	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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**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)**

**7. Information Related to Loans (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>76.140</b>	<b>1.669.857</b>	<b>1.960.171</b>
Loans to Real Persons and Legal Entities (Gross)	108.014	3.358.353	9.384.587
Provisions (-)	31.874	1.688.496	7.424.416
Loans to Real Persons and Legal Entities (Net)	76.140	1.669.857	1.960.171
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.141
Provisions (-)	-	-	148.141
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>2.650</b>	<b>101.042</b>	<b>98.891</b>
Interest Accruals and Valuation Differences	4.819	260.318	469.345
Provisions (-)	2.169	159.276	370.454
<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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**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	2.214.951	2.580.620	1.989.088	2.104.824
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bills and Bank Guaranteed Bills	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>2.214.951</b>	<b>2.580.620</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	2.031.373	11.952.441	2.021.297	10.404.413
Other	-	-	-	-
<b>Total</b>	<b>2.031.373</b>	<b>11.952.441</b>	<b>2.021.297</b>	<b>10.404.413</b>

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

	Current Period	Prior Period
Government Bonds	26.083.080	17.427.402
Treasury Bills	-	-
Other Public Sector Debt Securities	37.130	36.073
<b>Total</b>	<b>26.120.210</b>	<b>17.463.475</b>

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

	Current Period	Prior Period
Debt securities	26.207.872	17.550.083
Listed in a Stock Exchange	26.120.210	17.463.475
Not Listed in a Stock Exchange	87.662	86.608
Provision for Impairment (-)	-	-
<b>Total</b>	<b>26.207.872</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	1.943.363	562.552
Purchases During the Year <sup>(1)</sup>	7.492.059	10.608.138
Disposals through Sales and Redemptions	(777.633)	(3.875.246)
Provision for Impairment (-)	-	-
<b>Period End Balance</b>	<b>26.207.872</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	-	8,81
2	Kredi Kayıt Bürosu A.Ş.	İstanbul / Turkey	10,00	9,09
3	Arap Türk Bankası A.Ş.	İstanbul / Turkey	22,22	15,43
4	Platform Ortak Kartlı Sistemler A.Ş.	İstanbul / Turkey	33,33	20,00
5	Bileşim Alternatif Dağıtım Kan. A.Ş.	İstanbul / Turkey	33,33	33,34

	Total Assets <sup>(2)</sup>	Shareholders’ Equity <sup>(2)</sup>	Total Non- Current Assets <sup>(2)(3)</sup>	Interest Income (2)	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit / Loss (2)	Prior Period Profit / Loss (2)	Fair Value (1)
1	166.191	201.657	79.852	2.991	-	19.616	17.418	-
2	332.199	204.594	198.512	1.993	-	32.344	16.401	-
3	5.296.362	1.095.178	145.477	81.326	36.649	42.639	109.529	-
4	5.250	5.250	-	-	-	-	-	-
5	75.688	47.168	18.254	1.069	-	1.488	8.513	-

<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 30 June 2020. Prior period profit/loss information of associates has been provided from audited financial statements as of 30 June 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. Information on Financial Associates**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at the Beginning of the Period</b>	<b>88.846</b>	<b>88.846</b>
<b>Movement During the Period</b>	-	-
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>88.846</b>	<b>88.846</b>
Capital Commitments	-	-
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 Related on Subsidiaries**

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

	Description	Address (City/ Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / 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	99,91
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	527.742	229.296	4.300	23.652	-	115.610	40.592	-	-
2	113.628	102.276	3.584	4.254	-	30.632	15.001	-	-
3	39.785.465	3.249.289	282.064	815.697	86.199	113.567	104.261	3.277.972	-
4	2.922.538	1.834.094	2.230.714	1.679	-	22.411	17.504	1.837.547	-
5	882.722	880.864	1.331	14.680	-	12.040	73.528	881.798	-
6	73.362	12.600	2.820	724	-	(3.259)	(2.715)	-	-
7	770.973	101.994	386.967	788	-	5.849	952	-	-
8	9.371.373	1.904.188	25.310	146.456	1.012	16.766	71.767	1.437.456	-
9	3.891.742	251.900	45.584	52.439	-	4.015	4.018	235.663	-
10	819.409	313.002	12.575	34.345	285	16.817	12.845	268.876	-
11	1.609.565	529.165	28.886	61.122	-	28.771	14.518	435.713	-
12	1.087.028	275.584	81.839	31.259	999	(6.211)	4.871	228.372	-
13	596.182	128.820	9.247	12.129	694	1.848	227	98.535	-
14	285.232	123.290	15.052	5.767	1.745	(450)	4.221	113.798	-
15	570.709	203.748	15.199	24.304	-	18.269	24.976	138.316	-

(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 March 2020, the prior period profit/loss balances have been provided from audited financial statements as of 31 March 2019. Information on other subsidiaries shown in the table above has been provided from unaudited financial statements as of 30 June 2020, the prior period profit/loss balances have been provided from audited financial statements as of 30 June 2019.

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

**10. Information Related to Subsidiaries (Net) (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>1.725.153</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>	2.397.344	325.990
Impairment Provision (-)	672.191	364.273
Transfer (-)	-	129.971
<b>Balance at the End of the Period</b>	<b>9.060.178</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	6.234.702	5.178.895
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	2.825.476	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)**

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

<b>Entities under Common Control (Joint Ventures) (1)</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	6.119.031	16.571	7.843	70.922	31.703

<sup>(1)</sup> Information on entity under joint control is provided from the unaudited financial statements as of 30 June 2020.

