

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL  
 STATEMENTS AND RELATED DISCLOSURES  
 AT 31 DECEMBER 2020 WITH AUDITOR'S REPORT**

(Convenience Translation of Consolidated Financial Statements and Related Disclosures Originally Issued in Turkish, See Note I. of Section Three)

## INDEPENDENT AUDITOR'S REPORT

(Convenience Translation into English of Independent Auditor's Report Originally Issued in Turkish (See Note I of Section Three))

**To the General Assembly of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi:**

### A. Audit of the consolidated Financial Statements

#### 1. Opinion

We have audited the accompanying consolidated financial statements of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi (the "Bank"), and its subsidiaries (collectively referred to as the "Group") which comprise the statement of consolidated balance sheet as at 31 December 2020, consolidated income statement, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

#### 2. Basis for Qualified Opinion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2020 include a free provision amounting to TL 3.505.000 thousand which consist of TL 910.000 thousand provided in prior periods, TL 2.630.000 thousand recognized in the current year and TL 35.000 thousand reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified opinion.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

## INDEPENDENT AUDITOR'S REPORT

(Convenience Translation into English of Independent Auditor's Report Originally Issued in Turkish (See Note I of Section Three))

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Expected credit losses for loans and receivables</b></p> <p>The Group has total expected credit losses for loans and receivables amounting to TL 662.656.151 thousand in respect to total loans and receivables amounting to TL 21.022.688 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2020. Explanations and notes related to expected credit losses provisions for loans and receivables are presented Section Three VII, Section Three VIII, Section Four II, Section Four VIII-3, Section Five 1.7 and Section Five II-9 in the accompanying consolidated financial statements as at 31 December 2020.</p> <p>The Group recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements effective in line with the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment. The effects of the COVID-19 outbreak increased the importance of these estimates and assumptions used by the Group's management in determining the loan loss provisions as of 31 December 2020, and the uncertainties caused by these effects were taken into account in the calculation of expected credit loss using expert opinion.</p>	<p>With respect to stage classification of loans and receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group including the effects of COVID-19 outbreak within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>For important loan portfolios, we checked appropriateness of matters considered in methodology applied by the Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations including the effects of the COVID-19 pandemic, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested appropriateness of model segmentation, lifetime probability of default model, loss given default model, and approaches in relation to projection of macroeconomic expectations including the effects of the COVID-19 outbreak with our financial risk experts.</p> <p>We have assessed expert judgment utilized in interpretation of supportable forward looking expectations (including macroeconomic factors).</p> <p>Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology made within the year and the performance of the impairment models used.</p> <p>We have checked selected models used in determination of provisions for various loans and receivables portfolios with our financial risk experts by reperforming on a sample selection basis.</p>

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p>The Group uses complex models derived from more than one system to calculate the expected loan loss provision. Information including past events, current conditions and macroeconomic estimates which are taken into account in expected loss provision accounting should be reasonable and supportable.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences; the significance of the loans and receivables balances; the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.</p>	<p>For a selected sample of loans and receivables, we checked expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness including areas affected by uncertainties caused by COVID-19 via communications with management.</p> <p>We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists.</p> <p>For a selected sample, we checked accuracy of resultant expected credit losses calculations.</p> <p>To assess appropriateness of the Group's determination of staging for credit risk for loans and receivables within the framework of current regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample.</p> <p>We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.</p>

## INDEPENDENT AUDITOR'S REPORT

(Convenience Translation into English of Independent Auditor's Report Originally Issued in Turkish (See Note I of Section Three))

<b>Key Audit Matters</b>	<b>How the key audit matter was addressed in the audit</b>
<p><b>Pension funds</b></p> <p>Explanations on Valuation of T.C. Ziraat Bankası and T. Halk Bankası Members Pension and Relief Fund ("TZHEMSAN") Foundation are presented in the Section Three XVI in the accompanying consolidated financial statements as at 31 December 2020.</p> <p>TZHEMSAN foundation ("Fund") is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds to be transferred to the Social Security Institution (SSI). The President of the Republic is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumptions for benefits to be transferred and for non-transferrable benefits. The valuations of the pension obligations require significant judgement and technical expertise in choosing appropriate assumptions. Evaluation of Fund liabilities include uncertainty of estimates and assumptions such as transferrable social benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Fund obligations.</p> <p>During our audit, above mentioned fundamental assumption and estimates used in calculations of Fund obligations, uncertainty of the transfer date, technical interest rate determined by the law and significant impact from differentiation of these assumptions were taken into consideration, and this area is considered as key audit matter.</p>	<p>Within our audit we tested on a sample basis the accuracy of the employee data supplied by the Bank management to the external actuary firm for the purpose of evaluation of Fund obligations. In addition, we verified the existence and values of the Fund assets on a sample basis.</p> <p>We examined whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and regulations related to valuations exist, and tested significant changes.</p> <p>Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability.</p> <p>In addition to the above procedures, we have checked the disclosures made with respect to Fund obligations in the consolidated financial statements.</p>

#### 4. Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2019 was audited by another auditor who expressed a qualified opinion based on the reason represented in the section "Basis for the Qualified Conclusion" above thereon on 25 February 2020.

#### 5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### 6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## INDEPENDENT AUDITOR'S REPORT

(Convenience Translation into English of Independent Auditor's Report Originally Issued in Turkish (See Note I of Section Three))

### B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

### 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 consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated 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, 19 February 2021

## TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

# THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş. AS OF 31 DECEMBER 2020

(Convenience Translation of Publicly Announced Consolidated Financial Statements and Related Disclosures with Auditor's Report Originally Issued In Turkish, See Note I. Of Section Three)

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 consolidated financial report for the year 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATIONS ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP
- EXPLANATIONS AND DISCLOSURES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- AUDITOR'S REPORT

Within the framework of this financial report, our consolidated financial statements of subsidiaries, associates and entities under common control are as follows:

#### DOMESTIC SUBSIDIARIES

Ziraat Yatırım Menkul Değerler A.Ş.  
Ziraat Portföy Yönetimi A.Ş.  
Ziraat Katılım Bankası A.Ş.  
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.  
Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.

#### FOREIGN SUBSIDIARIES

Ziraat Bank International AG  
Ziraat Bank BH d.d.  
Ziraat Bank (Moscow) JSC  
Kazakhstan Ziraat International Bank  
Ziraat Bank Azerbaycan ASC  
Ziraat Bank Montenegro AD  
JSC Ziraat Bank Georgia  
Ziraat Bank Uzbekistan JSC  
**ENTITIES UNDER COMMON CONTROL**  
Turkmen Turkish Joint Stock Commercial Bank

#### ASSOCIATES

Arap Türk Bankası A.Ş.

The accompanying consolidated financial statements and notes to these financial statements for the year 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 audited.

Dr. Ahmet GENÇ  
Chairman of the Board

Hüseyin AYDIN  
Member of the Board,  
CEO

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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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### SECTION ONE

#### GENERAL INFORMATION ABOUT THE PARENT BANK

##### I. HISTORY OF THE PARENT 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 Parent 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 Parent Bank, which was given the authority to perform all 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 Parent Bank's head office is located in Ankara.

##### II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT 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 PARENT 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 Ordinary 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### 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 PARENT 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 President 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	Digital Solutions, Operation and Communication
Alpaslan ÇAKAR	Retail Banking-2
Bilgehan KURU	Financial Management
Musa ARDA	Corporate Banking
Süleyman TÜRETKEN	Retail Banking-1
Yüksel CESUR	Internal Systems

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

The Parent 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 Parent Bank.

### IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE PARENT 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 Parent Bank's sole shareholder is the Turkish Wealth Fund.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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

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

As of 31 December 2020, the Parent Bank carries its activities with a grand total of 1.752 branches; 1.728 domestic branches including 19 corporate branches, 65 entrepreneurial branches, 1.639 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, Gönyeli, Taşkinköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Bank also has 1 representative office in Tehran, Iran.

The Parent Bank and the consolidated subsidiaries in Note III of Section Three are referred to 'Group' as a whole.

As of 31 December 2020, the Group has 27.161 employees (31 December 2019: 27.168).

### 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, entity under common control of the Bank, is accounted by using equity method in the consolidated financial statements of the Bank.

Since Ziraat Teknoloji A.Ş., Onko İlaç Sanayi ve Ticaret A.Ş., Koçsel İlaç Sanayi ve Ticaret A.Ş. and Rinerji Rize Elektrik Üretim A.Ş. are non-financial subsidiaries of the Bank, are not consolidated in the consolidated financial statements of the Parent Bank in accordance with "Communiqué of the Preparation Consolidated Financial Statements. Since Platform Ortak Kartlı Sistemler A.Ş., Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. and Keskinöğlü Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş. are non-financial associates of the Bank, carried at cost, are not consolidated in the consolidated financial statements. Subsidiaries other than these are within the scope of full consolidation. Since Central Oto Kiralama A.Ş., ZG Tarım Piyasaları A.Ş., ZG Tarım ve Hayvancılık Yatırımları A.Ş., which are subsidiaries of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. -a subsidiary of Parent Bank- are non-financial subsidiaries; and since ZY Elektrikli Traktör San. ve Tic. A.Ş. and MESA İmalat Sanayi ve Ticaret A.Ş., which are associates of Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş. are non-financial associates, are not consolidated in the consolidated financial statements.

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

None.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### SECTION TWO

#### CONSOLIDATED FINANCIAL STATEMENTS

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

I- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Current Period 31 December 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. FINANCIAL ASSETS (NET)</b>		<b>121.644.985</b>	<b>190.978.231</b>	<b>312.623.216</b>	<b>83.583.457</b>	<b>98.441.926</b>	<b>182.025.383</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>9.547.307</b>	<b>95.419.691</b>	<b>104.966.998</b>	<b>3.565.469</b>	<b>60.244.783</b>	<b>63.810.252</b>
1.1.1 Cash and Balances with Central Bank	(1)	8.366.406	86.579.819	94.946.225	2.947.625	52.864.641	55.812.266
1.1.2 Banks	(4)	581.355	8.848.805	9.430.160	131.072	7.251.813	7.382.885
1.1.3 Money Market Receivables		603.790	-	603.790	487.812	133.957	621.769
1.1.4 Expected Loss Provision (-)		4.244	8.933	13.177	1.040	5.628	6.668
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>(2)</b>	<b>14.810.177</b>	<b>543.939</b>	<b>15.354.116</b>	<b>1.932.117</b>	<b>145.007</b>	<b>2.077.124</b>
1.2.1 Government Debt Securities		13.782.465	9.300	13.791.765	1.898.894	7.310	1.906.204
1.2.2 Equity Investments		16.486	527.069	543.555	23	-	23
1.2.3 Other Financial Assets		1.011.226	7.570	1.018.796	33.200	137.697	170.897
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>(5),(6)</b>	<b>94.339.957</b>	<b>92.900.367</b>	<b>187.240.324</b>	<b>76.790.107</b>	<b>36.553.163</b>	<b>113.343.270</b>
1.3.1 Government Debt Securities		89.811.384	91.006.417	180.817.801	74.042.653	35.560.304	109.602.957
1.3.2 Equity Investments		242.135	31.702	273.837	140.393	399.984	540.377
1.3.3 Other Financial Assets		4.286.438	1.862.248	6.148.686	2.607.061	592.875	3.199.936
<b>1.4 Derivative Financial Assets</b>	<b>(3)</b>	<b>2.947.544</b>	<b>2.114.234</b>	<b>5.061.778</b>	<b>1.295.764</b>	<b>1.498.973</b>	<b>2.794.737</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		2.947.544	2.114.234	5.061.778	1.295.764	1.498.973	2.794.737
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		<b>484.765.513</b>	<b>187.483.096</b>	<b>672.248.609</b>	<b>334.985.276</b>	<b>153.648.840</b>	<b>488.634.116</b>
2.1 Loans	(7)	489.100.046	168.409.928	657.509.974	342.521.224	138.437.666	480.958.890
2.2 Lease Receivables	(12)	2.851.377	2.294.800	5.146.177	1.531.983	2.136.768	3.668.751
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(8)	12.466.614	18.153.867	30.620.481	4.480.563	13.691.052	18.171.615
2.4.1 Government Debt Securities		12.379.588	18.095.133	30.474.721	4.395.402	13.664.560	18.059.962
2.4.2 Other Financial Assets		87.026	58.734	145.760	85.161	26.492	111.653
2.5 Expected Credit Loss (-)		19.652.524	1.375.499	21.028.023	13.548.494	616.646	14.165.140
<b>III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>(15)</b>	<b>5.336.119</b>	<b>-</b>	<b>5.336.119</b>	<b>6.965.298</b>	<b>165</b>	<b>6.965.463</b>
3.1 Held for Sale Purpose		5.336.119	-	5.336.119	6.965.298	165	6.965.463
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>		<b>1.277.395</b>	<b>207.948</b>	<b>1.485.343</b>	<b>589.172</b>	<b>137.914</b>	<b>727.086</b>
<b>4.1 Associates (Net)</b>	<b>(9)</b>	<b>550.810</b>	<b>3.445</b>	<b>554.255</b>	<b>282.244</b>	<b>2.584</b>	<b>284.828</b>
4.1.1 Associates Valued Based on Equity Method		293.250	-	293.250	271.526	-	271.526
4.1.2 Unconsolidated Associates		257.560	3.445	261.005	10.718	2.584	13.302
<b>4.2 Subsidiaries (Net)</b>	<b>(10)</b>	<b>726.585</b>	<b>9.541</b>	<b>736.126</b>	<b>306.928</b>	<b>-</b>	<b>306.928</b>
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		726.585	9.541	736.126	306.928	-	306.928
<b>4.3 Entities under Common Control (Joint Ventures) (Net)</b>	<b>(11)</b>	<b>-</b>	<b>194.962</b>	<b>194.962</b>	<b>-</b>	<b>135.330</b>	<b>135.330</b>
4.3.1 Joint Ventures Valued Based on Equity Method		-	194.962	194.962	-	135.330	135.330
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. PROPERTY AND EQUIPMENT (Net)</b>	<b>(16)</b>	<b>11.099.870</b>	<b>403.960</b>	<b>11.503.830</b>	<b>7.516.783</b>	<b>271.515</b>	<b>7.788.298</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	<b>(19)</b>	<b>1.147.667</b>	<b>66.466</b>	<b>1.214.133</b>	<b>884.317</b>	<b>50.831</b>	<b>935.148</b>
6.1 Goodwill		-	-	-	30.723	-	30.723
6.2 Other		1.147.667	66.466	1.214.133	853.594	50.831	904.425
<b>VII. INVESTMENT PROPERTY (Net)</b>	<b>(14)</b>	<b>477.790</b>	<b>-</b>	<b>477.790</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSET</b>		<b>23.394</b>	<b>5.688</b>	<b>29.082</b>	<b>20.386</b>	<b>5.083</b>	<b>25.469</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>(20)</b>	<b>856.992</b>	<b>5.120</b>	<b>862.112</b>	<b>1.191.444</b>	<b>123</b>	<b>1.191.567</b>
<b>X. OTHER ASSETS (Net)</b>	<b>(22)</b>	<b>9.414.878</b>	<b>3.337.809</b>	<b>12.752.687</b>	<b>3.856.278</b>	<b>1.572.417</b>	<b>5.428.695</b>
<b>TOTAL ASSETS</b>		<b>636.044.603</b>	<b>382.488.318</b>	<b>1.018.532.921</b>	<b>439.592.411</b>	<b>254.128.814</b>	<b>693.721.225</b>

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five II)	Current Period 31 December 2020			Prior Period 31 December 2019		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>(1)</b>	<b>331.229.660</b>	<b>363.608.580</b>	<b>694.838.240</b>	<b>250.892.192</b>	<b>229.036.334</b>	<b>479.928.526</b>
<b>II. FUNDS BORROWED</b>	<b>(3)</b>	<b>1.393.770</b>	<b>35.774.781</b>	<b>37.168.551</b>	<b>1.667.904</b>	<b>32.590.533</b>	<b>34.258.437</b>
<b>III. MONEY MARKETS BORROWINGS</b>	<b>(4)</b>	<b>94.932.803</b>	<b>23.569.739</b>	<b>118.502.542</b>	<b>28.821.018</b>	<b>20.473.527</b>	<b>49.294.545</b>
<b>IV. SECURITIES ISSUED (Net)</b>	<b>(5)</b>	<b>5.027.603</b>	<b>13.346.012</b>	<b>18.373.615</b>	<b>5.761.229</b>	<b>9.831.892</b>	<b>15.593.121</b>
4.1 Bills		-	-	-	2.267.540	279.678	2.547.218
4.2 Asset Backed Securities		4.017.250	-	4.017.250	2.482.999	-	2.482.999
4.3 Bonds		1.010.353	13.346.012	14.356.365	1.010.690	9.552.214	10.562.904
<b>V. FUNDS</b>	<b>(6)</b>	<b>6.053.060</b>	<b>-</b>	<b>6.053.060</b>	<b>6.066.464</b>	<b>-</b>	<b>6.066.464</b>
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		6.053.060	-	6.053.060	6.066.464	-	6.066.464
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>(2)</b>	<b>1.464.562</b>	<b>2.022.399</b>	<b>3.486.961</b>	<b>536.555</b>	<b>1.115.646</b>	<b>1.652.201</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.464.562	2.022.399	3.486.961	536.555	1.115.646	1.652.201
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX. LEASE LIABILITIES (Net)</b>	<b>(7)</b>	<b>879.435</b>	<b>121.928</b>	<b>1.001.363</b>	<b>668.204</b>	<b>104.471</b>	<b>772.675</b>
<b>X. PROVISIONS</b>	<b>(9)</b>	<b>7.265.341</b>	<b>245.485</b>	<b>7.510.826</b>	<b>3.571.025</b>	<b>539.769</b>	<b>4.110.794</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.569.882	7193	1.577.075	1.704.127	4.823	1.708.950
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		5.695.459	238.292	5.933.751	1.866.898	534.946	2.401.844
<b>XI. CURRENT TAX LIABILITY</b>	<b>(10)</b>	<b>1.769.112</b>	<b>6.951</b>	<b>1.776.063</b>	<b>1.857.191</b>	<b>8.489</b>	<b>1.865.680</b>
<b>XII. DEFERRED TAX LIABILITY</b>	<b>(10)</b>	<b>-</b>	<b>7.128</b>	<b>7.128</b>	<b>34.153</b>	<b>5.019</b>	<b>39.172</b>
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.061.224</b>	<b>-</b>	<b>3.061.224</b>
13.1 Held for Sale Purpose		-	-	-	3.061.224	-	3.061.224
13.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	<b>(12)</b>	<b>-</b>	<b>13.816.234</b>	<b>13.816.234</b>	<b>-</b>	<b>10.103.295</b>	<b>10.103.295</b>
14.1 Loans		-	768.037	768.037	-	537.338	537.338
14.2 Other Debt Instruments		-	13.048.197	13.048.197	-	9.565.957	9.565.957
<b>XV. OTHER LIABILITIES</b>	<b>(6)</b>	<b>15.978.625</b>	<b>4.946.160</b>	<b>20.924.785</b>	<b>9.438.934</b>	<b>3.308.655</b>	<b>12.747.589</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>(13)</b>	<b>93.066.833</b>	<b>2.006.720</b>	<b>95.073.553</b>	<b>74.397.428</b>	<b>(169.926)</b>	<b>74.227.502</b>
16.1 Paid-in capital		13.100.000	-	13.100.000	6.100.000	-	6.100.000
16.2 Capital Reserves		(17.745)	-	(17.745)	(571)	-	(571)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(17.745)	-	(17.745)	(571)	-	(571)
16.3 Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		5.619.524	(32.697)	5.586.827	3.885.618	303.466	4.189.084
16.4 Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		3.563.047	956.629	4.519.676	3.613.096	(1.160.736)	2.452.360
16.5 Profit Reserves		57.638.040	1.082.788	58.720.828	51.637.732	687.344	52.325.076
16.5.1 Legal Reserves		5.111.485	33.686	5.145.171	5.049.462	40.119	5.089.581
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		52.389.601	36.080	52.425.681	46.497.385	34.521	46.531.906
16.5.4 Other Profit Reserves		136.954	1.013.022	1.149.976	90.885	612.704	703.589
16.6 Profit or (Loss)		13.159.432	-	13.159.432	9.158.560	-	9.158.560
16.6.1 Prior Periods' Profit or (Loss)		3.507.980	-	3.507.980	1.801.735	-	1.801.735
16.6.2 Current Period Profit or (Loss)		9.651.452	-	9.651.452	7.356.825	-	7.356.825
16.7 Minority Interest		4.535	-	4.535	2.993	-	2.993
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>559.060.804</b>	<b>459.472.117</b>	<b>1.018.532.921</b>	<b>386.773.521</b>	<b>306.947.704</b>	<b>693.721.225</b>

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period			Prior Period		
			31 December 2020			31 December 2019		
			TL	FC	Total	TL	FC	Total
<b>A.</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>202.622.377</b>	<b>429.001.864</b>	<b>631.624.241</b>	<b>144.394.170</b>	<b>313.003.820</b>	<b>457.397.990</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>(1),(3)</b>	<b>50.318.190</b>	<b>109.735.813</b>	<b>160.054.003</b>	<b>44.163.692</b>	<b>87.532.468</b>	<b>131.696.160</b>
1.1	Letters of Guarantee		48.991.834	75.714.828	124.706.662	43.893.079	57.274.344	101.167.423
1.1.1	Guarantees Subject to State Tender Law		1.463.827	16.510.251	17.974.078	1.164.794	13.635.508	14.800.302
1.1.2	Guarantees Given for Foreign Trade Operations		41.641.970	37.911.310	79.553.280	37.831.479	39.002.599	76.834.078
1.1.3	Other Letters of Guarantee		5.886.037	21.293.267	27.179.304	4.896.806	4.636.237	9.533.043
1.2	Bank Acceptances		122.254	7.088.274	7.210.528	9.724	8.211.786	8.221.510
1.2.1	Import Letter of Acceptance		122.254	7.087.381	7.209.635	6.517	8.206.747	8.213.264
1.2.2	Other Bank Acceptances		-	893	893	3.207	5.039	8.246
1.3	Letters of Credit		997.868	23.665.410	24.663.278	255.679	20.137.357	20.393.036
1.3.1	Documentary Letters of Credit		997.868	23.562.686	24.560.554	255.679	20.071.463	20.327.142
1.3.2	Other Letters of Credit		-	102.724	102.724	-	65.894	65.894
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		99.000	1.421.463	1.520.463	-	969.507	969.507
1.5.1	Endorsements to the Central Bank of Turkey		99.000	1.421.463	1.520.463	-	969.507	969.507
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		98.155	1.841.367	1.939.522	-	939.474	939.474
1.9	Other Collaterals		9.079	4.471	13.550	5.210	-	5.210
<b>II.</b>	<b>COMMITMENTS</b>		<b>78.266.567</b>	<b>29.605.559</b>	<b>107.872.126</b>	<b>53.014.691</b>	<b>19.903.469</b>	<b>72.918.160</b>
2.1	Irrevocable Commitments	(1),(3)	78.266.567	21.595.365	99.861.932	53.014.691	14.823.869	67.838.560
2.1.1	Asset Purchase Commitments		96.533	14.155.920	14.252.453	2.134.231	11.571.249	13.705.480
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		14.666.903	63.612	14.730.515	11.842.898	32.819	11.875.717
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques Payments		5.098.792	83	5.098.875	3.852.919	24	3.852.943
2.1.8	Tax and Fund Liabilities from Export Commitments		16.428	-	16.428	11.509	-	11.509
2.1.9	Commitments for Credit Card Limits		44.638.928	38.696	44.677.624	24.220.013	25.292	24.245.305
2.1.10	Commitments for Credit Cards and Banking Services Promotions		68.632	-	68.632	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		13.677.201	7.337.054	21.014.255	10.909.460	3.194.485	14.103.945
2.2	Revocable Commitments		-	8.010.194	8.010.194	-	5.079.600	5.079.600
2.2.1	Revocable Loan Granting Commitments		-	205.122	205.122	-	216.573	216.573
2.2.2	Other Revocable Commitments		-	7.805.072	7.805.072	-	4.863.027	4.863.027
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>74.037.620</b>	<b>289.660.492</b>	<b>363.698.112</b>	<b>47.215.787</b>	<b>205.567.883</b>	<b>252.783.670</b>
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period			Prior Period		
			31 December 2020			31 December 2019		
			TL	FC	Total	TL	FC	Total
3.1.1	Fair Value Hedges		-	-	-	-	-	-
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		74.037.620	289.660.492	363.698.112	47.215.787	205.567.883	252.783.670
3.2.1	Forward Foreign Currency Buy/Sell Transactions		2.355.332	2.663.655	5.018.987	3.859.858	4.325.518	8.185.376
3.2.1.1	Forward Foreign Currency Transactions-Buy		1.527.355	1.008.721	2.536.076	1.631.241	2.449.973	4.081.214
3.2.1.2	Forward Foreign Currency Transactions-Sell		827.977	1.654.934	2.482.911	2.228.617	1.875.545	4.104.162
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		71.018.140	286.360.907	357.379.047	43.353.905	201.213.855	244.567.760
3.2.2.1	Foreign Currency Swap-Buy		6.051.965	145.831.548	151.883.513	1.417.227	99.048.727	100.465.954
3.2.2.2	Foreign Currency Swap-Sell		63.436.175	87.634.053	151.070.228	41.796.678	57.948.484	99.745.162
3.2.2.3	Interest Rate Swap-Buy		765.000	26.447.653	27.212.653	70.000	22.108.322	22.178.322
3.2.2.4	Interest Rate Swap-Sell		765.000	26.447.653	27.212.653	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		664.148	635.930	1.300.078	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	635.930	635.930	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		664.148	-	664.148	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>2.563.869.791</b>	<b>325.299.145</b>	<b>2.889.168.936</b>	<b>1.937.445.479</b>	<b>248.393.650</b>	<b>2.185.839.129</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>1.179.135.773</b>	<b>66.865.796</b>	<b>1.246.001.569</b>	<b>806.756.931</b>	<b>45.380.242</b>	<b>852.137.173</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		17.451.168	31.490.162	48.941.330	20.517.299	21.575.724	42.093.023
4.3	Checks Received for Collection		17.101.252	2.429.665	19.530.917	10.908.997	1.492.464	12.401.461
4.4	Commercial Notes Received for Collection		14.356.213	1.383.849	15.740.062	11.345.458	946.062	12.291.520
4.5	Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		1.100.163.673	2.864	1.100.166.537	738.596.223	-	738.596.223
4.7	Other Items Under Custody		30.053.002	28.659.397	58.712.399	25.378.489	20.506.340	45.884.829
4.8	Custodians		1.649	2.899.859	2.901.508	1.649	859.652	861.301
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>1.383.210.835</b>	<b>254.082.953</b>	<b>1.637.293.788</b>	<b>1.129.440.550</b>	<b>199.704.058</b>	<b>1.329.144.608</b>
5.1	Marketable Securities		717.865	1.570.333	2.288.198	3.353.935	1.296.711	4.650.646
5.2	Guarantee Notes		16.760.456	7.021.330	23.781.786	16.780.956	5.436.821	22.217.777
5.3	Commodity		3.110.331	923.024	4.033.355	2.428.499	639.362	3.067.861
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.103.157.094	158.200.995	1.261.358.089	895.452.305	125.862.426	1.021.314.731
5.6	Other Pledged Items		252.999.880	86.339.640	339.339.520	211.419.646	66.447.078	277.866.724
5.7	Pledged Items-Depository		5.209	27.631	32.840	5.209	21.660	26.869
<b>VI.</b>	<b>ACCEPTED BILL, GUARANTEES AND WARRANTIES</b>		<b>1.523.183</b>	<b>4.350.396</b>	<b>5.873.579</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>2.766.492.168</b>	<b>754.301.009</b>	<b>3.520.793.177</b>	<b>2.081.839.649</b>	<b>561.397.470</b>	<b>2.643.237.119</b>

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Note (Section Five IV)	Current Period 1 January-31 December 2020	Prior Period 1 January-31 December 2019
<b>IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>			
<b>I. INTEREST INCOME</b>	<b>(1)</b>	<b>74.450.737</b>	<b>69.718.782</b>
1.1 Interest on Loans		56.110.001	56.075.144
1.2 Interest on Reserve Requirements		253.867	479.203
1.3 Interest on Banks		133.438	355.434
1.4 Interest on Money Market Transactions		9.219	9.568
1.5 Interest on Marketable Securities Portfolio		17.320.104	12.221.439
1.5.1 Fair Value Through Profit or Loss		181.115	32.390
1.5.2 Fair Value through Other Comprehensive Income		14.842.857	10.837.254
1.5.3 Measured at Amortized Cost		2.296.132	1.351.795
1.6 Financial Lease Interest Income		379.390	380.566
1.7 Other Interest Income		244.718	197.428
<b>II. INTEREST EXPENSE (-)</b>	<b>(2)</b>	<b>36.972.540</b>	<b>41.903.049</b>
2.1 Interest on Deposits		24.374.966	29.099.627
2.2 Interest on Funds Borrowed		1.325.340	1.747.982
2.3 Interest Expense on Money Market Transactions		5.791.733	8.939.821
2.4 Interest on Securities Issued		1.923.109	1.757.446
2.5 Interest on Leases		125.893	119.410
2.6 Other Interest Expenses		3.431.499	238.763
<b>III. NET INTEREST INCOME (I - II)</b>		<b>37.478.197</b>	<b>27.815.733</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>3.584.405</b>	<b>3.239.834</b>
4.1 Fees and Commissions Received		5.445.765	5.428.248
4.1.1 Non-cash Loans		1.098.536	1.025.162
4.1.2 Other		4.347.229	4.403.086
4.2 Fees and Commissions Paid (-)		1.861.360	2.188.414
4.2.1 Non-cash Loans		668	4.071
4.2.2 Other		1.860.692	2.184.343
<b>V. DIVIDEND INCOME</b>	<b>(3)</b>	<b>7.314</b>	<b>25.972</b>
<b>VI. TRADING PROFIT/(LOSS) (Net)</b>	<b>(4)</b>	<b>(7.636.594)</b>	<b>(7.754.939)</b>
6.1 Trading Gains/(Losses) on Securities		4.156.404	226.967
6.2 Gains/(Losses) on Derivative Financial Transactions		(5.137.049)	(8.570.364)
6.3 Foreign Exchange Profit/(Losses)		(6.655.949)	588.458
<b>VII. OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>5.919.245</b>	<b>2.163.955</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>39.352.567</b>	<b>25.490.555</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	<b>(6)</b>	<b>12.194.001</b>	<b>7.214.540</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(6)</b>	<b>2.874.919</b>	<b>275.487</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>4.852.164</b>	<b>3.813.756</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(7)</b>	<b>8.343.307</b>	<b>6.602.596</b>
<b>XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>11.088.176</b>	<b>7.584.176</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>57.258</b>	<b>84.273</b>
<b>XVI. PROFIT/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)</b>	<b>(8)</b>	<b>11.145.434</b>	<b>7.668.449</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(3.348.927)</b>	<b>(1.776.755)</b>
18.1 Current Tax Provision		(3.554.074)	(3.068.013)
18.2 Deferred Tax Expense Effect (+)		(6.236.873)	(3.379.831)
18.3 Deferred Tax Income Effect (-)		6.442.020	4.671.089
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	<b>(10)</b>	<b>7.796.507</b>	<b>5.891.694</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>2.473.439</b>	<b>4.692.070</b>
20.1 Income from Non-Current Assets Held for Sale		1.107.539	4.692.070
20.2 Income from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		1.365.900	-
20.3 Income from Other Discontinued Operations		-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		<b>535.466</b>	<b>2.890.574</b>
21.1 Expenses on Non-Current Assets Held for Sale		535.466	2.890.574
21.2 Expense from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-
21.3 Expenses for Other Discontinued Operations		-	-
<b>XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)</b>	<b>(8)</b>	<b>1.937.973</b>	<b>1.801.496</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>(81.405)</b>	<b>(335.716)</b>
23.1 Current Tax Provision		(78.057)	(340.887)
23.2 Deferred Tax Expense Effect (+)		(3.766)	-
23.3 Deferred Tax Income Effect (-)		418	5.171
<b>XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>	<b>(10)</b>	<b>1.856.568</b>	<b>1.465.780</b>
<b>XXV. NET PROFIT/(LOSS) (XVIII+XXIV)</b>	<b>(11)</b>	<b>9.653.075</b>	<b>7.357.474</b>
25.1 Profit/(Loss) from the Group		9.651.452	7.356.825
25.2 Profit/(Loss) from Minority Interest		1.623	649
Earnings/(Loss) per share (in TL full)		0,928	1,206

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Current Period 1 January- 31 December 2020	Prior Period 1 January- 31 December 2019
<b>V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>9.653.075</b>	<b>7.357.474</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>3.176.865</b>	<b>5.837.460</b>
2.1 Not Reclassified Through Profit or Loss	1.109.630	(177.427)
2.1.1 Property and Equipment Revaluation Increase/Decrease	2.133.124	(360.951)
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Plan Remeasurement Gain/Loss	80.179	(34.864)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(1.167.575)	321.826
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	63.902	(103.438)
2.2 Reclassified Through Profit or Loss	2.067.235	6.014.887
2.2.1 Foreign Currency Translation Differences	287.029	105.265
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	1.425.327	7.575.936
2.2.3 Cash Flow Hedge Income/Expense	-	-
2.2.4 Foreign Net Investment Hedge Income/Expense	644.292	-
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	(289.413)	(1.666.314)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>12.829.940</b>	<b>13.194.934</b>

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Cancellation profits	Other capital reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior period net profit/(loss)	Current period net profit/(loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
					1	2	3	4	5	6						
<b>Current Period</b>																
<b>31 December 2020</b>																
<b>I. Prior Period End Balance</b>	6.100.000	-	-	(571)	3.830.302	(60.427)	419.209	2.748.990	(296.630)	-	52.325.076	9.158.560	-	74.224.509	2.993	74.227.502
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>	6.100.000	-	-	(571)	3.830.302	(60.427)	419.209	2.748.990	(296.630)	-	52.325.076	9.158.560	-	74.224.509	2.993	74.227.502
<b>IV. Total comprehensive income</b>	-	-	-	-	2.018.466	64.143	(972.979)	287.029	1.135.995	644.292	-	-	9.651.452	12.828.398	1.542	12.829.940
<b>V. Capital increase by cash</b>	7.000.000	-	-	-	-	-	-	-	-	-	-	-	-	7.000.000	-	7.000.000
<b>VI. Capital increase by internal sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible bonds to Shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase (decrease) by other changes</b>	-	-	-	(19.370)	288.113	-	-	-	-	-	(728.699)	1.548.961	-	1.089.005	-	1.089.005
<b>XI. Profit distribution</b>	-	-	-	2.196	-	-	-	-	-	-	7.124.451	(7.199.541)	-	(72.894)	-	(72.894)
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(72.894)	-	(72.894)	-	(72.894)
11.2 Transfers to Reserves	-	-	-	2.196	-	-	-	-	-	-	6.974.268	(6.976.464)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	150.183	(150.183)	-	-	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	13.100.000	-	-	(17.745)	6.136.881	3.716	(553.770)	3.036.019	839.365	644.292	58.720.828	3.507.980	9.651.452	95.069.018	4.535	95.073.553

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 Differences on Translation)

4. Exchange Differences on Translation

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

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

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Cancellation profits	Other capital reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior period net profit/(loss)	Current period net profit/(loss)	Shareholders' Equity Before Minority Interest	Minority Interest	Total Equity
					1	2	3	4	5	6						
<b>PRIOR PERIOD</b>																
<b>31 December 2019</b>																
<b>I. Prior Period End Balance</b>	<b>6.100.000</b>	-	-	<b>(483)</b>	<b>3.966.201</b>	<b>(32.536)</b>	<b>243.889</b>	<b>2.643.725</b>	<b>(6.207.033)</b>	-	<b>37.320.380</b>	<b>16.092.374</b>	-	<b>60.126.517</b>	<b>2.458</b>	<b>60.128.975</b>
<b>II. Corrections and Accounting Policy Changes Made According to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Beginning Balance (I+II)</b>	<b>6.100.000</b>	-	-	<b>(483)</b>	<b>3.966.201</b>	<b>(32.536)</b>	<b>243.889</b>	<b>2.643.725</b>	<b>(6.207.033)</b>	-	<b>37.320.380</b>	<b>16.092.374</b>	-	<b>60.126.517</b>	<b>2.458</b>	<b>60.128.975</b>
<b>IV. Total comprehensive income</b>	-	-	-	-	<b>(324.856)</b>	<b>(27.891)</b>	<b>175.320</b>	<b>105.265</b>	<b>5.909.736</b>	-	-	-	<b>7.356.825</b>	<b>13.194.399</b>	<b>535</b>	<b>13.194.934</b>
<b>V. Capital increase by cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital increase by internal sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in capital inflation adjustment difference</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible bonds to Shares</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated debt Instruments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increase (decrease) by other changes</b>	-	-	-	<b>(88)</b>	<b>188.957</b>	-	-	-	<b>667</b>	-	<b>138.686</b>	<b>575.371</b>	-	<b>903.593</b>	-	<b>903.593</b>
<b>XI. Profit distribution</b>	-	-	-	-	-	-	-	-	-	-	<b>14.866.010</b>	<b>(14.866.010)</b>	-	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	14.794.507	(14.794.507)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	71.503	(71.503)	-	-	-	-
<b>Balance at the end of the period (III+IV+.....+X+XI)</b>	<b>6.100.000</b>	-	-	<b>(571)</b>	<b>3.830.302</b>	<b>(60.427)</b>	<b>419.209</b>	<b>2.748.990</b>	<b>(296.630)</b>	-	<b>52.325.076</b>	<b>1.801.735</b>	<b>7.356.825</b>	<b>74.224.509</b>	<b>2.993</b>	<b>74.227.502</b>

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

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

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

4. Exchange Differences on Translation

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

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

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Note (Section Five VI)	Current Period 1 January- 30 December 2020	Prior Period 1 January- 30 December 2019
<b>VII. CONSOLIDATED STATEMENT OF CASH FLOWS</b>			
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities	21.675.973	(10.191.268)
1.1.1	Interest Received	69.359.999	62.716.085
1.1.2	Interest Paid	(33.250.585)	(41.250.106)
1.1.3	Dividend Received	7.314	20.155
1.1.4	Fees and Commissions Received	6.364.892	5.428.493
1.1.5	Other Income	6.686.199	3.063.653
1.1.6	Collections from Previously Written-off Loans and Other Receivables	2.667.883	2.496.293
1.1.7	Cash Payments to Personnel and Service Suppliers	(5.451.129)	(4.317.186)
1.1.8	Taxes Paid	(3.711.294)	(5.277.471)
1.1.9	Other	(20.997.306)	(33.071.184)
1.2	Changes in Operating Assets and Liabilities	53.389.187	29.142.260
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss	(9.404.293)	4.821.736
1.2.2	Net (Increase)/Decrease in due from banks and other financial institutions	(32.409.950)	(9.601.642)
1.2.3	Net (Increase)/Decrease in loans	(146.468.732)	(69.729.045)
1.2.4	Net (Increase)/Decrease in other assets	(7.663.739)	2.554.398
1.2.5	Net Increase/(Decrease) in bank deposits	7.999.354	6.184.517
1.2.6	Net Increase/(Decrease) in other deposits	173.185.323	119.631.420
1.2.7	Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss	-	(37.668)
1.2.8	Net Increase/(Decrease) in funds borrowed	(4.616.790)	(1.412.395)
1.2.9	Net Increase/(Decrease) in payables	-	-
1.2.10	Net Increase/(Decrease) in other liabilities	72.768.014	(23.269.061)
<b>I.</b>	<b>Net Cash Provided from Banking Operations</b>	<b>75.065.160</b>	<b>18.950.992</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net Cash Provided from Investing Activities</b>	<b>(70.619.616)</b>	<b>(23.539.257)</b>
2.1	Cash Paid for Acquisition of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)	(410.071)	(50.592)
2.2	Cash Obtained from Disposal of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)	-	-
2.3	Purchases of Property and Equipment	(1.482.629)	(1.835.246)
2.4	Disposals of Property and Equipment	1.133.608	499.160
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(114.440.414)	(44.506.253)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income	51.339.571	21.731.937
2.7	Purchase of Financial Assets at Measured at Amortized Cost	(7.612.792)	(11.191.088)
2.8	Sale of Financial Assets at Measured at Amortized Cost	853.111	3.875.246
2.9	Other	-	7.937.579
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net Cash Provided from Financing Activities</b>	<b>6.969.637</b>	<b>6.319.753</b>
3.1	Cash Obtained from Funds Borrowed and Securities Issued	16.688.914	24.358.844
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	(16.389.618)	(17.669.126)
3.3	Issued Equity Instruments	7.000.000	-
3.4	Dividends Paid	-	-
3.5	Payments for finance leases	(329.659)	(369.965)
3.6	Other	-	-
<b>IV.</b>	<b>Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>(1)</b>	<b>2.024.161</b>
<b>V.</b>	<b>Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>10.951.139</b>	<b>3.755.649</b>
<b>VI.</b>	<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>(1)</b>	<b>28.295.446</b>
<b>VII.</b>	<b>Cash and Cash Equivalents at the End of the Period</b>	<b>(1)</b>	<b>32.051.095</b>

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

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

	Current Period 31 December 2020	Prior Period 31 December 2019
<b>VIII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (*)</b>		
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1	Current Year Income	10.834.123
1.2	Taxes And Duties Payable (-)	(3.009.104)
1.2.1	Corporate Tax (Income tax)	(3.189.501)
1.2.2	Income withholding tax	-
1.2.3	Other taxes and duties	180.397
<b>A.</b>	<b>NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>7.825.019</b>
1.3	Prior Year Losses (-)	-
1.4	First Legal Reserves (-)	245.479
1.5	Other Statutory Reserves (-)	-
<b>B.</b>	<b>NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>	<b>4.664.104</b>
1.6	First Dividend To Shareholders (-)	-
1.6.1	To Owners Of Ordinary Shares	-
1.6.2	To Owners Of Privileged Shares	-
1.6.3	To Owners Of Preferred Shares	-
1.6.4	To Profit Sharing Bonds	-
1.6.5	To Holders Of Profit And Loss Sharing Certificates	-
1.7	Dividends To Personnel (-)	-
1.8	Dividends To Board Of Directors (-)	-
1.9	Second Dividend To Shareholders (-)	-
1.9.1	To Owners Of Ordinary Shares	-
1.9.2	To Owners Of Preferred Shares	-
1.9.3	To Owners Of Preferred Shares	-
1.9.4	To Profit Sharing Bonds	-
1.9.5	To Holders Of Profit And Loss Sharing Certificates	-
1.10	Statutory Reserves (-)	-
1.11	Extraordinary Reserves	4.664.104
1.12	Other Reserves	-
1.13	Special Funds	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1	Appropriated Reserves	-
2.2	Dividends To Shareholders (-)	-
2.3.1	To Owners Of Ordinary Shares	-
2.3.2	To Owners Of Preferred Shares	-
2.3.3	To Owners Of Preferred Shares (Preemptive Rights)	-
2.3.4	To Profit Sharing Bonds	-
2.3.5	To Holders Of Profit And Loss Sharing Certificates	-
2.3	Dividends To Personnel (-)	-
2.4	Dividends To Board Of Directors (-)	-
<b>III. EARNINGS PER SHARE</b>		
3.1	To Owners Of Ordinary Shares	0,8048
3.2	To Owners Of Ordinary Shares (%)	80,48
3.3	To Owners Of Privileged Shares	-
3.4	To Owners Of Privileged Shares (%)	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1	To Owners Of Ordinary Shares	-
4.2	To Owners Of Ordinary Shares (%)	-
4.3	To Owners Of Privileged Shares	-
4.4	To Owners Of Privileged Shares (%)	-

(\*) Profit distribution is approved by the Ordinary General Assembly. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly has not been held.