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

**12. Information on Lease Receivables**

The Bank has no financial lease receivables.

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

The Bank has no hedging derivative financial assets.

**14. Information on the Investment 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 6.054.268 (31 December 2019: TL 4.649.359) consisting of TL 15.847 (31 December 2019: TL 18.767) due to consumer loans, TL 5.893.841 (31 December 2019: TL 4.479.822) on its commercial loans and TL 144.580 (31 December 2019: TL 150.770) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1.175 (31 December 2019: TL 2.390)

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 amount to be paid to the Bank for Ziraat Sigorta A.Ş. shares is determined as TL 18.63 (full TL) per share, and the total sales price is TL 931.220.550,00 (full TL). The sale price was paid in full by a special government domestic debt bill. The amount to be paid to the Bank for Ziraat Hayat ve Emeklilik A.Ş. for its shares is determined as 23.00 TL (full TL) per share and the total sales price is 1.839.448.000,00 TL (full TL). The sale price was paid in full by a special government domestic debt bill. As a result of the aforementioned transaction, TL 2.495.459 was accounted in retained earning. There is also a dividend income amounting to TL 1.039.688 obtained from the mentioned companies in the current period.

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**I. Explanations and Notes RELATED TO ASSETS (Continued)**

**16. Explanations on Tangible Assets**

	<b>Immovables</b>	<b>Immovables with Right of Use</b>	<b>Movables</b>	<b>Movables with Right of Use</b>	<b>Operational Leasing Development Costs</b>	<b>Other Tangibles</b>	<b>Total</b>
<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>-</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)	(113.380)	75.715	(19.788)	42.519	(5.201)	-	(20.135)
- Cost	(117.482)	100.925	41.935	60.698	1.636	-	87.712
- Depreciation – net (-)	(5.984)	25.210	61.723	18.179	6.837	-	105.965
- Impairment (-)	1.882	-	-	-	-	-	1.882
Net Currency Translation from Foreign Subsidiaries							
Cost at Period End	5.273.764	786.715	1.301.207	199.958	259.197	-	7.820.841
Accumulated Depreciation at Period End (-)	987.942	121.446	939.585	63.811	244.234	-	2.357.018
Impairment (-)	5.311	-	-	-	-	-	5.311
<b>Closing Net Book Value</b>	<b>4.280.511</b>	<b>665.269</b>	<b>361.622</b>	<b>136.147</b>	<b>14.963</b>	<b>-</b>	<b>5.458.512</b>

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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL  
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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	457	512
Banks and Money Markets	314	322
Financial Assets Measured at Amortized Cost	3.538	2.369
Other	45.342	25.755
<b>Total</b>	<b>49.651</b>	<b>28.958</b>

**20. Information on Other Assets**

As of 30 June 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	62.760.477	-	7.201.662	74.715.652	23.987.867	2.142.363	7.007.627	215.872	178.031.520
Foreign Currency Deposits	62.186.425	-	21.683.994	82.756.873	12.994.995	8.710.857	28.701.329	7.173	217.041.646
Residents in Turkey	51.665.691	-	20.720.031	70.300.959	8.050.570	3.766.148	9.464.138	5.495	163.973.032
Residents on Abroad	10.520.734	-	963.963	12.455.914	4.944.425	4.944.709	19.237.191	1.678	53.068.614
Public Sector Deposits	10.768.662	-	6.685.946	7.217.743	943.263	155.785	3.305	-	25.774.704
Commercial Inst. Deposits	20.074.551	-	25.111.013	22.525.928	514.014	2.326.339	688.382	-	71.240.227
Other Inst. Deposits	2.147.004	-	4.790.537	9.451.346	1.914.899	1.260.018	204.870	-	19.768.674
Precious Metals	21.897.052	-	413.594	3.238.754	356.516	278.312	204.663	-	26.388.891
Interbank Deposits	3.482.450	-	12.665.012	2.904.620	1.387.789	5.558.748	88.563	-	26.087.182
CBRT	1.363	-	-	-	-	-	-	-	1.363
Domestic Banks	204.565	-	12.526.396	106.637	-	2.000	-	-	12.839.598
Foreign Banks	2.775.263	-	138.616	2.745.262	1.365.591	5.529.000	88.563	-	12.642.295
Participation Banks	501.259	-	-	52.721	22.198	27.748	-	-	603.926
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>183.316.621</b>	<b>-</b>	<b>78.551.758</b>	<b>202.810.916</b>	<b>42.099.343</b>	<b>20.432.422</b>	<b>36.898.739</b>	<b>223.045</b>	<b>564.332.844</b>



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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL  
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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 on 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>	122.486.071	97.647.381	55.264.540	45.079.450
Foreign Currency Saving Deposits <sup>(1)</sup>	68.725.952	60.512.530	98.591.429	75.967.350
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(2)</sup>	1.678.518	1.381.203	326.672	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 308.916 and TL 18.018 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 530 (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 1.513.553 (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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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL  
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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)**

**1. Information on Deposits (Continued)**

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

The Bank’s head office is located in Turkey.