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### SECTION THREE

#### EXPLANATIONS ON ACCOUNTING POLICIES

##### I. BASIS OF PRESENTATION

The consolidated 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 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 consolidated 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 the “Communiqué on Public Disclosures on Risk Management by Banks”, 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.

Financial statements of subsidiaries in abroad are prepared in accordance with prevalent law and legislation in their country, adjustments and reclassifications are reflected on the purpose of fair presentation pursuant to Reporting Standards.

The consolidated 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 related disclosures are expressed in Thousand Turkish Lira (“TL”).

The COVID-19 epidemic, which originates in China, spreads to various countries in the world and causes potentially fatal respiratory infections, causes disruptions in operations, especially in countries that are overexposed to the epidemic, and negatively affects economic conditions both regionally and globally. 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 financial statements dated 31 December 2020, the Parent 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.

As of 31 December 2020, due to the adverse effects of the COVID-19 epidemic, the Parent Bank reviewed the valuation of financial assets at fair value through other comprehensive income and fair value through profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Parent Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments, and there are no changes that require any correction as of the reporting date. As of 31 December 2020, the Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment.

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

In this context, the Parent Bank has measured its macroeconomic expectations on non-performing loans under different scenarios and reflected the increase coefficient, which is considered to best reflect the current situation in the range of NPL ratio it obtained, into the loan parameters and included it in provision calculations. Among the three scenarios used, the weight of the bad scenario was increased. In addition, the Parent Bank analyzed its corporate, entrepreneurial and retail loan portfolios and the sector distributions in these portfolios, using expert opinion, it made provisions on model outputs for customer groups that it believed to be affected by the COVID-19 outbreak. This approach, which is preferred in provision calculations in 2020, will be reviewed in the upcoming reporting periods, taking into account the impact of the epidemic, changes in the loan portfolio and future expectations.

Within the scope of the 4th and 5th articles of “Regulation on the Classification of Loans and the Procedures and Principles Regarding the Provisions to be Set Aside”; it is allowed that the 30-day-past-due period envisaged for the classification of loans in the second group would be applied as 90 days until 31 December 2020 for the loans classified under the first group and the 90-day-past-due period envisaged for the classification of loans as non-performing would be applied as 180 days until 31 December 2020 for the loans classified under the first and second groups according to the decisions of BRSA numbered 8948 dated 17 March 2020 and numbered 8970 dated 27 March 2020 due to the effects of the epidemic from the COVID-19 pandemic. Based on the BRSA’s Decision No. 9312 dated 8 December 2020, this period has been extended until 30 June 2021. The Parent Bank’s practices regarding the classification of the loans have been updated in accordance with the BRSA decisions.

The Parent 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 arriving at the branches. Applications received from the digital channels are evaluated quickly and concluded.

#### Changes in Accounting Policies

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

#### Explanation for convenience translation to English:

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

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

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

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

Since the Parent Bank’s total debt to the market is low among its total liabilities, the Parent 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 Parent Bank is not presumed to be significantly affected from liquidity risk since the Parent Bank is a public bank with an extensive branch network.

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

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

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange rate risk arising from foreign currency translation of partnerships with capital allocation in Euro, deposits in Euro are used as a hedging tool. Information on fair value hedge accounting applied in order to protect the said total capital amount, 268.075 thousand Euro, which is associated with this purpose, from the exchange rate risk effect due to the changes in the exchange rate, it is given in Note IX of Section 4.

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

### III. INFORMATION ON CONSOLIDATED SUBSIDIARIES

#### 1. Consolidation Principles Applied

The consolidated financial statements have been prepared in accordance with the procedures listed in the "Communiqués related to the Regulation on the Preparation of the Consolidated Financial Statements of Banks" published in the Official Gazette No. 26340 dated 8 November 2006 and the "Consolidated Financial Statements" ("TFRS 10").

#### 1.1. Consolidation Principles for Subsidiaries

Subsidiaries are all entities in which the Group has the power to control financial and operational policies for the benefit of the Parent Bank (a) directly and indirectly, with the authority to exercise more than 50% of the voting rights pertaining to shares in the owned companies; or (b) not having the power to exercise more than 50% of the rights of use, otherwise having control over financial and business policies.

Control is evident when the Parent Bank owns, either directly or indirectly, the majority of the share capital of the company or owns the privileged shares or owns the right of controlling the operations of the company in accordance with the agreements made with other shareholders or owns the right of appointment or the designation of the majority of the board of directors of the company.

Subsidiaries are consolidated with full consolidation method, taking into account the size of their assets and equity within the scope of their activities and the materiality principle. Subsidiaries are included in the scope of consolidation since the control of their activities is transferred to the group and are excluded from the scope of consolidation from the date the control disappears. Where necessary, the accounting policies of the subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

According to the full consolidation method, 100% of the balance sheet, profit or loss statement and off-balance sheet items of the subsidiaries are consolidated with the balance sheet, profit or loss statement and off-balance sheet items of the Parent Bank. The carrying amount of the Group's investments in each subsidiary is netted off with the portion of the capital of each subsidiary that belongs to the Group. Unrealized gains and losses and balances arising from transactions between subsidiaries included in consolidation are eliminated. In order to determine the net income of the Group, minority interest in the net income of the consolidated subsidiaries have been determined and deducted from the net income of the subsidiary. Minority interest in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interest are presented separately in the profit or loss statement interest.

In order to transfer of the shares representing 99,97% of Ziraat Sigorta A.Ş. and the shares representing 99,97% of Ziraat Hayat ve Emeklilik A.Ş. capital which belong to the Parent Bank to TVF Finansal Yatırımlar A.Ş., the share transfer agreement was signed on April 22, 2020 and the said share transfers were completed as of the same date. between as a buyer, TVF Finansal Yatırımlar A.Ş. and as a seller, the Bank, Ziraat Katılım Bankası A.Ş., Ziraat Teknoloji A.Ş. and Ziraat Yatırım Menkul Değerler A.Ş.. Related subsidiaries were classified in the scope of consolidation in the previous period, the accounts related with held for sale in the assets and liabilities section of balance sheet, and under Income-Expense from Discontinued Operations line of the profit or loss statement. The related subsidiaries were excluded from the scope of consolidation with the sales transaction, and the figures of the income and expense items realized until the sales transaction date of the subsidiaries are shown in the Income-Expense from Discontinued Operations line of the consolidated profit or loss statement.

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

The subsidiaries included in consolidation, their title, their place of incorporation, their main activities and their effective shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank' Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	Brokerage Houses	99,60	99,60
Ziraat Portföy Yönetimi A.Ş.	İstanbul/Turkey	Portfolio Management	74,90	99,80
Ziraat Katılım Bankası A.Ş.	İstanbul/Turkey	Banking	100,00	100,00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	Real Estate	100,00	100,00
Ziraat Girişim Sermayesi Ortaklığı A.Ş.	İstanbul/Turkey	Venture Capital	100,00	100,00
Ziraat Bank International AG	Frankfurt/Germany	Banking	100,00	100,00
Ziraat Bank BH d.d.	Sarajevo/Bosnia and Herzegovina	Banking	100,00	100,00
Ziraat Bank (Moscow) JSC	Moscow/Russia	Banking	99,91	99,91
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99,58	99,58
Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	Banking	99,98	100,00
Ziraat Bank Montenegro AD	Podgorica/Montenegro	Banking	100,00	100,00
JSC Ziraat Bank Georgia	Tbilisi/Georgia	Banking	100,00	100,00
Ziraat Bank Uzbekistan JSC	Tashkent/Uzbekistan	Banking	100,00	100,00

#### 1.2. Consolidation Principles of Associates and Entities under common control

An associate is a partnership with which the Parent Bank participates in its capital and has significant effect on it although it has no capital or management control, whose main operation is banking and which operates according to special legislation with permission and license and is established abroad. The related associate is consolidated with equity method in accordance with materiality principle. Significant effect refers to the participation power on the constitution of the financial and management policies of the participated associate. If the Parent Bank has 10% or more voting right on the associate, as long as it is not proved otherwise, it will be accepted that the Parent Bank has significant effect on that associate. Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in an associate from the changed amount in the associate participating shareholder's equity during the period by the portion of the participant and the deduction of the dividend from the associate from the changed value of the associate amount. The associates and entities under common control consolidated with the equity method, their title, place of incorporation, main activities, effective shareholding rates and direct and indirect shareholding rates are as follows:

Title	Address (City/Country)	Main Activities	Parent Bank's Share Percentage (%)	Parent Bank's Risk Group Share Percentage (%)
Turkmen Turkish Joint Stock Commercial Bank	Ashkhabad/Turkmenistan	Banking	50,00	50,00
Arap Türk Bankası A.Ş.	İstanbul/Turkey	Banking	15,43	15,43

#### 1.3. Principles Applied During Share Transfer, Merger and Acquisition

Acquisition of entities are accounted by the purchase method on the date of purchase when the control is being transferred to the Group. Control explains managing power of Group on entity's financial and operational policies for the purpose of providing benefit from operations of entity. While evaluating control, executable potential voting rights are taken consideration by Group.

#### 1.4. Transactions with Minority Shareholders

The Group considers transactions with minority shareholders as transactions within the Parent Bank. For acquisitions from minority shareholders, the difference between the acquisition cost and related portion of net assets' booked value is deducted from equity. Profit or loss resulting from sales to minority shareholders is booked under equity.

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### 1.5. Presentation of Unconsolidated Subsidiaries and Associates in Consolidated Financial Statements

Subsidiaries, which are not included in the scope of consolidation, are accounted for their fair values, while associates are accounted for at their cost values after netting impairment if any, and are reflected in the consolidated financial statements.

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

The Group'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 Parent Bank has no embedded derivative instruments separated from the articles of association.

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

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

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

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

### V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest income and expenses of the group 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 Reserve) 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.

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The interest which is the difference between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the profit or loss statement.

Profit share income is accounted for by applying the internal rate of return method. Group calculates expense accrual according to the unit value calculation method over the participation accounts.

### VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

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

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

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

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### VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to IFRS 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 Group, if the Group is a legal party to these instruments.

The Group 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 Group'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 IFRS 9

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

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

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

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

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

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

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

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

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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### Equity investments

Securities representing a share in the capital are recognized at their fair value if they are traded in organized markets and/or their fair value can be determined reliably, and if they are not traded in organized markets, they are reflected in the financial statements with their values found using other valuation models.

### Financial Assets at Measured at Amortized Cost

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

Measured at amortized cost are recognized at 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 "financial assets 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 Parent 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.

## VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

### Explanations on Expected Loss Provisions

The Group 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 Parent 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.

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

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

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

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

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

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

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

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

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

The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the stage 2 are, having day-past-due more than and equal to 30 days, and the Parent Bank's internal early warning system note. As explained in the third section, part 1, number 1, BRSA's decisions no 8948 dated 17 March 2020 and 8970 dated 27 March 2020 will be valid as of 27 March 2020, mainly due to the effects of the epidemic of the COVID-19 outbreak. The number of delay days is 90 days. Pursuant to the BRSA's decision dated 8 December 2020 and numbered 9312, the 90-day implementation period has been extended until 30 June 2021.

### Credit-Impaired Losses (Stage 3)

Includes financial assets with unbiased evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit loss provision is recorded.

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

- Objective Default Definition: It means debt having past due more than 90 days. This assumption can be proved otherwise in the light of supportable information. 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 effects of the epidemic of the COVID-19 outbreak. Accordingly, the definition of default is applied as 180 days. Pursuant to the BRSA's Decision No. 9312 dated 8 December 2020, the 180-day implementation period has been extended until 30 June 2021.
- Subjective Default Definition: It means it is considered as unlikelyness 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.

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

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

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

### Probability of Default (PD)

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

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

### Exposure at Default (EAD)

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

### Loss Given Default (LGD)

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

### Future Expectations

The effect of future expectations is included in the credit risk parameters used in the calculation of expected credit losses by using scenarios related to macroeconomic factors. The Parent Bank uses the macroeconomic forecasting model developed during the creation of multiple scenarios to be used in expected credit loss calculations. The macroeconomic variables that stand out during this estimation are the Gross Domestic Product (GDP) and the consumer price index (CPI). Risk parameters are updated every 3 months, taking into account their compatibility with the portfolio. In addition to macroeconomic indicators, the Parent Bank takes into account the future expectations of its portfolio and the possible effects of COVID-19 in its models by using the best estimates and expert opinion in the presence of model variables.

### 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, 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 loan has been written-off by the Group 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 Group has a legally enforceable right 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.

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

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

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

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

The assets acquired by the Group 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 Group.

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 Group due to receivables are shown in the line of held for sale purpose in the financial statements depending on the termination of the term sales contract.

A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The Group does not have any discontinued operations.

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

Goodwill; is the difference between the acquisition cost the fair value of the identifiable assets, liabilities and contingent liabilities of the acquisition and it represents the payment that the acquirer expects to benefit in the future from assets that are not individually identifiable and separately accountable. Assets which are not included in the financial statements of the business purchased in business combinations; however, that are capable of being separated from goodwill, intangible assets and/or contingent liabilities are reflected to the financial statements with their fair values. As of the date of balance sheet, the Group has no goodwill in its financial statements. (31 December 2019: TL 30.723)

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 Group recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Parent 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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### 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 Parent Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under equity.

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

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

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

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

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

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

### XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties consist of assets held to earn rent and/or value increase. The aforementioned real estates owned by the Group are shown in the consolidated financial statements using the fair value method within the framework of TAS 40 "Investment Properties". Gains and losses arising from a change in the fair value of investment properties are reflected in the profit/loss accounts in the period they occur.

### XV. EXPLANATIONS ON LEASING TRANSACTIONS

#### Leases in Accordance with TFRS 16

The Group 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 Group'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 Group; 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 Group remeasures the lease liability to reflect the changes in lease payments. The Group reflects the remeasurement amount of the lease liability, in financial statements as adjustments in right to use assets.

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The Group 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 Group 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 Group 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.

Subject to financial leasing in the consolidated balance sheet of the entity is shown as a receivable equal to net leasing. The interest income is determined so as to form a fixed revenue return ratio using net investment method related to lease asset of the lessor, and the portion of interest income which does not take part in the related term is followed under the unearned interest income account.

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

### XVI. 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 Group 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 Parent 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.

### XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

#### Employment Termination and Vacation Benefits

The Group 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.

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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 Group and social security institution, retirement bonus pension/severance payments are calculated for the time that the personnel has worked. Employment termination is calculated based on actuarial assumptions. These assumptions based on the calculation are below:

The Parent Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 31 December 2020, retirement benefit obligation is TL 1.256.959 (31 December 2019: TL 1.052.901).

	Current Period	Prior Period
Discount Rate	12,96%	12,15%
Inflation	9,37%	8,68%

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 gains amounting to TL 3.716 was classified under shareholders' equity in the financials. (31 December 2019: TL 60.427 loss).

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

The Parent 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 Parent Bank and Ziraat Katılım Bankası A.Ş. 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.

As of 31 December 2020 the number of personnel who benefit from the Fund, excluding dependents, is 24.212 (31 December 2019: 23.720). 20.297 of these members are active while 3.915 are passive members. (31 December 2019: 19.832 active members, 3.888 passive members).

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.

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Based on the Council of Ministers' decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20<sup>th</sup> provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

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

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

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

The technical balance sheet report as of 31 December 2020 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Parent 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 Parent Bank's financial statements.

### XVIII. EXPLANATIONS ON TAXATION

#### Current Tax

With the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 and numbered 26205, effective from 1 January 2006, 20% is applied for corporate earnings. In accordance with the regulation introduced by Law No. 7061 of 28 November 2017, the rate, which was applied as 22% for three years as of 1 January 2018, will continue to be applied as 20% as of 1 January 2021. 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 20% 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. In the event that there is a prepaid tax amount left despite the offset, this amount can be deducted from other financial debts to the government.

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

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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, 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.

Corporate tax returns are submitted to the affiliated tax office until the end of the fourth month following the end of the accounting period and the accrued tax is paid until the end of the same month. However, the authorities competent for tax inspection can examine the accounting records within five years, and the tax amounts to be paid may change if incorrect transactions are detected.

Tax rates used in tax calculation considering the related countries' tax legislation as of 31 December 2020 are presented below:

Russia	20%
Kazakhstan	20%
Germany	16%
Bosnia Herzegovina	10%
Azerbaijan	20%
Montenegro	9%
Georgia	15%
Uzbekistan	20%

### 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 Group 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. In the deferred tax calculation, the Bank estimates the time when temporary differences will be taxable/deductible and uses the legal tax rates valid as of the balance sheet date in accordance with the current tax legislation. As deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) effective or almost certain to come into effect as of the end of the reporting period (balance sheet date), the Parent Bank has calculated the deferred tax rate of 20% over its assets and liabilities as of December 31, 2020. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future. Deferred tax liability or assets related to temporary timing differences that arise from the initial recognition of assets or liabilities other than goodwill or business combinations and that do not affect both commercial and financial profit or loss are not calculated.

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

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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 consolidated financial statements.

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

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

### XIX. EXPLANATIONS ON INSURANCE TECHNICAL RESERVES

#### Technical Reserves

##### Reserve for Unearned Premiums

Reserve for unearned premiums represents the proportions of the premiums written in a period that relate to the period of risk subsequent to the balance sheet date, without deductions of commission or any other expense.

##### Reserve for Outstanding Claims

Insurance companies provide reserve for outstanding claims, incurred and reported but not yet settled in the current or previous years based on reported balances or estimates when actual balances are not exactly known and incurred but not yet reported claims. Within the calculation of reserve for outstanding claims, incurred and reported but not yet settled, entire shares of expense required for maturation of compensation reports including calculated or estimated expert, referee, consultant, court and communication expenses are taken into account and subrogation, salvage and similar revenue items are not discounted. Incurred subrogation, salvage and similar revenue items whose codes of practice will be determined by the undersecretariat are shown under the related loan account of the asset side of the balance sheet and interrelated with period income in condition that subrogation of rights has been gained.

##### Mathematical Provisions

Mathematical provisions indicate sum of bonus provisions and actuarial mathematical provisions calculated separately according to technical principles in tariff for each agreement in force. Life branch mathematical provision of the company consists of actuarial mathematical provisions calculated for long-term life insurances on loan. Actuarial mathematical provisions are the differences between risk premiums taken for risks undertaken by the Company and cash values of the liabilities to beneficiaries and insureds.

### XX. EXPLANATIONS ON BORROWINGS

The Group 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 Group has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the Group 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 Group has issued no convertible bonds to shares and has no instruments representing its own borrowings.

### XXI. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank in 2020.

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### XXII. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

### XXIII. EXPLANATIONS ON GOVERNMENT GRANTS

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

### XXIV. 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 markets receivables and time deposits at banks with original maturity periods of less than three months.

### XXV. EXPLANATIONS ON SEGMENT REPORTING

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

### XXVI. 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% (TL 245.479) of the remaining legal reserve has been set aside, the remaining TL 4.664.104 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, TL 72.102, allocating 5% of legal reserves over the remaining TL 101.280 (TL 5.064), transferring the remaining TL 96.216 to extraordinary reserves, TL 72.102 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.

## SECTION FOUR

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

#### I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED 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 9312 dated 8 December 2020. Based on recent regulation changes:

- In calculating the amount subject to credit risk; Simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date can be used to calculate the valued amounts in foreign currency.
- 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 calculation of equity amount

As of 31 December 2020, the Group's total capital has been calculated as TL 114.356.330 (31 December 2019: TL 88.375.572), capital adequacy ratio is 17,25% (31 December 2019: 16,39%). This ratio is well above the minimum ratio required by the legislation.

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### 1. Information Related to the Components of Shareholders' Equity

	Current Period 31 December 2020	Amount as per the regulation before 01/01/2014*
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	58.720.828	-
Gains recognized in equity as per TAS	10.121.812	-
Profit	13.159.432	-
Current Period Profit	9.651.452	-
Prior Period Profit	3.507.980	-
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	17.388	-
Minority Interest	555	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>95.120.015</b>	<b>-</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1 <sup>st</sup> 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	50.442	-
Improvement costs for operating leasing	44.857	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.214.133	1.214.133
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 4 <sup>th</sup> clause of the 56 <sup>th</sup> 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 2 <sup>nd</sup> clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-

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	Current Period 31 December 2020	Amount as per the regulation before 01/01/2014*
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from 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>1.309.432</b>	-
<b>Total Common Equity Tier I Capital</b>	<b>93.810.583</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	13.317.710	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Covered by Temporary Article 3)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>13.317.710</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 Consolidated 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 I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	-	-
<b>Total Additional Tier I Capital</b>	<b>13.317.710</b>	-
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>107.128.293</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)	-	-
Third parties' share in the secondary capital	-	-
Third parties' share in the secondary capital (Covered by Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	7.251.206	-
<b>Tier II Capital Before Deductions</b>	<b>7.251.206</b>	-
<b>Deductions from Tier II Capital</b>	-	-
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	-	-
<b>Total Tier II Capital</b>	<b>7.251.206</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>114.379.499</b>	-

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	Current Period 31 December 2020	Amount as per the regulation before 01/01/2014*
<b>Total Tier I Capital and Tier II Capital (Total Equity)</b>	<b>114.379.499</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 Purpose but Retained more than Five Years	-	-
Other items to be defined by the BRSA	23.169	-
<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)	114.356.330	-
Total Risk Weighted Assets	663.051.749	-
<b>CAPITAL ADEQUACY RATIOS</b>		
Consolidated CET 1 Capital Ratio (%)	14,15	-
Consolidated Tier I Capital Ratio (%)	16,16	-
Consolidated Capital Adequacy Ratio (%)	17,25	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	4,56	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,059	-
c) Higher bank buffer requirement ratio (%)	2,00	-
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	9,65	-
<b>Amounts Lower than Excesses as per Deduction Rules</b>		
Remaining Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	199.294	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	54.586	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	862.112	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	10.396.404	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	7.251.206	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué 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.

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	Prior Period 31 December 2019	Amount as per the regulation before 01/01/2014*
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	6.100.000	-
Share issue premiums	-	-
Reserves	52.325.076	-
Gains recognized in equity as per TAS	6.981.113	-
Profit	9.158.560	-
Current Period Profit	7.356.825	-
Prior Period Profit	1.801.735	-
Shares acquired free of charge from associates, subsidiaries and entities under common control and cannot be recognized within profit for the period	17.388	-
Minority Interest	309	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>74.582.446</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	357.628	-
Improvement costs for operating leasing	49.402	-
Goodwill (net of related tax liability)	30.723	30.723
Other intangibles other than mortgage-servicing rights (net of related tax liability)	904.425	904.425
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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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>1.342.178</b>	<b>-</b>
<b>Total Common Equity Tier I Capital</b>	<b>73.240.268</b>	<b>-</b>
<b>ADDITIONAL TIER I CAPITAL</b>		
Preferred Stock not included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	9.783.918	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Covered by Temporary Article 3)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>9.783.918</b>	<b>-</b>
<b>Total Tier I Capital and Tier II Capital (Total Equity)</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 Consolidated 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 Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>9.783.918</b>	<b>-</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>83.024.186</b>	<b>-</b>
<b>TIER II CAPITAL</b>		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the secondary capital (Covered by Temporary Article 3)	-	-
Third parties' share in the secondary capital	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	5.447.631	-
<b>Tier II Capital Before Deductions</b>	<b>5.447.631</b>	<b>-</b>
<b>Deductions from Tier II Capital</b>		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>5.447.631</b>	<b>-</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>88.471.817</b>	<b>-</b>

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	Prior Period 31 December 2019	Amount as per the regulation before 01/01/2014*
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>88.471.817</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 Purpose but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	96.245	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
<b>CAPITAL</b>		
Total Capital (Total of Tier I Capital and Tier II Capital)	88.375.572	-
Total Risk Weighted Assets	539.203.074	-
<b>CAPITAL ADEQUACY RATIOS</b>		
Consolidated CET 1 Capital Ratio (%)	13,58	-
Consolidated Tier I Capital Ratio (%)	15,40	-
Consolidated Capital Adequacy Ratio (%)	16,39	-
<b>BUFFERS</b>		
Total additional core capital requirement ratio (a+b+c)	4,55	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,05	-
c) Higher bank buffer requirement ratio (%)	2,00	-
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	9,08	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Consolidated 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 Consolidated 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	1.191.567	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	5.447.631	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	5.447.631	-
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.

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### 2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period		
	T.C Ziraat Bankası A.Ş.	Ziraat Katılım Bankası A.Ş.
Issuer	T.C Ziraat Bankası A.Ş.	Ziraat Katılım 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 and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA.	The Regulation on Bank Capital and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA.
<b>Regulatory treatment</b>		
Subject to 10% deduction as of 1/1/2015	None	None
Eligible on unconsolidated and/or unconsolidated basis	Eligible on consolidated and unconsolidated	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)	Additional Capital Credit (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	12.611	706
Nominal value of instrument (TL million)	12.611	706
Accounting classification of the instrument	347001-Subordinated Debts Instruments	347000- Subordinated Loans
Original date of issuance	24 April 2019	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual	Perpetual
Issue date of the instrument	24 April 2019	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes	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.	Option date is 5 years, (subject to BRSA permission)
Subsequent call dates, if applicable	24.04.2024	
<b>Interest/dividend payment</b>		
Fixed or floating coupon/dividend payments	Fixed	None
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed	None
Existence of any dividend payment restriction	None	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary	None
Existence of step up or other incentive to redeem	None	None
Noncumulative or cumulative	Noncumulative	None

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### Information about instruments included in total capital calculation-Current Period

	T.C Ziraat Bankası A.Ş.	Ziraat Katılım Bankası A.Ş.
Issuer	T.C Ziraat Bankası A.Ş.	Ziraat Katılım Bankası A.Ş.
<b>Convertible into equity shares</b>		
If convertible, conversion trigger (s)	None	None
If convertible, fully or partially	None	None
If convertible, conversion rate	None	None
If convertible, mandatory or optional conversion	None	None
If convertible, type of instrument convertible into	None	None
If convertible, issuer of instrument to be converted into	None	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	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	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature	Has temporary write down feature.
If temporary write-down, description of write-up mechanism.	Has-write up mechanism	It is possible to write up after temporary write down.
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	i. After payments within the scope of Priority Liabilities, ii. Equal (pari passu) among themselves and with all other Co-Liabilities without order of preference, and iii. Prior to all payments under Low-Degree Liabilities
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.	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

Current Period	Current Period	Prior Period
<b>Balance Sheet - Equity</b>	<b>95.073.553</b>	<b>74.227.502</b>
Operational Leasing Development Costs	(44.857)	(49.402)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.214.133)	(935.148)
TIER 2 Capital (Provisions)	7.251.206	5.447.631
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	13.317.710	9.783.918
Other deductions from common equity	(23.169)	(96.245)
Minority interest	(3.980)	(2.684)
Other regulations	-	-
Amount recognized in regulatory capital	<b>114.356.330</b>	<b>88.375.572</b>

## II. EXPLANATIONS ON THE CONSOLIDATED CREDIT RISK

### 1. Information on Credit Risk

Credit risk is the possibility of loss that the Group may be exposed due to the partial or complete default of the debtor by not complying to the obligations of the agreement made, or due to the decrease in credit worthiness.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and nonfinancial information of the credit customers, credit requirements, sectorial and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, Group Presidencies, Department Presidencies, Assistant General Management, General Manager, Credit Committee and Board of Directors.

In order to prevent the risk intensity on the commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered. The Group's credit authority limits on given consumer loans are defined with the separation of type and guarantee and these limits are updated according to economic conjuncture and demands of Regional Directorates/Branches.

The limits, subjects, collateral structure, maturities, accounts booked, outstanding balances of the loans allocated by the branches are periodically analyzed depending on the number of customers and monitored on customer and regional basis.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (financial structure, market, collateral, etc.).

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The Parent Bank is assessing credibility of the customer as the essential factor in issuing credits and creditors' credit worthiness are ascertained during credit application and limit allocation/renewal. Documents to be obtained during the application are evidently mentioned in regulations and appropriateness of the documents obtained during application is controlled by internal audit departments. The Bank considers guarantees as important in minimization and elimination of the risk. As a result of policies and process based on obtaining reliable and robust guarantees, the Parent Bank's credit risk significantly declines.

On August 2012 The Parent Bank started applying internal ratings processes as a decision support system for analysing credit worthiness and determining credit allocation for Corporate/Commercial/Entrepreneurial consumer loans.

The Parent Bank makes provision in conformity with the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions".

Identification of limits for domestic and foreign banks are done by rating which is determined by considering the needs of clients and departments together with financial and economic conditions of the banks and their countries. When banks and/or countries are financially or economically risky, identified limits can be restricted with maturity, amount or type of transaction or use of credit is called off.

Since the Parent Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, The Parent Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Parent Bank are generally taken on financial institutions and countries which are rated by international rating institutions. Treasury operations are executed in the frame of pre-determined authorization and limits, these authorization and limits are monitored. Client transactions within the context of Fund Management are done in the frame of general loan limits determined for the clients.

The Parent Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits. These are not considered to generate material risk given the amount of these transactions in the balance sheet.

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Non-cash risks of customers classified as non-performing loans in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" are subjected to expected loss provision (Stage 3) under the same regulation, when the related risks are reimbursed and transformed into cash receivables, they are followed up in the same risk group as the cash loan which was previously classified as non-performing loans and the expected losses provision (Stage 3) continues to be provided.

Restructured and rescheduled loans are also booked in line with procedures and under accounts defined by the related regulation. Furthermore, they are monitored by the Parent Bank in line with credit risk policies. In this context, financial situation and commercial operations of related customers are analyzed and in terms of restructured plan, whether principal and interest payments have been paid is being checked and necessary measures are taken.

The percentage of top 100 and top 200 cash loans in the total cash loan portfolio is 23% and 27% respectively (31 December 2019: 26% and 32%).

The percentage of top 100 and top 200 non-cash loans in the total non-cash loan portfolio is 48% and 59% respectively (31 December 2019: 49% ve 60%).

The percentage of top 100 and top 200 cash and non-cash loans in the total cash and non-cash loan portfolio is 24% and 30% respectively (31 December 2019: 27% ve 34%).

The total amount of the first and second phase provisions set aside for the credit risk undertaken by the Group is TL 10.303.277. (31 December 2019: TL 5.401.551)

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### 2. The Profile of Important Risks of Important Regions

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development bank	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investmet funds	Invesments in Equity Instruments	Other receivables	Total
<b>Current Period</b>																		
Domestic	229.733.733	536.899	763.014	-	-	34.987.970	326.130.329	252.803.855	100.831.143	3.911.447	106.954	-	-	-	1.873.895	246.995	39.267.401	991.193.635
European Union Countries	324.326	-	-	-	-	49.319.220	5.323.640	385.102	153.533	4.665	286	-	-	-	-	12	86.423	55.597.207
OECD Countries <sup>(1)</sup>	-	-	-	-	-	572.949	479.121	16.942	10.767	107	4	-	-	-	-	-	574	1.080.464
Off-shore banking	10	-	-	-	-	423.997	-	250	1.607	2	-	-	-	-	-	-	6	425.872
Usa, Canada	-	-	-	-	-	981.262	510.295	25.311	18.445	682	-	-	-	-	-	-	357	1.536.352
Other Countries	2.321.924	11.170	26	-	-	2.869.824	6.294.153	3.325.728	193.505	78.242	2.659.422	-	-	-	-	137.805	1.028.582	18.920.381
Other Countries Subsidiaries, Associates and Joint Ventures (Joint Ventures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203.969	318.295	100	522.364
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>232.379.993</b>	<b>548.069</b>	<b>763.040</b>	<b>-</b>	<b>-</b>	<b>89.155.222,00</b>	<b>338.737.538</b>	<b>256.557.188</b>	<b>101.209.000</b>	<b>3.995.145</b>	<b>2.766.666</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.077.864</b>	<b>703.107</b>	<b>40.383.443</b>	<b>1.069.276.275</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada.<sup>(2)</sup> Assets and liabilities that could not be distributed on a consistent basis

	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development bank	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term receivables from banks, brokerage houses and corporates	Investments similar to collective investmet funds	Invesments in Equity Instruments	Other receivables	Total
<b>Prior Period</b>																		
Domestic	142.272.662	650.429	589.015	-	-	31.650.433	273.352.238	164.527.938	68.652.934	4.658.210	1.764.652	-	-	-	2.533.444	139.049	32.624.242	723.415.246
European Union Countries	192.382	-	-	-	-	39.632.919	1.957.068	594.148	-	1.168	459	-	-	-	-	-	43.776	42.421.920
OECD Countries <sup>(1)</sup>	-	-	-	-	-	705.454	186.646	17	-	-	-	-	-	-	-	-	-	892.117
Off-shore banking	-	-	-	-	-	3.108	-	269	-	-	-	-	-	-	-	-	-	3.377
Usa, Canada	-	-	-	-	-	3.982.037	2.130.965	329	-	-	-	-	-	-	-	-	-	6.113.331
Other Countries	662.678	4.546	24	-	-	5.345.810	13.815.600	992.717	59.608	134.670	830.607	-	-	-	19.136	24.853	666.385	22.556.634
Other Countries Subsidiaries, Associates and Joint Ventures (Joint Ventures)	-	-	-	-	-	297.791	422.950	6.343	-	-	355.535	-	-	-	-	-	-	1.082.619
Unallocated Assets/Liabilities <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>143.127.722</b>	<b>654.975</b>	<b>589.039</b>	<b>-</b>	<b>-</b>	<b>81.617.552</b>	<b>291.865.467</b>	<b>166.121.761</b>	<b>68.712.542</b>	<b>4.794.048</b>	<b>2.951.253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.552.580</b>	<b>163.902</b>	<b>33.334.403</b>	<b>796.485.244</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

<sup>(1)</sup> OECD Countries other than EU countries, USA and Canada.<sup>(2)</sup> Assets and liabilities that could not be distributed on a consistent basis

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### 3. Risk Profile by Sectors or Counterparties

Current Period	Risk Classes																			TL	FC	Total
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgages	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables					
<b>Sectors/Counter Parties</b>																						
Agriculture	92	356	4.612	-	-	-	7.095.182	64.362.446	15.902.777	311.309	1.050	-	-	-	-	-	1.823.019	88.851.015	649.828	89.500.843		
Farming and Stockbreeding	5	356	4.612	-	-	-	6.409.739	63.372.866	15.690.613	304.375	280	-	-	-	-	-	1.805.739	87.240.129	348.456	87.588.585		
Forestry	87	-	-	-	-	-	59.716	370.303	78.315	1.898	7	-	-	-	-	-	12.855	516.544	6.637	523.181		
Fishing	-	-	-	-	-	-	625.727	619.277	133.849	5.036	763	-	-	-	-	-	4.425	1.094.342	294.735	1.389.077		
Manufacturing	109.312	683	245.890	-	-	-	142.685.606	27.973.361	12.326.844	514.318	11.746	-	-	-	-	38.948	356.927	96.261.345	88.002.290	184.263.635		
Mining and Quarrying Production	-	-	2.736	-	-	-	7.210.149	342.688	151.385	3.419	45	-	-	-	-	-	134	1.954.255	5.756.301	7.710.556		
Manufacturing Industry	109.305	4	234.863	-	-	-	101.028.479	27.433.577	11.937.460	461.136	11.437	-	-	-	-	-	355.661	87.595.225	53.976.697	141.571.922		
Electric, Gas and Water	7	679	8.291	-	-	-	34.446.978	197.096	237.999	49.763	264	-	-	-	-	38.948	1.132	6.711.865	28.269.292	34.981.157		
Construction	-	-	71.547	-	-	-	44.075.516	7.909.278	5.163.311	918.930	198.123	-	-	-	-	243.923	32.507	34.269.035	24.344.100	58.613.135		
Services	91.326.268	1.329	213.305	-	-	88.075.171	132.685.425	65.787.923	22.742.991	1.297.379	963.494	-	-	-	-	1.833.941	542.422	27.835.083	201.818.656	231.486.075	433.304.731	
Wholesale and Retail Trade	4	20	8.314	-	-	-	39.353.451	46.362.844	14.116.226	756.760	7.472	-	-	-	-	69.981	95.061	88.858.054	11.912.079	100.770.133		
Hotel Food and Beverage Services	5.800	35	1.676	-	-	-	9.252.108	4.983.261	2.464.940	124.383	260	-	-	-	-	-	17.096	9.035.248	7.814.311	16.849.559		
Transportation and Telecommunication	4.226	163	105.714	-	-	-	43.053.545	7.320.684	3.072.453	81.962	2.210	-	-	-	-	-	38.513	12.772.298	40.907.172	53.679.470		
Financial Institutions	90.812.667	-	6.088	-	-	-	3.440.531	19.255	12.923	13	951.960	-	-	-	-	322.294	472.441	27.676.744	56.023.581	146.901.722	202.925.303	
Real Estate and Leasing Services	423.838	1.089	23.663	-	-	-	8.864.784	34.936.769	5.214.373	2.461.739	285.117	-	-	-	-	1.511.647	6.413	30.606.531	23.124.430	53.730.961		
Self Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Education Services	78.241	-	38.632	-	-	-	842.031	650.386	208.417	21.025	43	-	-	-	-	-	599	1.398.444	440.930	1.839.374		
Health and Social Services	1.492	22	29.218	-	-	-	1.806.990	1.237.120	406.293	28.119	20	-	-	-	-	-	657	3.124.500	385.431	3.509.931		
Other	140.944.321	545.701	227.686	-	-	1.080.051	12.195.809	90.524.180	45.073.077	953.209	1.592.253	-	-	-	-	121.737	10.335.907	218.930.116	84.663.815	303.593.931		
<b>Total</b>	<b>232.379.993</b>	<b>548.069</b>	<b>763.040</b>	-	-	-	<b>89.155.222</b>	<b>338.737.538</b>	<b>256.557.188</b>	<b>101.209.000</b>	<b>3.995.145</b>	<b>2.766.666</b>	-	-	-	<b>2.077.864</b>	<b>703.107</b>	<b>40.383.443</b>	<b>640.130.167</b>	<b>429.146.108</b>	<b>1.069.276.275</b>	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction