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

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	43.532	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	29.768	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**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	185.825	9.394	128.419	20.630
Swap Transactions	813.532	1.953.320	408.117	1.101.684
Futures Transactions	-	-	-	-
Options	-	-	-	8
Other	-	-	-	-
<b>Total</b>	<b>999.357</b>	<b>1.962.714</b>	<b>536.536</b>	<b>1.122.322</b>

**3. Information on Borrowings**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	816.726	4.943.015	4.088.885	3.576.251
Foreign Banks, Institutions and Funds	234.025	26.849.447	373.530	26.489.824
<b>Total</b>	<b>1.050.751</b>	<b>31.792.462</b>	<b>4.462.415</b>	<b>30.066.075</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	815.949	1.709.967	4.088.115	1.682.486
Medium and Long-Term	234.802	30.082.495	374.300	28.383.589
<b>Total</b>	<b>1.050.751</b>	<b>31.792.462</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**

70,85% of the Bank's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

**4. Information on Money Market Liabilities**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>30.296.068</b>	<b>-</b>	<b>28.801.883</b>	<b>-</b>
Financial Institutions and Organizations	30.138.440	-	28.179.581	-
Other Institutions and Organizations	142.608	-	615.654	-
Real Person	15.020	-	6.648	-
<b>From Overseas Operations</b>	<b>-</b>	<b>22.593.237</b>	<b>-</b>	<b>20.473.527</b>
Financial Institutions and Organizations	-	22.593.237	-	20.473.527
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>30.296.068</b>	<b>22.593.237</b>	<b>28.801.883</b>	<b>20.473.527</b>

**5. Information on Securities Issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	2.569.249	304.053	2.268.570	279.678
Asset-Backed Securities	-	-	-	-
Treasury Bills	1.010.690	10.951.282	1.010.690	9.547.088
<b>Total</b>	<b>3.579.939</b>	<b>11.255.335</b>	<b>3.279.260</b>	<b>9.826.766</b>

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

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

**7. Information on 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	29.077	15.475	23.822	12.856
Between 1-4 Years	629.768	323.987	521.476	270.506
More than 4 Years	706.709	430.489	646.786	338.398
<b>Total</b>	<b>1.365.554</b>	<b>769.951</b>	<b>1.192.084</b>	<b>621.760</b>

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**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL  
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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 30 June 2020, unpaid vacation liability amounted to TL 295.305 and employment termination amounted to TL 990.559 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 2.840.000 which consist of TL 830.000 provided in prior periods and TL 2.010.000 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 for cash transfers made by Bank officials and other provision of TL 157 exist. The Bank has provided provision amounting to TL 1.279.069 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 for cash transfers made by Bank officials and other provision of TL 217 exist. 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 112.612 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 46.100 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 30 June 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 2.095.498 (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	2.095.498	939.810
Taxation on Income From Securities	289.622	340.458
Property Tax	3.281	3.059
Banking Insurance Transactions Tax (BITT)	197.627	250.846
Foreign Exchange Transactions Tax	46.672	7.251
Value Added Tax Payable	13.217	11.164
Other	241.176	127.132
<b>Total</b>	<b>2.887.093</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	50	48
Social Security Premiums – Employer	68	65
Bank Social Aid Pension Fund Premium - Employee	44	15.201
Bank Social Aid Pension Fund Premium - Employer	65	22.271
Pension Fund Membership Fees and Provisions - Employee	1	1
Pension Fund Membership Fees and Provisions - Employer	3	1
Unemployment Insurance - Employee	3.095	1.093
Unemployment Insurance - Employer	6.190	2.187
Other	-	-
<b>Total</b>	<b>9.516</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	-	10.760.595	-	9.565.957
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	10.760.595	-	9.565.957
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	-	<b>10.760.595</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	13.100.000	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**

The decision to increase the capital to TL 13,100,000 was approved at the Bank's Extraordinary General Assembly Meeting held on May 15, 2020, and the capital increase and the amendment made in the related article of the Articles of Association were registered on 21 May 2020. It was announced in the Trade Registry Gazette No. 10084 dated 27 May 2020. Accounting for the said capital increase was made on 21 May 2020 based on the permission from the BRSA.

Increase Date	Increase Amount	Cash	Profit Reserves to Subject Increase	Capital Reserves to Subject Increase
21.05.2020	7.000.000	7.000.000	-	-

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

There is no share capital amount included in capital.

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

The Bank has no capital commitments.

**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	1.707.131	(892.134)	34.241	(172.810)
Valuation Difference	3.108.897	(3.269.754)	807.677	(1.165.565)
Foreign Exchange Difference	2.262.057	-	2.008.638	-
<b>Total</b>	<b>7.078.085</b>	<b>(4.161.888)</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	13.316.563	13.596.736
Subsidiaries and Associates Capital Contribution Commitments	3.150	7.500
Loan Granting Commitments	14.711.494	11.845.018
Payment Commitments for Cheque Payments	4.173.903	3.695.596
Commitments for Credit Card Expenditure Limits	24.931.858	24.220.013
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	53.318	36.161
Other Irrevocable Commitments	16.171.933	13.794.074
<b>Total</b>	<b>73.362.219</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 1.279.069 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	102.675.791	91.260.564
Letters of Credit	17.461.138	19.392.291
Bank Acceptances	10.582.782	8.202.251
Endorsements	1.388.337	969.507
<b>Total</b>	<b>132.108.048</b>	<b>119.824.613</b>