Prior Period	Risk Classes																			TL	FC	Total
	Conditional and unconditional receivables from central governments or central banks	Conditional and unconditional receivables from regional or local governments	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional receivables from multilateral development banks	Conditional and unconditional receivables from international organisations	Conditional and unconditional receivables from banks and brokerage houses	Conditional and unconditional corporate receivables	Conditional and unconditional retail receivables	Conditional and unconditional receivables secured by mortgages	Past due receivables	Receivables defined in high risk category by BRSA	Securities collateralised by mortgage	Securitization positions	Short-term from banks, brokerage houses and corporates	Investments similar to collective investment funds	Investments in Equity Instruments	Other Receivables					
<b>Sectors/Counter Parties</b>																						
Agriculture	112	353	7.963	-	-	-	2.527.975	6.341.181	1.106.346	95.849	7.046	-	-	-	-	-	42.491	304.954	9.824.362	10.129.316		
Farming and Stockbreeding	33	353	7.963	-	-	-	2.408.539	5.848.131	1.062.074	89.660	6.612	-	-	-	-	-	41.877	268.266	9.196.976	9.465.242		
Forestry	79	-	-	-	-	-	41.783	223.205	27.145	2.768	345	-	-	-	-	-	477	13.478	282.324	295.802		
Fishing	-	-	-	-	-	-	77.653	269.845	17.127	3.421	89	-	-	-	-	-	137	23.210	345.062	368.272		
Manufacturing	67.650	1.382	8.825	-	-	-	113.379.690	12.710.581	2.752.266	538.875	157.395	-	-	-	-	-	7.278	71.562.300	58.061.642	129.623.942		
Mining and Quarrying Production	-	-	-	-	-	-	5.784.370	204.605	37.818	4.755	648	-	-	-	-	-	95	4.622.392	1.409.899	6.032.291		
Manufacturing Industry	67.643	14	670	-	-	-	77.891.058	12.344.423	2.692.466	432.079	156.542	-	-	-	-	-	7.051	44.173.741	49.418.205	93.591.946		
Electric, Gas and Water	7	1.368	8.155	-	-	-	29.704.262	161.553	21.982	102.041	205	-	-	-	-	-	132	22.766.167	7.233.538	29.999.705		
Construction	-	-	167.519	-	-	-	38.823.298	4.968.720	1.396.361	587.628	946.980	-	-	-	-	236.607	25.850	20.730.349	26.422.614	47.152.963		
Services	54.699.644	4.746	182.351	-	-	67.310.084	112.308.109	32.650.321	6.950.567	1.162.540	717.081	-	-	-	-	2.315.973	163.902	843.356	128.262.368	151.046.306	279.308.674	
Wholesale and Retail Trade	3	25	12.223	-	-	-	30.288.162	22.967.446	4.019.577	629.278	117.401	-	-	-	-	-	35.697	11.266.802	46.803.010	58.069.812		
Hotel Food and Beverage Services	2.027	35	3.685	-	-	-	6.909.094	2.023.079	1.131.387	180.176	16.497	-	-	-	-	-	6.663	6.573.122	3.699.521	10.272.643		
Transportation and Telecommunication	4.047	539	112.907	-	-	-	35.540.237	3.227.959	652.408	33.426	10.533	-	-	-	-	-	6.885	15.912.665	23.676.276	39.588.941		
Financial Institutions	54.417.565	862	16.371	-	-	-	59.517.098	14.431.214	656.768	3.623	52	-	-	-	-	1.994.104	163.902	789.559	71.491.668	60.997.220	132.488.888	
Real Estate and Leasing Services	142.733	2.955	3.017	-	-	-	7.792.986	23.623.080	2.897.592	826.621	303.363	-	-	-	-	321.869	4.058	22.448.301	13.484.671	35.932.972		
Self Employment Services	-	-	2.147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.147	-	2.147	
Education Services	128.764	-	16.152	-	-	-	620.251	329.224	132.411	8.703	59.229	-	-	-	-	-	165	446.108	848.791	1.294.899		
Health and Social Services	4.505	330	15.849	-	-	-	896.071	548.253	184.540	7.542	953	-	-	-	-	-	329	1.536.817	1.658.372	1.658.372		
Other	88.360.316	648.494	222.381	-	-	14.307.468	24.826.395	109.450.958	56.507.002	2.409.156	1.122.751	-	-	-	-	-	32.415.428	75.117.763	255.152.586	330.270.349		
<b>Total</b>	<b>143.127.722</b>	<b>654.975</b>	<b>589.039</b>	-	-	-	<b>81.617.552</b>	<b>291.865.467</b>	<b>166.121.761</b>	<b>68.712.542</b>	<b>4.794.048</b>	<b>2.951.253</b>	-	-	-	<b>2.552.580</b>	<b>163.902</b>	<b>33.334.403</b>	<b>295.977.734</b>	<b>500.507.510</b>	<b>796.485.244</b>	

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### 4. Analysis of maturity-bearing exposures according to remaining maturities

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
<b>Exposure Classifications:</b>					
Conditional and unconditional exposures to central governments or central banks	7.987.543	3.893.690	3.754.214	7.083.518	209.661.028
Conditional and unconditional exposures to regional governments or local authorities	3.611	6.970	22.078	22.473	492.937
Conditional and unconditional receivables from administrative units and non-commercial enterprises	11.701	21.636	160.105	125.262	444.336
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	51.904.354	11.457.848	2.623.228	2.976.655	20.193.137
Conditional and unconditional exposures to corporates	9.579.447	17.296.467	17.369.732	55.516.521	238.975.371
Conditional and unconditional retail exposures	3.988.085	6.051.321	7.527.840	52.690.243	186.299.699
Conditional and unconditional exposures secured by real estate property	457.169	1.027.114	1.181.826	9.870.835	88.672.056
Past due receivables	1.314.035	52.610	75.175	112.406	2.440.919
Receivables defined in high risk category by BRSA	845.100	25.225	100.461	615.542	1.180.338
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	28.760	54.334	398.802	248.402	1.347.566
Investments in Equity Instruments	-	-	-	-	703.107
<b>Grand Total</b>	<b>76.119.805</b>	<b>39.887.215</b>	<b>33.213.461</b>	<b>129.261.857</b>	<b>750.410.494</b>

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
<b>Exposure Classifications:</b>					
Conditional and unconditional exposures to central governments or central banks	5.666.354	702.604	5.242.281	6.095.258	125.421.225
Conditional and unconditional exposures to regional governments or local authorities	5.015	965	16.993	79.697	552.305
Conditional and unconditional receivables from administrative units and non-commercial enterprises	8.138	4.752	1.555	60.848	513.746
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organisations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	55.122.457	9.106.043	1.600.856	1.616.148	14.172.048
Conditional and unconditional exposures to corporates	4.689.426	12.878.958	9.138.005	43.360.357	221.798.721
Conditional and unconditional retail exposures	4.647.212	5.065.791	7.976.495	33.608.833	114.823.430
Conditional and unconditional exposures secured by real estate property	154.963	412.416	737.342	4.882.726	62.525.095
Past due receivables	3.025.437	9	1	21	1.768.580
Receivables defined in high risk category by BRSA	986.773	-	2.911	127.586	1.833.983
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	185.348	-	10.287	1.017.245	1.339.700
Investments in Equity Instruments	-	-	-	-	163.902
<b>Grand Total</b>	<b>74.491.123</b>	<b>28.171.538</b>	<b>24.726.726</b>	<b>90.848.719</b>	<b>544.912.735</b>

Prepared with the numbers after conversion rate to credit and before Credit Risk Reduction.

For the foreign banks, the ratings of the Fitch Ratings International Rating Agency is used for determining the risk weights for the risk classes by using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as "Gradeless" and take the risk weight which is appropriate for the "Gradeless" category in the related risk class.

In order to determine the risk weight of regarding items that export or issuer rating not included to purchase/sale accounts is firstly considered to export rating, and also issuer's credit rating is considered in the absence of export rating.

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Fitch Rating's and the Islamic International Rating Agency's (IIRA) risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	Fitch Ratings Long Term Credit Rating	Exposure to Banks and Brokerage Houses	
		Exposures with Original Maturities Less Than 3 Months	Exposures with Original Maturities More Than 3 Months
1	AAA to AA-	20%	20%
2	A+ to A-	20%	50%
3	BBB+ to BBB-	20%	50%
4	BB+ to BB-	50%	100%
5	B+ to B-	50%	100%
6	CCC+ and below	150%	150%

  

Credit Quality Grade	IIRA Long Term Credit Rating	Receivables from the Central Governments and the Central Banks
1	AAA to AA-	0%
2	A+ to A-	20%
3	BBB+ to BBB-	50%
4	BB+ to BB-	100%
5	B+ to B-	100%
6	CCC+ and below	150%

### 5. Exposures by risk weights

#### Current Period

Risk Weights	0%	2% <sup>(*)</sup>	10%	20%	35%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1 Exposures before Credit Risk Mitigation	245.211.123	21.067.850	-	27.650.954	2.650.349	42.406.404	343.604.303	383.941.291	2.744.001	-	-	1.282.159
2 Exposures after Credit Risk Mitigation	345.642.501	1.581.631	-	16.572.834	71.304.824	61.234.416	221.494.128	348.703.954	2.741.987	-	-	1.282.159

Prepared with the numbers after conversion rate to credit

<sup>(\*)</sup> In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

#### Prior Period

Risk Weights	0%	2% <sup>(*)</sup>	10%	20%	35%	50%	75%	100%	150%	200%	1250%	Deductions from Equity
1 Exposures before Credit Risk Mitigation	117.728.136	2.870.742	-	53.652.350	-	70.509.780	231.574.866	317.198.115	2.951.255	-	-	1.080.795
2 Exposures after Credit Risk Mitigation	183.972.736	2.870.742	-	19.287.478	59.380.353	96.409.551	146.525.565	285.148.908	2.889.911	-	-	1.080.795

Prepared with the numbers after conversion rate to credit

<sup>(\*)</sup> In accordance with the Regulation on Measurement and Evaluation of Banks' Capital Adequacy risk weights of 2% and 4% have been added to the Calculation of the Capital Liability for Risks Arising from Central Counterparties as of the current period.

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### 6. Information in terms of major sectors and type of counterparties

Current Period	Loans		Provision
	Impaired (TFRS 9)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (TFRS)
	Significant Increase in Credit Risk (Stage 2)		
<b>Agriculture</b>	2.736.308	2.024.815	1.246.624
Farming and Stockbreeding	2.721.259	2.001.127	1.227.323
Forestry	4.590	12.258	10.179
Fishery	10.459	11.430	9.122
<b>Manufacturing</b>	17.332.160	2.817.918	6.268.999
Mining and Quarrying	141.979	38.627	57.255
Production	14.027.766	2.540.613	5.538.464
Electricity, Gas and Water	3.162.415	238.678	673.280
<b>Construction</b>	4.636.989	3.257.106	2.815.258
<b>Services</b>	10.242.014	5.746.448	5.399.666
Wholesale and Retail Trade	3.618.857	3.344.457	2.902.166
Accommodation and Dining	2.797.299	408.248	407.206
Transportation and Telecom.	230.312	294.026	229.964
Financial Institutions	11.997	53.519	52.819
Real Estate and Rental Services	2.563.665	1.461.697	1.418.643
Professional Services	-	502	268
Educational Services	115.954	89.149	73.284
Health and Social Services	903.930	94.850	315.316
<b>Other</b>	5.031.966	2.834.927	2.404.111
<b>Total</b>	<b>39.979.437</b>	<b>16.681.214</b>	<b>18.134.658</b>

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Prior Period	Loans		Provision
	Impaired (IFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Non-performing loans (Stage 3)	Provisions for Expected Credit Loss (IFRS)
<b>Agriculture</b>	<b>3.600.569</b>	<b>1.810.224</b>	<b>1.138.189</b>
Farming and Stockbreeding	3.584.481	1.789.010	1.122.042
Forestry	7.770	11.674	8.228
Fishery	8.318	9.540	7.919
<b>Manufacturing</b>	<b>7.623.229</b>	<b>2.567.341</b>	<b>2.236.722</b>
Mining and Quarrying	232.631	32.101	27.307
Production	5.416.599	2.281.898	1.726.912
Electricity, Gas and Water	1.973.999	253.342	482.503
<b>Construction</b>	<b>2.812.608</b>	<b>2.593.481</b>	<b>1.716.042</b>
<b>Services</b>	<b>14.737.852</b>	<b>5.137.622</b>	<b>5.950.087</b>
Wholesale and Retail Trade	2.203.367	2.928.652	2.116.979
Accommodation and Dining	808.367	356.358	221.394
Transportation and Telecom.	9.183.304	178.307	2.432.381
Financial Institutions	13.485	5.870	4.490
Real Estate and Rental Services	2.186.294	1.514.297	1.118.422
Professional Services	407	93	1.396
Educational Services	40.363	108.756	24.559
Health and Social Services	302.265	45.289	30.466
<b>Other</b>	<b>2.610.351</b>	<b>2.422.762</b>	<b>1.637.023</b>
<b>Total</b>	<b>31.384.609</b>	<b>14.531.430</b>	<b>12.678.063</b>

### 7. Information about Value Adjustment and Change in Provisions

	Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	9.202.528	3.791.820	(1.691.127)	607.840	11.911.061
2	Stage 1 and 2 Expected Loss Provisions	4.959.763	6.586.672	(2.434.808)	-	9.111.627

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1	Stage 3 Expected Loss Provisions	6.190.930	3.856.575	(880.059)	35.082	9.202.528
2	Stage 1 and 2 Expected Loss Provisions	3.260.949	1.936.425	(260.285)	22.674	4.959.763

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### 8. Risks Included Capital Capacity Buffer Calculations

#### Current Period

Country	Banking Accounts RWA	Trading Accounts RWA	TOTAL
Bosnia and Herzegovina	6.050.995	-	6.050.995
Germany	4.115.233	-	4.115.233
Turkish Republic of Northern Cyprus	1.592.974	-	1.592.974
Azerbaijan	1.579.233	-	1.579.233
Holland	1.438.561	-	1.438.561
Kazakhstan	1.349.362	-	1.349.362
USA	428.599	527.070	955.669
Montenegro	873.394	-	873.394
Iraq	676.683	190.941	867.624
Russia	800.109	-	800.109
Other	4.385.639	92.763	4.478.402

#### Prior Period

Country	Banking Accounts RWA	Trading Accounts RWA	TOTAL
Bosnia and Herzegovina	4.396.532	-	4.396.532
USA	2.151.679	375.131	2.526.810
Germany	1.236.585	-	1.236.585
Azerbaijan	935.376	14.168	949.544
Turkish Republic of Northern Cyprus	931.395	-	931.395
Uzbekistan	760.564	-	760.564
United Kingdom	709.596	-	709.596
Bahrain	585.724	-	585.724
Russia	456.675	-	456.675
Other	436.494	-	436.494

### III. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

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

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

None.

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### 3. Management Policy for Foreign Currency Risk

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

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.12.2020	7,5067	9,1506	5,7066	1,2304	0,9087	8,4316	5,8522	0,8705	10,2038	2,0006	7,2409
25.12.2020	7,4819	9,1205	5,6870	1,2265	0,9058	8,4171	5,8144	0,8711	10,1365	1,9940	7,2310
28.12.2020	7,3631	9,0095	5,5901	1,2117	0,8913	8,2955	5,7439	0,8541	9,9557	1,9621	7,1038
29.12.2020	7,2792	8,9309	5,5417	1,2013	0,8901	8,2400	5,6945	0,8477	9,8306	1,9398	7,0317
30.12.2020	7,3008	8,9719	5,6004	1,2062	0,8922	8,2738	5,7140	0,8524	9,9276	1,9459	7,0847
31.12.2020	7,3433	9,0081	5,6786	1,2109	0,8984	8,3400	5,7740	0,8607	10,0273	1,9574	7,1267

### 5. Simple Arithmetic Average of The Parent 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
	7,6211	9,2793	5,7425	1,2474	0,9126	8,5829	5,9504	0,8767	10,2421	2,0316	7,3482

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### 6. Information on The Foreign Currency Risk of the Group

	EUR	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	34.975.577	33.680.863	17.920.858	86.577.298
Banks	2.268.082	4.086.728	2.487.583	8.842.393
Financial Assets at Fair Value Through Profit and Loss <sup>(1)</sup>	-	543.939	13.734.743	14.278.682
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	9.472.010	83.264.143	164.214	92.900.367
Loans <sup>(2) (7)</sup>	74.111.281	90.227.402	5.346.664	169.685.347
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	-	194.962	12.986	207.948
Financial Assets Measured at Amortised Cost	14.503.412	3.619.178	29.950	18.152.540
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	37.219	2.517	364.224	403.960
Intangible Assets	27.024	3.750	35.692	66.466
Other Assets <sup>(4)</sup>	1.658.332	3.529.895	248.300	5.436.527
<b>Total Assets <sup>(5)</sup></b>	<b>137.052.937</b>	<b>219.153.377</b>	<b>40.345.214</b>	<b>396.551.528</b>
<b>Liabilities</b>				
Interbank Deposits	15.278.100	1.489.396	1.064.764	17.832.260
Foreign Currency Deposits	150.441.937	137.984.198	57.350.185	345.776.320
Money Markets Borrowings	-	23.569.739	-	23.569.739
Funds Provided from Other Financial Institutions	10.547.549	25.168.397	58.835	35.774.781
Issued Marketable Securities <sup>(6)</sup>	13.048.197	13.343.843	2.169	26.394.209
Miscellaneous Payables	3.182.334	713.596	94.543	3.990.473
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	1.690.393	2.244.261	192.961	4.127.615
<b>Total Liabilities</b>	<b>194.188.510</b>	<b>204.513.430</b>	<b>58.763.457</b>	<b>457.465.397</b>
<b>Net Balance Sheet Position</b>	<b>(57.135.573)</b>	<b>14.639.947</b>	<b>(18.418.243)</b>	<b>(60.913.869)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>57.329.355</b>	<b>(24.817.036)</b>	<b>25.674.893</b>	<b>58.187.212</b>
Financial Derivative Assets	66.178.121	80.849.019	26.896.712	173.923.852
Financial Derivative Liabilities	8.848.766	105.666.055	1.221.819	115.736.640
Non-Cash Loans	<b>47.061.577</b>	<b>53.914.659</b>	<b>8.759.577</b>	<b>109.735.813</b>
<b>Prior Period</b>				
Total Assets	102.706.773	134.619.353	18.009.408	255.335.534
Total Liabilities	145.260.855	137.233.900	23.507.229	306.001.984
<b>Net Balance Sheet Position</b>	<b>(42.554.082)</b>	<b>(2.614.547)</b>	<b>(5.497.821)</b>	<b>(50.666.450)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>42.239.827</b>	<b>(10.244.323)</b>	<b>9.679.167</b>	<b>41.674.671</b>
Financial Derivative Assets	49.481.768	63.545.770	10.593.739	123.621.277
Financial Derivative Liabilities	7.241.941	73.790.093	914.572	81.946.606
Non-Cash Loans	<b>35.902.142</b>	<b>44.589.301</b>	<b>7.041.025</b>	<b>87.532.468</b>

<sup>(1)</sup> TL 13.734.743 equivalent to Financial Assets at Fair Value through Profit and Loss Other FC balance arises from gold indexed bonds. (31 December 2019: TL 1.856.094 equivalent to Other FC balance arises from gold indexed bonds)

<sup>(2)</sup> TL 129.364 equivalent of USD and TL 225.427 equivalent of EUR loans are originated as foreign currency indexed loans (31 December 2019: TL 294.722 equivalent of USD and TL 571.170 equivalent of EUR).

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

<sup>(4)</sup> Prepaid expenses in other assets amounting to TL 26.324 are not included.

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

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

<sup>(7)</sup> It also includes receivables from leasing transactions.

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### Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against USD, Euro and other currencies on equity and profit or loss statement (excluding tax effects) for the year ended 31 December 2020 and 31 December 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 – 31 December 2020		Prior Period – 31 December 2019	
	Profit or Loss Statement	Equity <sup>(*)</sup>	Profit or Loss Statement	Equity <sup>(*)</sup>
USD	(292.956)	(419.439)	(1.157.928)	(1.278.951)
EUR	(47.189)	(259.321)	27.971	(176.718)
Other Currencies	142.831	142.831	165.287	165.287
<b>Total (Net) <sup>(**)</sup></b>	<b>(197.314)</b>	<b>(535.929)</b>	<b>(964.670)</b>	<b>(1.290.382)</b>

<sup>(\*)</sup> Equity effect also includes the effect of profit or loss due to the 10% depreciation of TL against related foreign currencies.

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

The effect of 10% appreciation of TL against USD, Euro and other currencies on equity and profit or loss statement (excluding tax effect) for the year ending on 31 December 2020 and 31 December 2019 is shown in the table below.

	Current Period – 31 December 2020		Prior Period – 31 December 2019	
	Profit or Loss Statement	Equity <sup>(*)</sup>	Profit or Loss Statement	Equity <sup>(*)</sup>
USD	292.956	419.439	1.157.928	1.278.951
EUR	47.189	259.321	(27.971)	176.718
Other Currencies	(142.831)	(142.831)	(165.287)	(165.287)
<b>Total (Net) <sup>(**)</sup></b>	<b>197.314</b>	<b>535.929</b>	<b>964.670</b>	<b>1.290.382</b>

<sup>(\*)</sup> Equity effect also includes the effect of profit or loss due to the 10% appreciation of TL against related foreign currencies.