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

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

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

	Current Period	Prior Period
Letters of Certain Guarantees	77.552.766	67.879.220
Letters of Advance Guarantees	17.560.291	15.303.379
Letters of Temporary Guarantees	3.032.221	2.456.525
Letters of Guarantees Given to Customs Offices	1.695.262	1.552.648
Other Letters of Guarantees	2.835.251	4.068.792
<b>Total</b>	<b>102.675.791</b>	<b>91.260.564</b>

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

**1.3.1. Total Amount of Non-Cash Loans**

	Current Period	Prior Period
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>176.397</b>	<b>441.107</b>
With Original Maturity of One Year or Less	-	-
With Original Maturity of More than One Year	176.397	441.107
<b>Other Non-Cash Loans</b>	<b>131.931.651</b>	<b>119.383.506</b>
<b>Total</b>	<b>132.108.048</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**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans <sup>(1)</sup></b>	<b>21.286.387</b>	<b>3.754.097</b>	<b>21.449.883</b>	<b>4.206.740</b>
Short Term Loans	4.402.992	250.291	6.892.320	407.900
Medium and Long Term Loans	16.449.936	3.503.801	14.148.517	3.798.819
Interest on Under Follow-up Loans	433.459	5	409.046	21
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**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	69.648	-
Domestic Banks	6.586	49	89.738	14
Foreign Banks	14.257	11.260	18.636	18.850
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>20.843</b>	<b>11.309</b>	<b>178.022</b>	<b>18.864</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	56.700	684	2.232	1.553
Financial Assets at Fair Value Through Other Comprehensive Income	4.904.833	1.243.562	4.995.986	811.953
Financial Assets Measured at Amortized Cost	382.022	391.632	491.967	228.500
<b>Total</b>	<b>5.343.555</b>	<b>1.635.878</b>	<b>5.490.185</b>	<b>1.042.006</b>

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

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	48.487	97.176

**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>	141.892	494.807	184.938	670.866
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	115.654	88.857	140.698	109.507
Foreign Banks	26.238	405.950	44.240	561.359
Foreign Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>141.892</b>	<b>494.807</b>	<b>184.938</b>	<b>670.866</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	80.881	245.250

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Given on Securities Issued	205.191	548.642	240.378	416.981

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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	-	684.411	1.389	-	165	-	-	685.965
Saving Deposit	-	214.426	3.140.199	1.435.076	134.502	562.084	11.320	5.497.607
Public Sector Deposit	248	347.274	211.019	27.578	95.790	185	-	682.094
Commercial Deposit	42	713.847	664.632	24.548	240.528	32.182	-	1.675.779
Other Deposit	-	118.710	269.195	94.055	55.679	13.754	-	551.393
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>290</b>	<b>2.078.668</b>	<b>4.286.434</b>	<b>1.581.257</b>	<b>526.664</b>	<b>608.205</b>	<b>11.320</b>	<b>9.092.838</b>
FC								-
Foreign Currency Deposit	496	53.411	291.338	34.931	46.985	134.342	4	561.507
Bank Deposit	9	5.760	8.228	3.303	5.443	772	-	23.515
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	648	6.211	707	934	698	-	9.198
<b>Total</b>	<b>505</b>	<b>59.819</b>	<b>305.777</b>	<b>38.941</b>	<b>53.362</b>	<b>135.812</b>	<b>4</b>	<b>594.220</b>
<b>Grand Total</b>	<b>795</b>	<b>2.138.487</b>	<b>4.592.211</b>	<b>1.620.198</b>	<b>580.026</b>	<b>744.017</b>	<b>11.324</b>	<b>9.687.058</b>

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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 (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	-	1.433.299	194	-	268	259	-	1.434.020
Saving Deposit	-	206.317	6.436.644	907.600	278.584	407.903	3.527	8.240.575
Public Sector Deposit	296	329.264	369.691	74.418	180.070	259	-	953.998
Commercial Deposit	110	664.925	1.013.806	46.754	338.754	27.825	-	2.092.174
Other Deposit	12	96.319	315.814	265.072	92.443	45.612	-	815.272
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
<b>Total</b>	<b>418</b>	<b>2.730.124</b>	<b>8.136.149</b>	<b>1.293.844</b>	<b>890.119</b>	<b>481.858</b>	<b>3.527</b>	<b>13.536.039</b>
FC								
Foreign Currency Deposit	488	168.766	656.675	75.927	67.304	223.578	-	1.192.738
Bank Deposit	12	94.060	4.922	9.498	3.105	4.282	-	115.879
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	180	4.166	470	222	312	-	5.350
<b>Total</b>	<b>500</b>	<b>263.006</b>	<b>665.763</b>	<b>85.895</b>	<b>70.631</b>	<b>228.172</b>	<b>-</b>	<b>1.313.967</b>
<b>Grand Total</b>	<b>918</b>	<b>2.993.130</b>	<b>8.801.912</b>	<b>1.379.739</b>	<b>960.750</b>	<b>710.030</b>	<b>3.527</b>	<b>14.850.006</b>