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

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### IV. EXPLANATIONS ON THE CONSOLIDATED 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	10.663.989	-	-	-	-	84.275.914	94.939.903
Banks	2.545.908	160.322	330.510	11.640	-	6.374.979	9.423.359
Financial Assets at Fair Value Through Profit and Loss	253.906	4.487.102	7.265.682	2.785.237	17.280	544.909	15.354.116
Money Markets Receivables	603.736	-	-	-	-	-	603.736
Financial Assets at Fair Value Through Other Comprehensive Income	26.336.732	16.862.958	39.096.787	61.982.137	42.555.478	406.232	187.240.324
Loans Given <sup>(3) (7)</sup>	124.751.285	75.525.451	131.837.989	240.244.974	64.503.611	4.770.153	641.633.463
Financial Assets Measured at Amortised Cost	2.778.964	61.323	7.787.481	16.078.725	3.908.653	-	30.615.146
Other Assets <sup>(2)</sup>	826.462	2.162.783	964.216	138.986	1.135.581	33.494.846	38.722.874
<b>Total Assets <sup>(1) (5)</sup></b>	<b>168.760.982</b>	<b>99.259.939</b>	<b>187.282.665</b>	<b>321.241.699</b>	<b>112.120.603</b>	<b>129.867.033</b>	<b>1.018.532.921</b>
<b>Liabilities</b>							
Interbank Deposits	21.551.648	5.392.665	5.492.551	914.859	-	6.096.456	39.448.179
Other Deposits	285.316.807	99.345.949	55.720.758	6.508.650	539.054	207.958.843	655.390.061
Money Markets Borrowings	111.215.295	5.135.012	849.452	1.302.783	-	-	118.502.542
Miscellaneous Payables	4.225	-	-	-	-	13.578.047	13.582.272
Issued Marketable Securities <sup>(6)</sup>	864.135	2.606.819	4.799.651	23.151.207	-	-	31.421.812
Funds Provided from Other Financial Institutions	1.956.700	14.054.359	14.459.435	6.107.111	564.448	26.498	37.168.551
Other Liabilities <sup>(4)</sup>	1.838.258	683.454	924.477	1.905.131	5.779.625	111.888.559	123.019.504
<b>Total Liabilities <sup>(1)</sup></b>	<b>422.747.068</b>	<b>127.218.258</b>	<b>82.246.324</b>	<b>39.889.741</b>	<b>6.883.127</b>	<b>339.548.403</b>	<b>1.018.532.921</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>105.036.341</b>	<b>281.351.958</b>	<b>105.237.476</b>	<b>-</b>	<b>491.625.775</b>
<b>Balance Sheet Short Position</b>	<b>(253.986.086)</b>	<b>(27.958.319)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(209.681.370)</b>	<b>(491.625.775)</b>
Off-Balance Sheet Long Position	3.460.446	3.574.705	516.189	-	-	-	7.551.340
Off-Balance Sheet Short Position	2.646.418	1.080.313	382.179	-	(1.015.345)	255.299	3.348.864
<b>Total Position</b>	<b>(247.879.222)</b>	<b>(23.303.301)</b>	<b>105.934.709</b>	<b>281.351.958</b>	<b>104.222.131</b>	<b>(209.426.071)</b>	<b>10.900.204</b>

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

<sup>(2)</sup> Deferred tax asset and liability are 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.

<sup>(7)</sup> It also includes receivables from leasing transactions.

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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	31.560.965	-	-	-	-	24.249.517	55.810.482
Banks	480.994	110.301	132.777	63.337	-	6.590.614	7.378.023
Financial Assets at Fair Value Through Profit and Loss	26.018	66.586	979.223	895.635	109.639	23	2.077.124
Money Markets Receivables	621.747	-	-	-	-	-	621.747
Financial Assets at Fair Value Through Other Comprehensive Income	16.155.484	10.821.478	28.371.557	26.495.730	30.722.504	776.517	113.343.270
Loans Given <sup>(3) (7)</sup>	139.542.737	34.099.633	92.585.067	161.718.891	37.973.418	4.545.604	470.465.350
Financial Assets Measured at Amortised Cost	2.460.269	84.298	711.156	10.573.278	4.288.523	51.242	18.168.766
Other Assets <sup>(2)</sup>	1.133.943	1.331.551	399.731	51.871	12.881	22.926.486	25.856.463
<b>Total Assets <sup>(1)(5)</sup></b>	<b>191.982.157</b>	<b>46.513.847</b>	<b>123.179.511</b>	<b>199.798.742</b>	<b>73.106.965</b>	<b>59.140.003</b>	<b>693.721.225</b>
<b>Liabilities</b>							
Interbank Deposits	20.755.815	6.904.302	589.744	25.643	-	3.205.124	31.480.628
Other Deposits	194.125.482	70.974.614	50.804.129	3.774.835	1.786.391	126.982.447	448.447.898
Money Markets Borrowings	45.120.166	2.948.343	541.873	684.163	-	-	49.294.545
Miscellaneous Payables	32.370	-	-	-	-	7.673.426	7.705.796
Issued Marketable Securities <sup>(6)</sup>	763.356	3.756.767	984.501	19.654.454	-	-	25.159.078
Funds Provided from Other Financial Institutions	2.745.370	6.304.265	17.872.214	6.104.863	683.231	548.494	34.258.437
Other Liabilities <sup>(4)</sup>	1.403.809	147.478	422.109	1.459.280	5.227.647	88.714.520	97.374.843
<b>Total Liabilities <sup>(1)</sup></b>	<b>264.946.368</b>	<b>91.035.769</b>	<b>71.214.570</b>	<b>31.703.238</b>	<b>7.697.269</b>	<b>227.124.011</b>	<b>693.721.225</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>51.964.941</b>	<b>168.095.504</b>	<b>65.409.696</b>	<b>-</b>	<b>285.470.141</b>
<b>Balance Sheet Short Position</b>	<b>(72.964.211)</b>	<b>(44.521.922)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(167.984.008)</b>	<b>(285.470.141)</b>
Off-Balance Sheet Long Position	1.186.774	141.045	3.419	6	-	129.611	1.460.855
Off-Balance Sheet Short Position	1.047.681	74.152	(85.481)	-	-	-	1.036.352
<b>Total Position</b>	<b>(70.729.756)</b>	<b>(44.306.725)</b>	<b>51.882.879</b>	<b>168.095.510</b>	<b>65.409.696</b>	<b>(167.854.397)</b>	<b>2.497.207</b>

<sup>(1)</sup> Balances without fixed maturity are shown in the "Non-Interest Bearing" columns.<sup>(2)</sup> Deferred tax asset and liability are 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.<sup>(7)</sup> It also includes receivables from leasing transactions.

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### 2. Average Interest Rate Applied to the Monetary Financial Instruments (%) (Represents Values Belonging to the Parent Bank) (%)

	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>	-	-	-	12,00
Banks	1,79	-	-	18,02
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	11,88
Money Markets Receivables	-	-	-	15,89
Financial Assets at Fair Value Through Other Comprehensive Income	2,86	4,76	-	11,17
Loans Given <sup>(2)</sup>	4,70	5,93	5,95	11,03
Financial Assets Measured at Amortised Cost	4,87	7,47	-	15,86
<b>Liabilities</b>				
Interbank Deposits	0,20	0,26	-	17,94
Other Deposits	0,56	1,91	-	13,73
Money Markets Borrowings	-	2,34	-	17,25
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities <sup>(3)</sup>	5,08	4,87	-	16,99
Funds Provided from Other Financial Institutions	1,61	2,57	-	14,90

<sup>(1)</sup> The rate on TL column denotes the interest rates applied for required reserve at CBRT.<sup>(2)</sup> Credit card loans are not included.<sup>(3)</sup> Subordinated debt instruments are included<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 Markets Receivables	-	-	-	-
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 Markets 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 are not included.<sup>(3)</sup> Subordinated debt instruments are included<sup>(4)</sup> Foreign branches are excluded

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### V. EXPLANATIONS ON THE POSITION RISK OF CONSOLIDATED 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 <sup>(*)</sup>	289.106	289.106	-

<sup>(\*)</sup> The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not open to the public.

Investments in Equity Instruments – Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	-	-	-
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	-	-	-
Traded on Stock Exchange	-	-	-
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other <sup>(*)</sup>	163.902	163.902	-

<sup>(\*)</sup> The mentioned stock investments are not traded on the stock exchange and there is no stock market price since they are not open to the public.

**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 Interior Rating Approaches**

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 289.106 and all of them are 100% risk weighted (31 December 2019: are amounted TL 163.902 and all of them are 100% risk weighted).

### VI. EXPLANATIONS ON CONSOLIDATED 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 Parent 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.

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The Parent 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 Parent 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 Parent 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 "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 Parent Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Parent 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 partners of Bank**

Continuously the information exchange is actualized about the liquidity need and surpluses between the Parent Bank and its partners, the compulsory directions and treats are moderated by Treasury Management and International Banking Group to direct liquidity risk and surpluses in effective way.

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

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

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

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

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### 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 followed and the borrowing limits of the Parent Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Parent Bank lines off its exposition to liquidity risk by limits that are approved from Board of Directors and within the frame of "Regulation on Risk Management, Stress Test Program and ICAAP Regulations".

### 2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, The Parent Bank calculates the liquidity cover rate and transmits consolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the consolidated lowest ratios are as follows: October FC 404,26, TL + FC 140,37; November FC 382,18, TL + FC 128,7; December was realized as FC 469,91, TL + FC 137,83 (31 December 2019: October FC 503,92, TL+FC 145,41; November FC 475,35, TL+FC 146,11; December FC 513,41, TL+FC 149,27).

Current Period	Total Unweighted Amount <sup>(*)</sup>		Total Weighted Amount <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			188.259.913	102.705.164
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	450.212.905	254.036.348	39.319.152	25.402.159
Stable deposits	114.042.765	29.514	5.702.138	1.476
Less stable deposits	336.170.140	254.006.834	33.617.014	25.400.683
Unsecured wholesale funding, of which;	243.764.352	90.509.605	115.252.460	44.137.448
Operational deposit	16.366.823	1.739.643	4.082.760	425.965
Non-operational deposits	200.570.849	79.628.315	91.107.616	34.705.377
Other unsecured funding	26.826.680	9.141.647	20.062.084	9.006.106
Secured funding			-	-
Other cash outflows, of which;	92.427.127	14.182.251	12.549.130	6.600.246
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.913.927	3.444.867	4.913.927	3.444.867
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	87.513.200	10.737.384	7.635.203	3.155.379
Other revocable off-balance sheet commitments and contractual obligations	8.300.305	8.300.305	415.015	415.015
Other irrevocable or conditionally revocable off-balance sheet obligations	66.179.789	43.406.259	3.781.763	2.170.314
<b>Total Cash Outflows</b>			<b>171.317.520</b>	<b>78.725.182</b>
<b>Cash Inflows</b>				
Secured lending	-	-	-	-
Unsecured lending	46.363.070	21.372.648	30.470.866	16.836.319
Other cash inflows	1.781.988	39.029.760	1.771.158	39.018.930
<b>Total Cash Inflows</b>	<b>48.145.058</b>	<b>60.402.408</b>	<b>32.242.024</b>	<b>55.855.249</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HQLA STOCK</b>			<b>188.259.913</b>	<b>102.705.164</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>139.075.496</b>	<b>22.869.933</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>135,37</b>	<b>449,08</b>

<sup>(\*)</sup> The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

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Prior Period	Total Unweighted Amount <sup>(*)</sup>		Total Weighted Amount <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>High Quality Liquid Assets</b>				
High Quality Liquid Assets			106.986.311	57.969.988
<b>Cash Outflows</b>				
Retail and Small Business Customers, of which;	305.160.810	149.261.517	26.002.445	14.926.062
Stable deposits	90.272.718	1.789	4.513.636	89
Less stable deposits	214.888.092	149.259.728	21.488.809	14.925.973
Unsecured wholesale funding, of which;	133.754.751	53.572.752	69.342.008	28.051.940
Operational deposit	7.865.281	842.792	1.957.900	202.278
Non-operational deposits	106.969.221	46.342.658	52.011.548	21.593.925
Other unsecured funding	18.920.249	6.387.302	15.372.560	6.255.737
Secured funding			-	-
Other cash outflows, of which;	62.216.808	6.758.784	7.125.122	2.150.741
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	2.236.035	487.363	2.236.035	487.363
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	59.980.773	6.271.421	4.889.087	1.663.378
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	52.167.084	31.258.133	2.859.625	1.581.286
<b>Total Cash Outflows</b>			<b>105.329.200</b>	<b>46.710.029</b>
<b>Cash Inflows</b>				
Secured lending	-	-	-	-
Unsecured lending	46.299.477	23.410.598	31.145.755	17.763.221
Other cash inflows	1.361.923	43.519.136	1.346.154	43.503.367
<b>Total Cash Inflows</b>	<b>47.661.400</b>	<b>66.929.734</b>	<b>32.491.909</b>	<b>61.266.588</b>
			<b>Upper Limit Applied Amounts</b>	
<b>Total HQLA Stock</b>			<b>106.986.311</b>	<b>57.969.988</b>
<b>Total Net Cash Outflows</b>			<b>72.837.291</b>	<b>11.677.507</b>
<b>Liquidity Coverage Ratio (%)</b>			<b>146,88</b>	<b>496,42</b>

<sup>(\*)</sup> The average of last three months' liquidity coverage ratio calculated by monthly simple averages.

### 3. Explanations on Liquidity Coverage Ratio

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

While the parent 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 percentage of the total deposit in financial statement does not change and has an increasing pattern.

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

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

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### 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 from the portfolio (the important part of bonds and T-bills issued by Republic of Turkey and other bonds).

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

The major part of the resources of funds in Group 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 the Parent 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 Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP") with the approval of the Parent Bank's 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

Liquidity needs and surpluses of the Parent Bank's foreign branches and consolidated subsidiaries are regularly monitored and managed. There are no operational or legal restrictions preventing liquidity transfer. In the analysis made, it is seen that the effect of subsidiaries and foreign branches on the Parent Bank's liquidity structure is limited in proportion to the balance sheet size. Liquidity needs and surpluses are met in the most appropriate way between partnerships and branches abroad.

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

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

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### 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	34.047.877	60.892.026	-	-	-	-	-	94.939.903
Banks	6.374.979	2.545.908	160.322	330.510	11.640	-	-	9.423.359
Financial Assets at Fair Value Through Profit and Loss	17.843	253.797	4.487.102	7.265.791	2.785.237	17.280	527.066	15.354.116
Money Markets Receivables	-	603.736	-	-	-	-	-	603.736
Financial Assets at Fair Value Through Other Comprehensive Income	298.429	2.705.820	5.993.027	21.530.707	95.993.447	60.445.057	273.837	187.240.324
Loans Given <sup>(4)</sup>	-	24.353.919	56.036.675	177.653.617	279.344.479	99.474.620	4.770.153	641.633.463
Investments Held-to-Maturity	-	2.778.965	61.323	787.481	15.402.049	11.585.328	-	30.615.146
Other Assets	12.776.221	826.296	2.162.949	965.538	138.986	1.135.581	20.717.303	38.722.874
<b>Total Assets<sup>(2)</sup></b>	<b>53.515.349</b>	<b>94.960.467</b>	<b>68.901.398</b>	<b>208.533.644</b>	<b>393.675.838</b>	<b>172.657.866</b>	<b>26.288.359</b>	<b>1.018.532.921</b>
<b>Liabilities</b>								
Interbank Deposits	6.096.456	21.551.646	5.392.665	5.492.551	914.861	-	-	39.448.179
Other Deposits	207.958.843	285.365.459	99.299.612	55.569.932	6.654.000	542.215	-	655.390.061
Funds Provided from Other Financial Institutions	26.498	1.398.198	4.504.686	14.401.389	13.043.407	3.794.373	-	37.168.551
Money Markets Borrowings	-	111.215.295	5.135.012	849.452	1.302.783	-	-	118.502.542
Issued Marketable Securities <sup>(3)</sup>	-	864.135	2.606.819	4.799.651	23.151.207	-	-	31.421.812
Miscellaneous Payables	4.900.548	8.353.091	-	-	-	-	328.633	13.582.272
Other Liabilities	13.902.984	2.544.502	1.637.727	924.477	1.905.131	7.288.665	94.816.018	123.019.504
<b>Total Liabilities</b>	<b>232.885.329</b>	<b>431.292.326</b>	<b>118.576.521</b>	<b>82.037.452</b>	<b>46.971.389</b>	<b>11.625.253</b>	<b>95.144.651</b>	<b>1.018.532.921</b>
<b>Liquidity Gap</b>	<b>(179.369.980)</b>	<b>(336.331.859)</b>	<b>(49.675.123)</b>	<b>126.496.192</b>	<b>346.704.449</b>	<b>161.032.613</b>	<b>(68.856.292)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>(928.056)</b>	<b>1.392.453</b>	<b>104.102</b>	<b>-</b>	<b>269.733</b>	<b>-</b>	<b>838.232</b>
Financial Derivative Assets	-	112.691.820	32.919.251	8.157.398	1.972	1.285.078	-	155.055.519
Financial Derivative Liabilities	-	113.619.876	31.526.798	8.053.296	1.972	1.015.345	-	154.217.287
<b>Non-cash Loans</b>	<b>48.553.453</b>	<b>5.871.734</b>	<b>14.137.642</b>	<b>47.245.602</b>	<b>37.445.134</b>	<b>6.267.013</b>	<b>533.425</b>	<b>160.054.003</b>
<b>Prior Period</b>								
Total Assets	37.284.253	65.265.992	37.626.040	185.293.366	253.080.890	93.486.055	21.684.629	693.721.225
Total Liabilities	139.662.428	270.211.959	87.140.325	70.871.543	36.375.040	12.122.526	77.337.404	693.721.225
<b>Liquidity Gap</b>	<b>(102.378.175)</b>	<b>(204.945.967)</b>	<b>(49.514.285)</b>	<b>114.421.823</b>	<b>216.705.850</b>	<b>81.363.529</b>	<b>(55.652.775)</b>	<b>-</b>
<b>Net Off-Balance Sheet Position</b>	<b>-</b>	<b>105.413</b>	<b>(8.583)</b>	<b>(88.029)</b>	<b>670.218</b>	<b>18.825</b>	<b>-</b>	<b>697.844</b>
Financial Derivative Assets	-	70.479.265	25.168.990	6.820.549	1.357.756	735.875	-	104.562.435
Financial Derivative Liabilities	-	70.373.852	25.177.573	6.908.578	687.538	717.050	-	103.864.591
<b>Non-cash Loans</b>	<b>42.650.170</b>	<b>6.515.165</b>	<b>12.406.400</b>	<b>38.396.519</b>	<b>26.266.400</b>	<b>5.260.088</b>	<b>201.418</b>	<b>131.696.160</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 credit losses for financial assets and other assets are recognized in the related account.

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

<sup>(4)</sup> It also includes receivables from leasing transactions.

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### 5. Presentation of Liabilities According to Their Remaining Maturities

Current Period <sup>(*)</sup>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Bank Deposit	28.446.118	6.950.206	570.961	914.861	-	36.882.146
Other Deposit	342.065.588	75.633.274	53.255.563	6.345.578	544.565	477.844.568
Funds borrowed from other financial institutions	3.691.604	2.584.561	15.342.280	11.933.612	5.040.989	38.593.046
Funds borrowed from Interbank Money Market	47.230.835	2.967.187	543.789	684.233	-	51.426.044
<b>Total</b>	<b>421.434.145</b>	<b>88.135.228</b>	<b>69.712.593</b>	<b>19.878.284</b>	<b>5.585.554</b>	<b>604.745.804</b>
<b>Prior Period <sup>(*)</sup></b>						
Bank Deposit	23.884.309	6.914.752	597.886	25.643	-	31.422.590
Other Deposit	321.670.264	71.229.357	52.291.118	4.028.034	1.792.169	451.010.942
Funds borrowed from other financial institutions	1.174.612	2.679.963	17.170.821	12.057.420	5.021.839	38.104.655
Funds borrowed from Interbank Money Market	45.148.897	2.967.187	543.789	684.233	-	49.344.106
<b>Total</b>	<b>391.878.082</b>	<b>83.791.259</b>	<b>70.603.614</b>	<b>16.795.330</b>	<b>6.814.008</b>	<b>569.882.293</b>

(\*) Amounts related with the fund balances are not included in the table since decomposition on the basis of their remaining maturities could not be performed.

### VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE

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

The Group's consolidated leverage calculated by force of the regulation "Regulation on Measurement and Assessment of Leverage Ratios of Banks" is 8,00% (31 December 2019: 9,24%). The increase on leverage results occur from the increase in Tier 1 capital amount. The regulation sentenced the minimum leverage as 3%.