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

	Current Period	Prior Period
<b>Profit</b>	<b>69.582.049</b>	<b>48.500.307</b>
Profit from the Capital Market Transactions	2.643.131	36.582
Profit on Derivative Financial Instruments	4.422.525	2.386.183
Foreign Exchange Profits	62.516.393	46.077.542
<b>Loss (-)</b>	<b>72.367.909</b>	<b>52.995.090</b>
Loss from the Capital Market Transactions	6.404	6.175
Loss on Derivative Financial Instruments	7.144.402	6.958.094
Foreign Exchange Loss	65.217.103	46.030.821

**4. Explanation on Other Operating Income**

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.132.334 and income from sales of assets amounting to TL 97.907 (30 June 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	4.934.950	1.838.844
12 month expected credit loss (stage 1)	782.033	100.123
Significant increase in credit risk (stage 2)	2.174.416	385.286
Non-Performing loans (stage 3)	1.978.501	1.353.435
Marketable Securities Impairment Expense	7.273	728
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	7.273	728
Subsidiaries, Associates and Joint Ventures Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other <sup>(*)</sup>	2.014.698	2.300
<b>Total</b>	<b>6.956.921</b>	<b>1.841.872</b>

(\*) Includes 2.010.000 TL free provision expense allocated in the current period (30 June 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	145.462	88.681
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	193.080	190.637
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	45.412	39.280
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	1.849.038	1.319.223
Leasing Expenses Related to TFRS 16 Exceptions	37.319	65.926
Maintenance Expenses	52.710	47.258
Advertisement Expenses	114.984	105.163
Other Expenses	1.644.025	1.100.876
Loss on Sales of Assets	1.130	392
Other <sup>(1)</sup>	1.751.568	1.376.007
<b>Total</b>	<b>3.985.690</b>	<b>3.014.220</b>

<sup>(1)</sup> TL 652.279 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 466.151 consists of taxes, duties and charges expense (30 June 2019: TL 432.549 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 423.539 consists of taxes, duties and charges expense).

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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	18.526.330	10.979.145
Net Fees and Commissions Income	1.203.884	1.612.723
Other Operating Income	1.576.070	826.451
Dividend Income	1.041.002	1.030.484
Trading Profit/Loss (Net)	(2.785.860)	(4.494.783)
Personnel Expenses (-)	2.472.395	1.725.542
Expected Credit Loss (-)	4.934.950	1.838.844
Other Provision Expenses (-)	2.021.971	3.028
Other Operating Expenses (-)	3.985.690	3.014.220
<b>Profit / (Loss) From Continuing Operations</b>	<b>6.146.420</b>	<b>3.372.386</b>

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

As of 30 June 2020, TL 1.637.191 of the Bank's total tax provision expense amounting to TL 2.424.648 consists of current tax expense while remaining balances amounting to TL 787.457 consists of deferred tax income. (As of 30 June 2019, TL 556.785 of the Bank's total tax provision expense amounting to TL 664.671 consists of current tax expense while remaining balances amounting to TL 107.886 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 4.509.229 (30 June 2019: TL 2.815.601).

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

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

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

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

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

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

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

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

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

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	1.685.364	3.645.455	-	-	-	-
Interest and Commissions Income	48.487	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 <sup>(1)</sup>	97.176	781	-	-	-	-

<sup>(1)</sup> Interest and Commission Income received prior period balance shows the amount as of 30 June 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	1.216.466	3.721.383	-	-	-	-
Interest Expense on Deposits <sup>(1)</sup>	80.881	245.250	-	-	-	-

<sup>(1)</sup> Interest Expense on Deposits prior period balance shows the amount as of 30 June 2019.

**3. Information on Forward and Option Agreements and Other Similar Agreements made with the  
Bank's Risk Group**

	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through Profit or Loss						
Opening Balance	1.161.358	1.209.831	-	-	-	-
Closing Balance	1.137.501	1.161.358	-	-	-	-
Total Profit/Loss	23.761	(23.467)	-	-	-	-
Risk Protection Oriented Processes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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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 7.629 (30 June 2019: TL 6.632).

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

None.

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

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

As of 30 June 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 30 July 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 second quarter of 2020 was a period in which negative economic effects were experienced the most with the spread of the coronavirus epidemic globally and bottom levels were seen in the economies of many countries. However, after the peak levels were seen in the epidemic in many countries, the recovery process was initiated as the economies started to re-open by gradually removing restrictive measures. Especially the simultaneous monetary expansion and wide-scale incentive programs of many countries around the world limited the deterioration in the global economy and supported the recovery process.

Depending on the speed of spread, duration and destruction of the epidemic, differences were observed in the transition process of economies to recovery in regions and countries. In this context, China, which is the starting point of the epidemic, has entered a rapid recovery period in the second quarter with the support of effective public health measures and has reached pre-epidemic levels in many indicators. With the support of the control of the epidemic in the Euro Zone, recovery started. On the other hand, with the increasing number of cases, the economy is expected to contract at a record level in the second quarter, and uncertainties regarding the momentum and power of the recovery in the economy have occurred due to the increasing number of cases.

The U.S. Central Bank's and the European Central Bank's commitment to record record low interest rates, large-scale asset purchase programs, and any additional steps if needed have supported the recovery of the economies of the U.S. and the Eurozone in the epidemic, and the euro's appreciation against major currencies. It has provided. In July, the EU leaders' agreements in the joint incentive package consisting of grants and low interest loans to support the economies of the member countries can contribute positively to the recovery process of the regional economy.

Turkey's economy, the impact of the decline in economic activity in April, the epidemic is concentrated most heavily felt in the second quarter. However, in May, the gradual elimination of restrictions such as quarantine and recovery began with monetary and financial measures taken. Controlling the course of the outbreak with effective public health measures has been an important factor supporting the economic recovery. In addition to the important developments in leading indicators such as purchasing managers and confidence indices, significant increases were observed in production and sales indicators, especially in sales of housing, vehicles and white goods. The recovery on the export side started with an improvement towards the end of the quarter in the global economy. Significant losses occurred in tourism revenues due to travel restrictions applied during the outbreak. Steps taken to lift flight bans with many countries, including Russia, have come to the fore as positive developments that may limit the revenue loss in tourism in the coming period.

The banking sector, which displayed a faster TL loan increase in the first quarter of 2020 compared to the previous year, was observed to have increased the rate of increase in TL loans mainly with the public banks, as the impact of the epidemic was felt in the second quarter. Financing packages announced by public banks and loan support packages for individuals, especially for SMEs, were effective in the rapid loan increase in the 2nd quarter.

Ziraat Bank accelerated even more in the second quarter of the year, when negativities were felt more intensely and provided significant financial support to SMEs and individuals. As in the previous year, financing support was provided in the first half of this year with a selective credit strategy that the economy will contribute more. SMEs having difficulties in accessing finance under current balance, employment, production and favorable conditions were emphasized and loans were extended. Thus, as the leading bank of loans as in other areas of our country, it has been a pioneer in ensuring that resources are the most effective and contributing to the economy. Ziraat Bank will continue to work effectively, continuing to strengthen its financial structure, taking into account the country's balance sheet and its own balance sheet.

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

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

**II. Assessment of General Manager**

The second quarter of 2020 started as a period when the negative effects of the epidemic were felt most intensively, social life came to a halt and economic activity slowed down on a global scale. It is observed that the tight results of the epidemic, the positive results of monetary and financial expansion and recovery signals started to be received towards the end of the quarter. For the rest of the year, although there are still uncertainties about the outbreak, expectations seem to be more positive.

In our country, important steps have been taken in coordination with the measures and decisions taken by the authorities and regulatory institutions in order to pass this troubled period quickly and with minimal damage. In this framework, in order to contribute to the rapid return of the economy, the real sector and individuals to the normal process, the banking sector operated under the leadership of public banks with a sense of duty and responsibility.

Ziraat Bank has been operating as a bank that has been targeting a loan-based growth and financing the real sector for years. In this period, we provided high amount of financing support for SMEs, which are relatively more difficult in accessing finance, but are very important for our economy in terms of production and employment. Taking into account the current balance, production and employment, our financing packages aimed at financing SMEs, increasing employment and domestic production continued in the second quarter; With the Continuing Loan Support Package, we provided a financial support of 50 billion TL in very favorable conditions for our SMEs to continue their business.

In addition, we supported the real sector to continue its activities through practices such as deferment of credit payments, protection of cash flow, and effective operation and configuration of payment systems for 3 months.

During this period, we also provided individuals with substantial financial support. We have implemented a personal support loan package of 20 billion TL within the scope of the Individual Basic Needs Support Loan.

In the support packages for the real sector and individuals, the loans were extended to the base and extended to as many companies and individuals as possible, thus increasing the efficiency of the financing provided.

During this period, we made a promotional payment of 2.6 billion TL to our customers who received their pensions from our Bank.

In the first half of the year, our total loans increased by 25% and reached the level of approximately 558 billion TL. The financing support that we have provided with non-cash loans in total has reached 700 billion TL. The increase in our TL loans was 31%.

With a selective credit policy, we continue to target the efficient use of resources in a way that will contribute the most to our economy. Within the framework of our main mission; we consider it as an important sector. In addition to financing agriculture, we also work with Ministries, institutions, organizations and agricultural organizations to solve the structural problems of the agricultural sector. Increasing domestic production, producing products to reduce imports, increasing the level of agricultural mechanization, increasing productivity and using more technology to contribute to the elimination of the negative effects of food on inflation are the areas we prioritize.

In order to prevent our employees and customers, which we see as our most important asset, from being adversely affected by the epidemic, necessary measures have been taken regarding hygiene and social distance in our branches and headquarters buildings. During the epidemic period, we saw the return of our investments in digital channels that enable our customers to make their transactions without coming to our branch.

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**EXPLANATION ON INTERIM ACTIVITY REPORT**

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

In addition to our extensive service network at home and abroad, we continue to meet the financial needs of more companies and individuals in the fastest way and under the most favorable conditions with our digital banking applications. As we grow steadily, we increase our contribution to the growth of our country and our customers. We will continue to be "More than a bank" in the future.

**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; has a broad portfolio of domestic and international subsidiaries in banking, 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 serving 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, SME and retail banking segment continuous and superior quality services with;

- 1.758 domestic and foreign branch,
- 24.480 employees,
- Domestic and overseas ATM's,
- Internet Banking (Retail 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 13.100.000.000. The Bank's sole shareholder is Turkish Wealth Fund.