	Current Period <sup>(*)</sup>	Prior Period <sup>(*)</sup>
<b>Balance sheet assets</b>		
On-balance sheet items (excluded derivative financial instruments and credit derivatives, included collateral)	1.019.008.924	673.691.992
(Assets deducted in determining Tier 1 capital)	(3.484.580)	(3.562.075)
Total on-balance sheet risks (sum of lines 1 and 2)	1.015.524.344	670.129.917
<b>Derivative financial instruments and credit derivatives</b>		
Replacement cost associated with all derivative financial instruments and credit Derivatives	6.447.370	2.575.393
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	1.973.199	1.622.384
Total risks of derivative financial instruments and credit derivatives	8.420.569	4.197.777
<b>Securities or commodity financing transactions (SCFT)</b>		
Risks from SCFT assets	15.489.064	8.795.353
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	15.489.064	8.795.353
<b>Other off-balance sheet transactions</b>		
Gross notional amounts of off-balance sheet transactions	257.863.235	197.379.048
(Adjustments for conversion to credit equivalent amounts)	(7.445.068)	(4.251.413)
Total risks of off-balance sheet items	250.418.167	193.127.635
<b>Capital and total risks</b>		
Tier 1 capital	103.142.384	80.977.302
Total risks	1.289.852.144	876.250.682
<b>Leverage ratio</b>		
Leverage ratio %	8,00	9,24

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

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### 2. An Extract Comparison Table of Total Risks Placed in Consolidated Financial Statements Coordinated in Accordance With TAS

	Current Period <sup>(*)</sup>	Prior Period <sup>(*)</sup>
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards <sup>(**)</sup>	1.019.093.587	694.363.407
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	560.666	642.182
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	343.739.300	255.846.636
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts	46.521.925	42.291.398
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	7.445.068	4.251.413
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	(55.563.620)	(48.511.359)
<b>Total Risk Amount</b>	<b>1.289.852.144</b>	<b>876.250.682</b>

(\*) The amounts shown in the table are 3 month averages.

(\*\*) The current year balance of the Consolidated Financial Statements prepared in accordance with paragraph 6 of Article 5 of the Communiqué on Preparation of Consolidated Financial Statements of Banks has been prepared by using the temporary financial statements dated 31 December 2020 of the nonfinancial subsidiaries.

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.

### VIII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT

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

##### 1.1 The Parent Bank's Risk Management Approach

*It has to do with how the business model determines The Parent Bank's risk profile; how it interacts with it (e.g. key risks related to the business model and how each of these risks is reflected on explanations); and how The Parent Bank's risk profile interacts with the risk appetite approved by the board of directors*

While risk appetite determines the Parent Bank's risk level, risk capacity determines its risk appetite and, therefore, risk profile. Local and international conjuncture is also considered to determine the risk level. Establishment of forward-looking strategies and policies is also considered in this regard. The Parent Bank's risk level is restricted to the limits consistent with its risk appetite.

Risk limits are determined in accordance with the level of risks that may be assumed by the Parent Bank, its activities, size and complexity of its products and services. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank's strategy and risk appetite.

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters regarding signal and limit structure as well as limit values of parameters are determined in coordination with the relevant units and implemented upon approval of the Audit Commission and Board of Directors.

Risk weighted asset-based signal and limit values are regularly monitored by the Parent Bank Risk Management Department, and actual values are reported periodically to the Parent Bank Senior Management.

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**Risk management structure: Responsibilities distributed at The Parent Bank (e.g. supervision and delegation of authority); segregation of duties by risk type, business unit, etc.; relations between structures included in risk management processes (e.g. board of directors, top management, separate risk committee, risk management unit, compliance and internal audit function)**

The Parent Bank's Top Management and relevant units perform their risk management duties, authorities and responsibilities in line with the relevant legal legislation and internal Bank regulations.

Structure of the Parent Bank's risk management is consistent with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Processes of Banks. Accordingly, internal system units consisting of the Inspection Board Presidency, Internal Control and Compliance Group Presidency and Risk Management Group Presidency report to the Audit Committee and Board of Directors through the Vice President who is responsible for internal systems and operates separate from executive units.

Risk measurement and monitoring activities are conducted as part of risk management and the results are considered in strategic decision-making process by relevant units and bodies. Risk management operations are conducted in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks, issued by the BRSA, within the scope of Regulation on Risk Management, Stress Test Program and the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") approved by the Bank's Board of Directors.

Organizational structure of the Parent Bank's Risk Management Group Presidency consists of credit risk management, market risk management, operational risk management and statement risks management units. Duties of risk management:

- Ensuring identification, measurement, reporting, monitoring and control of risks exposed through policies, practices and limits established to monitor, control and revise, when necessary, the risk-return structure of the Parent Bank's cash flows in the future, quality and level of its associated activities
- Conducting stress tests and scenario analyses
- Establishing and maintaining a system that will ensure determination of capital required to cover significant risks exposed or possible risks and assessment of capital adequacy/requirement level in line with the strategic goals
- Preparing ICAAP reports periodically.

ICAAP analyses and activities are validated by a team that reports to the Audit Committee independently from the team that develops and implements the methodology of such activities. The same team issues a Validation Report as well. Analyses and activities conducted within the process, including validation activities are reviewed by the Inspection Board Presidency and a Review Report is issued for the results.

**Channels used for disseminating and implementing risk culture within The Bank (e.g. codes of conduct, manuals including operational limits or procedures to be performed when risk thresholds are exceeded, procedures for identifying and sharing risk issues between business units and risk units)**

The Parent Bank exercises maximum efforts to perceive both risks and returns accurately during its activities and maintain its perspective for disseminating risk culture across the Bank. Accordingly, goals, vision and strategic approaches are shared in large group meetings held by the Bank's Top Management with employees.

Signal and limit structure established based on risk weighted assets is one of the channels used to disseminate risk culture within the Bank. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units and approved by the Board of Directors.

It is ensured that risk signal and limit structure is forwarded to relevant units in the Parent Bank and the structure is understood by the staff. Usage levels for signal and risk parameters are subject to reports submitted to the bank's Top Management.

If limits are exceeded, the Parent Bank's Top Management is notified. In such a case, matters such as risk mitigation, risk transfer or risk-averse, increasing collaterals and so on can be considered as part of required actions. If limits are exceeded, forward-looking strategies and policies of the Parent Bank - including budget figures - can be reviewed or, where necessary, revised.

Another channel used to disseminate the risk culture is in the scope of ICAAP activities. It is essential to include assessment results for capital adequacy in the ICAAP Report covering all significant risks of The Parent Bank. The report is prepared in coordination with risk management and with participation from other relevant units. Similarly, the Bank's budget goals for the upcoming years are also established with the participation of relevant units. The Parent Bank's Top Management and relevant units conduct their ICAAP duties, authorities and responsibilities in line with the Bank regulations and relevant legal legislation.

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**Principal elements and scope of risk measurement systems**

The Parent Bank's risk measurement system functions in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way. Regarding the inclusion of risk measurement results in decision-making processes, reports are elaborated with extensive explanations and assumptions to avoid any misinterpretation that may arise from errors and deficiencies.

Required activities are performed to engage in design, selection, implementation and pre-approval processes for risk measurement models; review accuracy, reliability and performance of models regularly through various methodologies and make required revisions accordingly; and report results of analyses conducted with such models.

The Parent Bank's capital adequacy ratio is calculated in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, Communiqué on Credit Risk Mitigation Techniques and other relevant legal regulations.

Counter parties/operations related to the credit risk are separated on the basis of risk classes mentioned in Appendix-1 of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks, and each of them is assigned by the weight of risk in line with the matters specified for relevant risk class. Then, they are subject to risk mitigation in accordance with the principles of Communiqué on Credit Risk Mitigation Techniques and weighted based on the risk weights.

After deduction of expected loss provisions for the loans for the stage 3 in accordance with Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves, non-cash loans and commitments are included in the calculation of credit-risk-weighted amount with loan conversion rates presented in article 5 of Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

Trading accounts and the values deducted from the capital base in the shareholders' equity computation are excluded from calculation of credit risk-weighted assets.

Calculations regarding to the counter party credit risk are made for repurchase agreement and derivative transactions. These transactions are added to the calculations after applying the rates presented in the amendments of the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and Communiqué on Credit Risk Mitigation Techniques.

Calculations regarding counter parties credit risks are made with the basic financial collateral method and extensive collateral method for banking accounts and trading accounts respectively.

The amount subject to the total market risk is calculated through the standard method. Furthermore, value at risk forecasts are made on a daily basis and backward testing is performed so as to measure performance of the model.

Liquidity Coverage Ratio and Liquidity Risk Analysis reports for the liquidity risk are prepared in accordance with the relevant regulations. Furthermore, stress test is performed to assess maturity mismatch between sources and uses, contractual maturities as well as behavioral maturities of assets and liabilities, the Parent Bank's liquidity requirement in a worst case scenario and relevant damages that may be incurred based on scenario and sensitivity analysis activities.

Control of interest rate risk on banking accounts entails monitoring rate and maturity mismatch between sources and uses of fixed and variable interest rates, contractual maturities as well as behavioral maturities assets and liabilities and the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend.

**Explanations provided to the Board of Directors and Top Management on risk reporting processes, particularly scope and main contents of reporting**

It is essential to inform the Top Management about developments and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing Top Management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis. Reports issued contain, at minimum, information on risk amount and development, legal capital requirement, legal ratios for liquidity and interest rate risks, stress test analysis results, effect of such results on capital adequacy level and ratios, realization level of risk limits and limitations, and assumptions of risk measurement method used.

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As part of the reporting system, an information systems infrastructure is established for external reporting and required actions are taken to fulfill legal obligations fully in a timely manner in this regard.

### **Explanations on stress test (e.g. assets subject to stress test, scenarios applied, methodologies used and the use of stress test in risk management)**

Stress test is intended to pre-assess the effect of negative developments in specified risk factors on amounts subject to risk and capital adequacy/requirement level.

Conducting the stress test periodically is essential, and test result must be included in internal reporting and considered in strategic decision-making process or capital management. Results of stress test analysis are considered while establishing risk management policies.

In stress test activities, shock is applied to risk factors determined (factors specific to debtor or transaction or macroeconomic variables such as exchange rate, price, interest and so on), and the effects of results on risk-weighted asset amount and capital adequacy ratio are identified. Accordingly, risk factors are identified first and then assumptions to be implemented are determined and possible losses in the future are estimated. Stress test activities include creating scenarios, which are unlikely, if not impossible, and which may affect the Bank's risk level significantly.

The results of stress test are subject to internal Bank reporting and ICAAP Report. The results of stress test may be used in processes to determine the Parent Bank's risk appetite or risk limits and identify new and current business strategies as a planning instrument and their effect on capital utilization.

Analyses of credit risk based on internal and external risk factors, counter party credit risk, liquidity risk, interest rate risk, operational risk and market risk are conducted in the case of stress tests which are subject to internal reporting.

The Board of Directors is responsible for assessing the results of the Stress Test Program and taking actions based on the results. Accordingly, actions such as revision of risk appetite, strategy and risk limits or restriction of activities to specific sectors or portfolios can be taken.

### **The Parent Bank's risk management, aversion and mitigation strategies and processes based on business model and monitoring processes for continuous efficiency of safeguards and mitigants**

Amounts subject to credit risk can be mitigated by using one or more risk mitigation techniques in line with the legal regulations.

Funded or unfunded credit safeguard instruments are considered while using the risk mitigation technique. Whether credit safeguard instruments meet minimum compulsory conditions specified in legal regulations is checked via the system.

The Parent Bank performs risk mitigation with a simple financial method. Credibilities of guarantors are monitored and assessed in the scope of credit revision maturity.

All Bank employees are responsible for control and mitigation of operational risks based on their job definitions and business processes. All Bank units are obliged to take risk mitigation measures for mitigation of operational risks that may occur in their respective fields of activity through insurance and other risk transfer mechanisms.

The Parent Bank's market risk is mitigated through derivatives or other financial products by considering current conjuncture and risk appetite, risk capacity and risk level. Long term liabilities are obtained and the interest rate risk arising from liquidity and banking accounts is limited through the transactions performed.

Diversification of fund is deemed important for managing the liquidity risk that may occur. While the Parent Bank's fundamental funding resources are deposits, the strategy of preserving the common base structure of deposits is sustained. Besides, in order to increase the diversification of funds and decrease the maturity gap between assets and liabilities, non deposit funds such as bond/bill issuances, repo transactions and funds borrowed are executed. As for the asset side of the Parent Bank, policies are pursued as part of measures to improve short term cash cycle and minimize maturity mismatch between assets and liabilities. As part of management of interest rate risk, measures are taken to reduce repricing maturity mismatch of interest sensitive assets and liabilities.

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### **Overview of Risk Weighted Amounts**

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	567.727.732	464.023.607	45.418.219
2	Standardised approach	567.727.732	464.023.607	45.418.219
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	10.299.316	5.889.919	823.945
5	Standardised approach for counterparty credit risk	10.299.316	5.889.919	823.945
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	2.069.435	2.367.231	165.554
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	39.814.620	28.277.041	3.185.170
17	Standardised approach	39.814.620	28.277.041	3.185.170
18	Internal model approaches	-	-	-
19	Operational risk	43.140.646	38.645.276	3.451.252
20	Basic Indicator approach	43.140.646	38.645.276	3.451.252
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	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>663.051.749</b>	<b>539.203.074</b>	<b>53.044.140</b>

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### 2. Connections Between Financial Statements and the Risk Amounts

#### Differences Between Accounting Consolidation and Legal Consolidation and Matching of the Subject

Current Period	Carrying values as reported in published financial statements (*)	Valued amount according to TAS within legal consolidation (**)	Carrying values as reported in published financial statements (*)				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization on framework	Subject to the market risk framework	
<b>Assets</b>							
Cash and balances at central bank	95.022.404	94.939.903	94.939.903	-	-	-	-
Banks	9.413.032	9.423.359	9.423.359	-	-	-	-
Receivables from Money Markets	603.736	603.736	467.510	136.226	-	-	-
Financial assets measured at fair value to profit or loss	15.354.116	15.354.116	24.056	-	-	15.330.060	-
Financial assets measured at fair value to other comprehensive income	187.240.324	187.240.324	120.688.428	52.130.594	-	66.551.896	-
Financial assets measured at amortised cost	30.615.423	30.615.146	30.615.146	5.118.323	-	-	-
Derivative financial assets	5.061.778	5.061.778	-	5.061.778	-	-	-
Loans (Net)	636.487.286	636.487.286	645.575.744	-	-	-	23.169
Investments in associates (Net)	554.237	554.255	554.255	-	-	-	-
Investments in subsidiaries (Net)	673.465	736.126	736.126	-	-	-	-
Jointly Controlled Partnerships (Joint Venture Net)	194.962	194.962	194.962	-	-	-	-
Lease receivables	5.146.177	5.146.177	5.146.177	-	-	-	-
Tangible Assets (net)	11.517.285	11.503.830	11.458.973	-	-	-	44.857
Intangible Assets (net)	1.576.133	1.214.133	-	-	-	-	1.214.133
Investment Properties (Net)	477.790	477.790	477.790	-	-	-	-
Tax Asset	891.194	891.194	891.194	-	-	-	-
Assets Held for Sale and Discontinued Operations (Net)	5.336.119	5.336.119	5.336.119	-	-	-	-
Other Assets	12.928.125	12.752.687	12.752.687	-	-	-	-
<b>Total Assets</b>	<b>1.019.093.587</b>	<b>1.018.532.921</b>	<b>939.282.429</b>	<b>62.446.921</b>	-	<b>81.881.956</b>	<b>1.282.159</b>
<b>Liabilities</b>							
Deposits	694.797.559	694.838.240	-	-	-	-	-
Funds Borrowed	37.658.707	37.168.551	-	6.096.622	-	-	-
Money Market Borrowings	118.502.542	118.502.542	-	48.312.215	-	-	-
Securities Issued (Net)	18.373.615	18.373.615	-	-	-	-	-
Funds	6.192.868	6.053.060	-	-	-	-	-
Derivative Financial Liabilities	3.486.961	3.486.961	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Other Liabilities	21.029.670	20.924.785	-	-	-	-	-
Factoring Liabilities	1.001.363	1.001.363	-	-	-	-	-
Provisions	7.555.261	7.510.826	-	-	-	-	-
Tax Liability	1.783.191	1.783.191	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debts	13.816.234	13.816.234	-	-	-	-	-
Shareholders' equity	94.895.616	95.073.553	-	-	-	-	-
<b>Total Liabilities</b>	<b>1.019.093.587</b>	<b>1.018.532.921</b>	-	<b>54.408.837</b>	-	-	-

(\*) Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

(\*\*) The Bank's consolidated financial statements.

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Prior Period	Carrying values as reported in published financial statements (*)	Valued amount according to TAS within legal consolidation (**)	Carrying values as reported in published financial statements (*)				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization on framework	Subject to the market risk framework	
<b>Assets</b>							
Cash and balances at central bank	55.810.483	55.810.483	55.810.483	-	-	-	-
Banks	7.378.022	7.378.022	7.378.022	-	-	-	-
Receivables from Money Markets	621.747	621.747	417.600	204.147	-	-	-
Financial assets measured at fair value to profit or loss	2.077.124	2.077.124	105.671	-	-	1.971.453	-
Financial assets measured at fair value to other comprehensive income	113.343.270	113.343.270	70.078.873	50.624.288	-	43.264.362	-
Financial assets measured at amortised cost	18.168.766	18.168.766	18.168.766	4.093.912	-	-	-
Derivative financial assets	2.794.737	2.794.737	-	2.794.737	-	-	-
Loans (Net)	466.796.599	466.796.599	471.660.117	-	-	-	96.245
Investments in associates (Net)	308.245	284.828	284.828	-	-	-	-
Investments in subsidiaries (Net)	300.691	306.928	306.928	-	-	-	-
Jointly Controlled Partnerships (Joint Venture Net)	135.330	135.330	135.330	-	-	-	-
Lease receivables	3.668.751	3.668.751	3.668.751	-	-	-	-
Tangible Assets (net)	7.789.554	7.788.298	7.738.896	-	-	-	49.402
Intangible Assets (net)	906.408	935.148	-	-	-	-	935.148
Investment Properties (Net)	-	-	-	-	-	-	-
Tax Asset	1.217.036	1.217.036	1.217.036	-	-	-	-
Assets Held for Sale and Discontinued Operations (Net)	6.965.463	6.965.463	6.965.463	-	-	-	-
Other Assets	5.499.324	5.428.695	5.428.695	-	-	-	-
<b>Total Assets</b>	<b>693.781.550</b>	<b>693.721.225</b>	<b>649.365.459</b>	<b>57.717.084</b>	-	<b>45.235.815</b>	<b>1.080.795</b>
<b>Liabilities</b>							
Deposits	479.902.579	479.928.526	-	-	-	-	-
Funds Borrowed	34.258.437	34.258.437	-	2.835.538	-	-	-
Money Market Borrowings	49.294.545	49.294.545	-	47.079.527	-	-	-
Securities Issued (Net)	15.593.121	15.593.121	-	-	-	-	-
Funds	6.093.770	6.066.464	-	-	-	-	-
Derivative Financial Liabilities	1.652.201	1.652.201	-	-	-	-	-
Factoring payables	-	-	-	-	-	-	-
Other Liabilities	12.747.589	12.747.589	-	-	-	-	-
Factoring Liabilities	772.675	772.675	-	-	-	-	-
Provisions	4.136.721	4.110.794	-	-	-	-	-
Tax Liability	1.904.852	1.904.852	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	3.061.224	3.061.224	-	-	-	-	-
Subordinated debts	10.103.295	10.103.295	-	-	-	-	-
Shareholders' equity	74.260.541	74.227.502	-	-	-	-	-
<b>Total Liabilities</b>	<b>693.781.550</b>	<b>693.721.225</b>	-	<b>49.915.065</b>	-	-	-

(\*) Financial statements prepared in accordance with the sixth paragraph of the fifth article of the "Communiqué on the Preparation of Banks' Consolidated Financial Statements" have been used.

(\*\*) The Bank's consolidated financial statements.

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### The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>1.018.532.921</b>	<b>939.282.429</b>	<b>62.446.921</b>	<b>81.881.956</b>
Liabilities carrying value amount under regulatory scope of consolidation	-	-	54.408.837	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>1.018.532.921</b>	<b>939.282.429</b>	<b>8.038.084</b>	<b>81.881.956</b>
Differences in valuations	443.071.666	103.488.079	189.394.399	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
<b>Amount of Risk</b>	<b>1.461.604.587</b>	<b>1.042.770.508</b>	<b>197.432.483</b>	<b>81.881.956</b>
Prior Period	Total	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the market risk framework
<b>Asset carrying value amount under scope of regulatory consolidation</b>	<b>693.721.225</b>	<b>649.374.976</b>	<b>57.717.084</b>	<b>45.235.815</b>
Liabilities carrying value amount under regulatory scope of consolidation	-	-	49.915.065	-
<b>Total net amount under regulatory scope of consolidation</b>	<b>693.721.225</b>	<b>649.374.976</b>	<b>7.802.019</b>	<b>45.235.815</b>
Differences in valuations	317.649.597	79.891.826	133.624.602	-
Valuation Differences	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-
Differences due to consideration of provisions	-	-	-	-
Differences due to prudential filters	-	-	-	-
<b>Amount of Risk</b>	<b>1.011.370.822</b>	<b>729.266.802</b>	<b>141.426.621</b>	<b>45.235.815</b>

### Explanations on differences between risk amounts and valued amounts in accordance with the Turkish Accounting Standards

There is no significant difference between financial statement values of assets and liabilities and values included in capital adequacy calculation.