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

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

**V. Main Financial Indicators**

<b>ASSETS (TL Million)</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Cash and Cash Equivalents	46.691	57.389
Securities Portfolio	169.955	130.335
Cash Loans (Gross)	557.913	447.983
Other Assets	22.010	14.049
<b>Total Assets</b>	<b>796.569</b>	<b>649.756</b>
<b>LIABILITIES (TL Million)</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Deposits	564.333	447.251
Non-deposits Resources	111.328	106.476
Other Liabilities	35.222	25.964
Shareholders' Equity	85.686	70.065
<b>Total Liabilities</b>	<b>796.569</b>	<b>649.756</b>
<b>SUMMARY OF PROFIT OR LOSS TABLE (TL Million)</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
Net Interest Income	18.526	10.979
Net Fees and Commission Income	1.204	1.613
Other Operations Income	1.576	826
Other Operations Expense	3.986	3.014
Allowance for Expected Credit Losses	4.935	1.839
<b>Net Profit/Losses</b>	<b>4.509</b>	<b>2.816</b>
<b>RATIOS (%)</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Capital Adequacy Ratio	18,50	17,02
Equity / Total Assets	10,8	10,8
Cash Loans (Gross) / Total Assets	70,0	68,9
Loans under follow-up (Gross) / Total Loans	2,3	2,8
Liquid Assets / Total Assets	5,9	8,8

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

**VI. 2020 II. Interim Period Operations**

**Bonds Issuance in Global Markets**

The Bank continues to set up a securitization program (DPR - (Diversified Payment Rights), for the purpose of increasing the diversity of funding and creating long-term alternative resources. With the program, it is aimed to provide foreign currency transfers to the Bank by providing collateral by providing collateral or bond issuance.

In the second quarter of 2020, the Bank continued its studies and closely monitored the markets in order to provide overseas funding through issues under the GMTN (Global Medium Term Notes) program.

**Credit Rating Agencies**

Credit Rating Agency	Category	Credit Grade	Date
<b>Fitch Ratings</b>	FC Long Term IDR	B+	<b>May 2020</b>
	Outlook	Negative	
	FC Short Term IDR	B	
	TL Long Term IDR	BB-	
	Outlook	Stable	
	TL Short Term IDR	B	
	National Long Term	AA	
	Outlook	Stable	
	Support	4	
	Support Rating Floor	B+	
	Viability Rating	b+	
<b>Moody's</b>	Outlook	Negative	<b>June 2019</b>
	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	
	Baseline Credit Assessment	caa1	
	Adjusted Basiline Credit Assessment	caa1	
<b>JCR Eurasia</b>	Long Term International FC	BBB -	<b>October 2019</b>
	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 II. 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 72,4 billion of loans for financing the agricultural sector***

Ziraat Bank has allocated TL 27,2 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 338 thousand and 24 thousand new customers have been added to the portfolio.

As of the end of the second quarter of 2020, the balance of agricultural loans extended from bank's funds reached TL 72,4 billion and the number of loan customers reached 689 thousand. On the other hand, through the funds provided by various institutions in the first six months of 2020, intermediary payments were made to a total of 49,8 million TL made to 676 customers determined by the relevant institutions. As of the end of the second 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 second 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 74,3 billion and the number of customers with loans reached 759 thousand.

32% of the Bank's agricultural loan portfolio consists of investment loans and 68% 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 six months of 2020, more than 174 thousand producers and companies operating in the agricultural sector were provided with a subsidy (interest discount) of TL 17,2 billion.

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

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

**Agricultural Credit Packages**

Implemented in 2019 and still ongoing;

- **Greenhouse Credit Package**, TL 1,4 billion was extended to approximately 7 thousand producers in the first six months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached 4,4 billion TL, and the number of manufacturers has reached 17 thousand.
- **Soybean, Corn and Sunflower Credit Package**, TL 1,1 billion was extended to more than 12 thousand producers in the first six months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached TL 2,3 billion, and the number of manufacturers has reached 24 thousand.
- **Credit Package for Livestock Enterprises which Produce Own Feed**, TL 1,3 billion was extended to 13 thousand producers in the first six months of 2020; Within the scope of the package, the amount of loans extended since 2019 has reached TL 2,7 billion, and the number of producers has reached 28 thousand.

Thus, within the scope of the mentioned loan packages in 2019-2020, the number of producers that have been extended loans was 70 thousand and the total allocated loan amount was TL 9,4 billion.

New ones were added to these packages in 2020,

- In the pandemic process, where sustainability of agricultural production and food supply security are more prominent than ever, the agricultural production in our country is not disrupted; In order to ensure that the accumulated debts arising from agricultural electricity and agricultural irrigation subscriptions used by producers in agricultural production activities by spreading over a reasonable period of time, the Bank accumulated Agricultural Electricity and Irrigation Debt Loan loan product was created. With this loan, producers have the opportunity to pay their accumulated agricultural electricity and irrigation debts with a maturity of up to 36 months and an appropriate interest rate. This loan product, which was put into practice at the end of May, has been disbursed in the amount of approximately 1 million TL within one month.
- In order to increase the presence of Karakaya, Akkaraman and Karagül race sheep in the province of Tokat and its districts and to increase the flocks of the producers operating in this field, the cooperation protocol has been signed with the Tokat Governorship. With the coordination of the governor's office, determination of producers suitable for sheep capacity and maintenance conditions for sheep breeding capacity and maintenance conditions for at least 100 head sheep, which are still breeding sheep in Tokat provinces and districts; It is also envisaged to extend investment and business loans to these producers through the bank. Within the scope of the mentioned cooperation, which was put into practice at the beginning of June, approximately 11 million TL loans were extended to 85 producers within one month.

***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.

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

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

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.

**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 outbreak; An Individual Basic Needs Support Loan has been launched in order to finance the basic needs of the Bank's retail customers, which are directly or indirectly affected by the outbreak, under appropriate conditions. With the product launched on 1 April 2020, a total of 19.5 TL million loan was allocated to more than 3 million customers.

In line with the transition from the global pandemic to the normalization process, in order to meet the financing needs of the customers with favorable conditions as well as to support the companies producing domestic production, the Social Life Support Contribution Postpaid Credit Package and the Social Life Support Postpaid Credit Package were created. In the ongoing campaign, approximately 700 people were used with a total of 12 million TL with the Postpaid Postpaid Credit Package and 31 million TL with a total of 2 thousand people with the Postpaid Credit Package.

In order to finance the basic needs of the Bank's corporate customers, which will positively affect their economic activities, under the Treasury-Supported Bail System, the "Recruitment Credit Support Package", which provides the KGF-secured loan facility, and the corporate banker, who uses the check payment tool in their commercial activities, to continue their commercial activities, Within the framework of the Treasury Supported Surety System, KGF guaranteed "Check Payment Support Package" loan products continue to be used in order to enable them to pay the check prices they are obliged to pay using an appropriate financing source. As of the end of the second period, 49.9 Billion TL Attendance Support Loan was extended to approximately 96 thousand customers and 826 Million TL Check Payment Support Loan was provided to more than 2 thousand customers.

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.



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

**VII. Other Important Activities**

Within the scope of normalization measures taken against the possible disruptions in economic and commercial activities as a result of the coronavirus outbreak that threatens public health globally and spreads to many countries including our country; In order to finance the needs of the Touristic Restaurant / Cafeteria Businesses directly affected by the epidemic, the Touristic Restaurant-Cafeteria Enterprises Support Credit Package, which provides KGF guaranteed credit within the framework of the Treasury Supported Surety System, was put into operation.

As of the end of the second quarter of 2020, the bank corporate credit card Bankkart Başak reached 477 thousand cards and a total risk balance of TL 5.1 billion.

As of the end of the second quarter of 2020, the number of credit cards of the Bank was 7.8 million, the market share of credit card units was 10.8% and the monthly turnover market share was 7.6%. It is anticipated that the said development will continue in the medium and long term. The number of debit cards reached 36.9 million, and the industry leadership of the bank continued, with a 27.9% monthly turnover market share.

As of the end of the second quarter of 2020, the number of member workplaces is 672 thousand and the total number of terminals is 585 thousand. The total turnover of member merchants in the second quarter is 40.8 billion, and the Bank's turnover market share in May 2020 was 16.8%.

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**

Ziraat Bank, continued to give his name to the trophy as a sponsor of the royalties, Turkey Cup also in the 2019/2020 football season. The Bank has supplied advertisement and promotion sponsorship to our Sports Club, representing the Bank successfully in the Men's Volleyball League since 007 / 2008 season from season.

During this period, "Online Channels" commercial was released for Ziraat Bank's customers to apply for internet and mobile banking from the website or Ziraat Mobil without going to the Branch. In addition, the introduction of the login was made with a new ID Card, a new way for Ziraat Bank customers to log in to the Internet Branch.

The advertisement movie "Dinlemezsen" was presented to the audience by Ziraat Bank as an image film and it was highly appreciated by the public.

Ziraat Bank, Turkey's Most Valuable Brand Finance research in year 2 and 2 brand's most valuable bank brand on top of Turkey has announced that selected via the written press and social media.

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, Ziraat Bank as part of social responsibility, the second quarter of the year 2020. It also provided the necessary support to health, education, culture, service and sports activities in the quarter.

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

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

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

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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 continues its support for art through Kuğulu, Tunnel and Çukurambar Art Galleries. In the second interim period of 2020, our Art Galleries were temporarily closed to the exhibitions and visits of artists / art lovers due to the Coronavirus outbreak.

The State Theaters, Agricultural Stage, which is implemented with the cooperation of our Bank and the General Directorate of State Theaters, which aims to support culture and arts, is at the service of theater lovers.

***The First Banking Museum***

The Agricultural Bank of the Republic, who personally witnessed almost every stage of the exhibition rooted history museum Agricultural Bank is Turkey's first museum Banking.

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

Our museum, enriched with digital elements in line with the modern museum understanding, has been temporarily closed to visitors due to the Coronavirus epidemic.

***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 the corporate website is increased by integrating the innovations brought by the technology to the website.

In social media channels that operate to meet the demands and expectations and to keep customer satisfaction at the highest level in every platform where customers are located, it has become the most active bank in the industry on its Facebook page and reached over 2,300,000 likes and followers as of the second quarter of 2020, The Bank's activity on social media is increasing day by day with its nearly 460 thousand followers, Instagram with over 198 thousand followers, Instagram, with over 75 million views, its shares on YouTube page and other platforms.

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