### 3. Credit Risk Explanations

#### 3.1. Transformation of bank's business model into components in credit risk profile

The Banks must allocate risk limits approved by board of directors of the Banks and monitor limit utilization pursuant to Article 38 of the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks issued by the BRSA and published in the Official Gazette no. 29057 dated 11 July 2014. Furthermore, pursuant to paragraph 5 of the same article, it is expected to establish a signal structure that will serve as an early warning mechanism in addition to the limit structures.

Additionally, principle 5 of the Guideline for Counter Party Credit Risk Management announced to the public by the BRSA with the Agency Decision no. 6827 dated 31 March 2016 States that banks must allocate a limit for counter party credit risk (CCR).

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Pursuant to aforementioned regulations, to what extent the Parent Bank gets closer to allocated limits approved by the board of directors or to what extent these levels were exceeded must be monitored by the risk management unit which was structured independent from executive units. This practice that was included in monitoring function of the risk management unit is significant as it presents a legal obligation and it helps optimization of resource utilization.

In accordance with the changing organizational structure of the Parent Bank, the signal and limit with risk of change in customer segmentation are on corporate and individual segment basis in accordance with the customer segment structure and are updated according to the changes in the segmentation structure. Signal and limit values for counter party credit risk transactions were determined separately for banking accounts and trading accounts based on portfolio type. Calculations were made based on ratio of risk weighted asset amounts calculated for relevant parameters to total credit and market risk weighted asset amounts and they are reported to the Parent Bank's Top Management periodically through relevant units.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to market risk, it is essential to restrict risk level to the limits in line with the Bank's risk appetite. Market risk limits were determined as interest rate risk and currency risk limits. Current values for such limits are calculated on a daily basis with market data and reported to the Bank's Top Management through relevant units. Market risk signal and limit values are monitored dynamically in the light of market developments and, if necessary, updated based on the developments in the Bank's strategy and risk appetite.

#### 3.2. Criteria and approach adopted for determining credit risk policy and credit risk limits

As part of credit risk management, the Parent Bank's risk management team conducts the functions of identification, measurement, monitoring and controlling of credit risk in line with the structure, size, complexity and growth rate of products and activities and reports the analysis, including stress test, and its results to the Bank's Top Management.

In an attempt to prevent significant effects of unfavorable developments in the portfolio subject to credit risk, credit risk level was restricted to the limits in line with the Parent Bank's risk appetite. The limits are revised and, if needed, updated regularly in line with the developments in market conditions, the Parent Bank's strategy and risk appetite.

There is a signal and limit structure in place, indicating that credit risk limits are almost reached as a result of internal and external developments. Parameters for signal and limit structure and limit values of parameters are determined by risk management by consulting the relevant units. The approval of Audit Committee and Board of Directors is sought in order to implement parameters and signal/limit threshold values within The Parent Bank. It is ensured that risk signal and limit structure is forwarded to relevant units in the Bank and the structure is understood by the relevant staff. Actual values are monitored closely by the risk management. Actual values regarding signal and limit parameters are reported to the Bank's Top Management.

#### 3.3 Structure and organization of credit risk management and control function

The Parent Bank's internal system units consist of the Inspection Board Presidency, Internal Control and Compliance Presidency and Risk Management Group Presidency. Credit risk management is one of the four services under the Risk Management Group Presidency.

Activities conducted at the credit risk management unit, which is subject to inspection and controlling activities periodically, aim to establish and maintain a credit risk management infrastructure that is structured enough to meet legal obligations and flexible enough to accommodate the best practices. Accordingly, capital amount that should be reserved for credit risk is calculated; risk mitigation techniques are implemented; stress tests are conducted; credit risk signal and limit structures are monitored; activities are conducted to calculate credit risk with advanced methods and developments that may affect the Bank's credit risk are monitored. Analyses conducted are reported to the Top Management and relevant units periodically.

#### 3.4. Relationship between credit risk management, risk control, legal compliance and internal audit functions

Risk Management Group Presidency goes through inspection and control activities periodically. In case of any findings, they are reported and required activities are performed.

Furthermore, inspection and control units involve in the process also for the ICAAP activities that constitute a significant part of risk management activities. Accordingly, ICAAP analyses and activities are validated by Internal Control and Compliance Group Presidency that reports to the Audit Commission independent from the team that develops and implements the methodology of the ICAAP analyses. The same team issues a Validation Report as well. The entire ICAAP process is subject to an inspection by the Inspection Board Presidency and reported through Examination Report issued.

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The controls on Risk Management Disclosures are carried out within the scope of Risk Management Department activities. Two separate control processes are carried out periodically in the related unit, Capital Adequacy Calculation process and other Risk Management processes control, and are carried out within the scope of capital adequacy check points and guide and control points and guidance related to other risk management activities.

All activities, new transactions and products planned by the Parent Bank; compliance with relevant laws, regulations, internal policies and banking practices is controlled. In this context, the compliance of the legislative regulations regarding the Risk Management Disclosures with the intra-bank practices is also checked.

The control activities carried out in the Head Office Units are carried out in accordance with the control periods determined by taking into account the functions and the risks of the units, the duties of the units and their effects on The Parent Bank's balance sheet. The control processes of the Head Office Units are carried out through the control points determined according to the processes, duties and powers of the unit and the control techniques are detailed in the General Directorate Control Manual.

### 3.5. Scope and Main Content for Reporting to Top Management and Board Members on Credit Risk Management Function and Credit Risk Exposed

It is essential to inform the Parent Bank's Top Management about developments in credit risk management and results of the analysis and activities conducted in order to achieve efficiency in risk management. Accordingly, a reporting system for informing the Parent Bank's Top Management on credit risk management is established and required measures are taken for healthy functioning of the system.

Informing process as part of reporting should be based on the most current data available on a periodical basis.

Reports issued contain, at a minimum, information on risk amount and development, legal capital requirement, stress test analysis results, effect of such results on capital adequacy level, actualization level of risk limits and limitations and assumptions of risk measurement method used.

### 3.6. Credit Quality of Assets

Current Period	Defaulted	Non-defaulted	Allowances/ Amortisation and impairments	Net values
Loans <sup>(*)</sup>	16.681.214	645.974.937	21.022.688	641.633.463
Debt Securities	-	155.101.630	1.073.083	154.028.547
Off-balance sheet exposures	717.071	259.198.864	1.927.597	257.988.338
<b>Total</b>	<b>17.398.285</b>	<b>1.060.275.431</b>	<b>24.023.368</b>	<b>1.053.650.348</b>

<sup>(\*)</sup> It also includes receivables from leasing transactions.

Prior Period	Defaulted	Non-defaulted	Allowances/ Amortisation and impairments	Net values
Loans <sup>(*)</sup>	14.531.430	470.096.211	14.162.291	470.465.350
Debt Securities	-	135.726.146	2.134.137	133.592.009
Off-balance sheet exposures	758.256	198.776.464	1.134.125	198.400.595
<b>Total</b>	<b>15.289.686</b>	<b>804.598.821</b>	<b>17.430.553</b>	<b>802.457.954</b>

<sup>(\*)</sup> It also includes receivables from leasing transactions.

### 3.7 Changes in the Defaulted Receivables and Debt Instruments

#### Current Period

<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>14.531.430</b>
2	Loans and debt securities that have defaulted since the last reporting period	5.507.939
3	Returned to non-defaulted status	582.016
4	Amounts written off	-
5	Other changes	(2.776.139)
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)<sup>(*)</sup> definitions</b>	<b>16.681.214</b>

<sup>(\*)</sup> Provisions for non-cash loans are not included in the table.

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#### Prior Period

<b>1</b>	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>8.755.997</b>
2	Loans and debt securities that have defaulted since the last reporting period	8.815.989
3	Returned to non-defaulted status	68.930
4	Amounts written off	-
5	Other changes	(2.971.626)
<b>6</b>	<b>Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)<sup>(*)</sup> definitions</b>	<b>14.531.430</b>

<sup>(\*)</sup> Provisions for non-cash loans are not included in the table

### 3.8. Additional Explanations on Credit Quality of Assets

#### Differences between definitions and explanations of "deferred" receivables and receivables for which "provision was allocated", and definitions of "deferred" and "provision of allocation", if any

Group classifies its credits and other receivables and allocates expected loss provisions pursuant to the "Communiqué on Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions" published in the Official Gazette no. 29750 dated 22 June 2016. The term "Deferred Receivables" is used for credits named "Loans under Close Monitoring" whose maturity is deferred for up to 90 days as of the end of period without any impairments as well as for credits named "Non-Performing Loans" whose maturity is deferred for more than 90 days or subject to impairment. In practice, the Group sets expected credit loss provisions for the stage 1 and stage 2 for credits classified as "Standard Credits" and "Under Close Monitoring" and expected loss provisions for the loans for the stage 3 for credits classified as "Non-Performing Loans".

#### The portion that is not considered within the scope of "allocation of provision" among deferred receivables (over 90 days) and reasons for this practice

Group transfers credits whose maturity is deferred for more than 90 days automatically to monitoring accounts pursuant to the classification provisions of Regulation on Provisions, and allocates provision of respective class; whereas it does not allocate expected loss provisions for fund-based credits classified as "Non-Performing Loans" pursuant to Article 13 "Exceptions" of the Regulation on Provisions as the relevant risk is not assumed by the Group.

As of 17 March 2020, the "delay more than 90 days" condition, which is used in the definition of default in order to classify the loans in accordance with the BRSA Decision due to COVID-19, started to be applied as "delay more than 180 days". This application will be valid until 30 June 2021, according to the BRSA's decision dated 8 December 2020 and numbered 9312.

With the aforementioned classification changes, the Group reserves provisions for loans with a delay of 90-180 days in accordance with TFRS 9 requirements, according to its own risk policies and models, which also evaluate the borrower's conditions.

#### Definitions of methods used for determining provision amount

The Bank sets expected loss provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 29750 and dated 22 June 2016 on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions". However, there is no judgement in the related Regulation and the BRSA's related disclosures that would prevent further provision of the minimum amounts required.

#### Definitions of restructured receivables

Real/legal persons using credit may, from time to time, face usual risks of business life such as failure to include the excessive cost increases in sales prices, loss of market share and turnover, unexpected expenses, problems in collection of receivables due to some factors that are beyond reasonable control of its own businesses or other businesses worked with. They may therefore have temporary liquidity difficulties. It involves setting new loan repayment maturities in line with cash flows for businesses which have no significant problem in credit worthiness and sustain their income-generating activities but fail, or priorly imply failure, to make their loan repayment in a timely manner due to temporary liquidity problems.

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### Breakdown of receivables by geographic regions, sectors and remaining maturity; receivable amounts subject to allocation of provision by geographic regions and sectors and their respective provisions; amounts removed from the assets

	Loans and Receivables	Non Performing Loans	Expected Loss Provisions	Total
Domestic	625.792.009	15.082.289	19.911.445	620.962.853
European Union Countries	4.146.568	39.182	67.515	4.118.235
USA, Canada	441.510	4.239	4.262	441.487
OECD Countries <sup>(1)</sup>	772.318	7.351	39.413	740.256
Off-Shore Banking Regions	-	-	-	-
Other	9.676.355	1.548.153	1.000.053	10.224.455
<b>Total</b>	<b>640.828.760</b>	<b>16.681.214</b>	<b>21.022.688</b>	<b>636.487.286</b>

<sup>(1)</sup> OECD countries other than EU countries, USA and Canada.<sup>(2)</sup> It also includes receivables from leasing transactions.

	Loans and Receivables	Non Performing Loans	Expected Loss Provisions	Total
Agriculture	91.965.389	2.024.815	1.632.975	92.357.229
Farming and Stockbreeding	91.001.949	2.001.127	1.610.162	91.392.914
Forestry	547.347	12.258	12.362	547.243
Fishing	416.093	11.430	10.451	417.072
Manufacturing	138.149.645	2.817.918	6.858.756	134.108.807
Mining and Quarrying	10.015.131	38.627	95.400	9.958.358
Production	98.038.136	2.540.613	5.905.101	94.673.648
Electric, Gas and Water	30.096.378	238.678	858.255	29.476.801
Construction	67.313.630	3.257.106	3.073.208	67.497.528
Services	152.074.278	5.746.448	6.564.551	151.256.175
Wholesale and Retail Trade	68.127.576	3.344.457	3.372.644	68.099.389
Hotel Food and Beverage Services	14.371.718	408.248	592.032	14.187.934
Transportation and Telecommunication	15.277.489	294.026	365.398	15.206.117
Financial Institutions	11.916.118	53.519	103.535	11.866.102
Real Estate and Leasing Services	37.980.811	1.461.697	1.714.781	37.727.727
Self Employment Services	79.771	502	1.344	78.929
Education Services	1.593.226	89.149	92.681	1.589.694
Health and Social Services	2.727.569	94.850	322.136	2.500.283
Other	191.325.818	2.834.927	2.893.198	191.267.547
<b>Total</b>	<b>640.828.760</b>	<b>16.681.214</b>	<b>21.022.688</b>	<b>636.487.286</b>

<sup>(1)</sup> It also includes receivables from leasing transactions.

Information regarding breakdown of receivables according to remaining maturities is given in Note II-4.

### Aging Analysis for Overdue Receivables

Day Past Due	Current Period	Prior Period
1-30 Days	1.188.230	2.173.548
31-60 Days	793.810	2.486.550
61-90 Days	1.383.584	12.032.142
90 +	2.721.661	-
<b>Total</b>	<b>6.087.285</b>	<b>16.692.240</b>

Loans under close monitoring amounting to TL 33.892.152 (31 December 2019: TL 14.692.369) are not overdue.

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### Breakdown of restructured receivables by allocation of provision

Out of the Group's total restructured loans amounting to TL 19.951.076, a portion of TL 18.566.150 consists of performing loans and remaining portion of TL 1.384.926 consists of non-performing loans. The total amount of first and second stage expected loss provisions allocated for non-performing loans is TL 2.505.013 and the third stage expected loss provision for non-performing loans is TL 558.700. No expected loss provision is reserved for non-performing loans amounting to TL 65.200 whose risk does not belong to the Bank (31 December 2019: Out of the Group's total restructured loans amounting to TL 10.805.869, a portion of TL 10.107.754 consists of performing loans and remaining portion of TL 698.115 consists of non-performing loans. Total first and second stage expected loss provision for structured loans is 596.202 TL and third stage expected loss provision amount allocated for non-performing loans is 332.381 TL. No expected loss provision has been allocated for non-performing loans amounting to TL 19.094 whose risk does not belong to the Bank.).

### 3.9. Credit risk mitigation

#### 3.9.1. Qualitative requirements to be disclosed to public regarding credit risk mitigation techniques

#### Basic characteristics of policies and processes on the extent of utilization of on-balance sheet and off-balance sheet netting

The practice of on-balance sheet and off-balance sheet netting is not used while mitigating credit risk within the Group.

### 3.10. Credit risk mitigation techniques - Overview

Current Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans <sup>(*)</sup>	489.160.650	143.739.220	68.716.959	138.718.903	66.054.305	-	-
Debt Securities	140.611.253	-	-	-	-	-	-
<b>Total</b>	<b>629.771.903</b>	<b>143.739.220</b>	<b>68.716.959</b>	<b>138.718.903</b>	<b>66.054.305</b>	<b>-</b>	<b>-</b>
Of which defaulted	15.629.079	887.419	247.846	881.293	247.239	-	-

<sup>(\*)</sup> It also includes receivables from leasing transactions.

Prior Period	Unsecured receivables: Amount assessed pursuant to TAS	Receivables secured by guarantee	Collateralized portions of collateralized receivables	Receivables protected by financial guarantees	Collateralized portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Collateralized portions of receivables protected by credit derivatives
Loans <sup>(*)</sup>	387.419.543	84.336.819	48.242.825	67.009.421	44.952.792	-	-
Debt Securities	133.592.009	-	-	-	-	-	-
<b>Total</b>	<b>521.011.552</b>	<b>84.336.819</b>	<b>48.242.825</b>	<b>67.009.421</b>	<b>44.952.792</b>	<b>-</b>	<b>-</b>
Of which defaulted	12.420.194	2.111.236	733.725	2.109.151	733.709	-	-

<sup>(\*)</sup> It also includes receivables from leasing transactions.

### 3.11. Credit risk in case of using standard approach

#### 3.11.1. Qualitative explanations on ratings used by banks when calculating credit risk with the standard approach

#### Names of Credit Rating Agencies (CRA) and Export Rating Agencies (ERA) used by The Parent Bank and the reasons in case of any change during the reporting period

The Parent Bank uses ratings of Fitch Ratings International Rating Agency and Islamic International Rating Agency (IIRA) while calculating the amount subject to credit risk through standard approach. The country risk classification published by the Economic Cooperation and Development Organization (OECD) is taken as basis for the unrated central government and central banks.

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### Risk classes using CRA and ERA ratings

For the risk class received from banks and intermediary institutions, the ratings of the Fitch Ratings International Rating Agency are used for determining the risk weights for the risk classes using a rating grade from the risk classes specified in Article 6 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. While the international rating score is taken into consideration for the entire risk class receivables from central governments or central banks, the ratings of the Islamic International Rating Agency (IIRA) are used. The country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as basis for unclassified central government and central banks. The counterparties residing domestically are accepted as "Gradeless" and take the risk weight which is appropriate for the "Gradeless" category in the related risk class.

### Explanation on how credit rating of debtor is used for other assets of debtor in banking accounts

In order to determine the risk weight of the items subject to issuance or issuer rating among the items included in the banking accounts, the issue rating is first examined, and in the absence of an issue rating, the credit rating of the issuer is taken into account.

### Matching rating grades on the basis of risk

Rating grade assigned by a credit rating agency that is not listed in the BRSA's matching table is not used in calculations.

### 3.12. Standard Approach- Loan risk Exposure and the Effects of Loan Risk Reduction Techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount
Exposures to sovereigns and their central banks	231.948.275	971.770	297.204.260	652.576	8.975.475	3,01%
Exposures to regional and local governments	512.473	76.717	572.847	58.739	305.684	48,40%
Exposures to administrative bodies and non-commercial entities	538.433	549.846	517.121	224.607	721.946	97,33%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	82.735.792	14.853.033	83.425.896	7.125.907	16.382.876	18,09%
Exposures to corporates	259.361.476	138.356.697	229.627.285	78.588.205	305.044.911	98,97%
Retail exposures	248.065.075	80.672.085	215.148.335	8.340.228	166.291.304	74,41%
Exposures secured by residential property	71.009.064	979.519	70.911.940	398.843	24.957.538	35,00%
Exposures secured by commercial property	28.785.972	1.817.589	25.803.409	1.006.345	17.439.660	65,05%
Past-due items	3.995.145	-	3.747.911	-	2.566.079	68,47%
Exposures in high-risk categories	1.600.528	5.006.702	1.600.524	1.164.178	4.124.249	149,18%
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	2.012.544	131.459	2.005.249	65.320	2.069.435	99,95%
Other exposures	40.383.443	-	40.383.443	-	28.275.362	70,02%
Equity share investments	703.107	-	703.107	-	703.107	100,00%
<b>Total</b>	<b>971.651.327</b>	<b>243.415.417</b>	<b>971.651.327</b>	<b>97.624.948</b>	<b>577.857.626</b>	<b>54,04%</b>

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Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Risk classes	On-balance sheet amount	Off-balance sheet amount
Exposures to sovereigns and their central banks	142.772.174	824.931	185.517.801	2.739.787	31.883.780	16,9%
Exposures to regional and local governments	618.948	77.751	443.045	44.102	232.054	47,6%
Exposures to administrative bodies and non-commercial entities	250.281	757.225	1.203.781	385.688	1.549.733	97,5%
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	74.194.983	14.517.448	75.389.253	8.108.048	14.062.276	16,8%
Exposures to corporates	226.687.251	120.310.850	199.982.187	63.252.866	260.017.372	98,8%
Retail exposures	160.423.783	52.259.544	143.756.084	4.531.954	110.036.616	74,2%
Exposures secured by residential property	59.603.803	352.789	59.275.334	174.748	20.818.566	35,0%
Exposures secured by commercial property	8.464.297	740.249	8.214.361	445.931	4.397.972	50,8%
Past-due items	4.794.048	-	4.075.365	-	2.680.485	65,8%
Exposures in high-risk categories	2.788.783	373.558	2.741.140	152.885	4.335.303	149,8%
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	2.496.762	112.063	2.496.762	55.817	2.367.231	92,7%
Other exposures	33.334.403	-	33.334.403	-	19.735.467	59,2%
Equity share investments	163.902	-	163.902	-	163.902	100,0%
<b>Total</b>	<b>716.593.418</b>	<b>190.326.408</b>	<b>716.593.418</b>	<b>79.891.826</b>	<b>472.280.757</b>	<b>59,3%</b>

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Current Period Risk Classes/Risk Weight	0%	10%	20%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	281.805.624	-	263.864	-	-	13.729.292	-	2.058.056	-	-	-	297.856.836
Exposures to regional and local government	31.359	-	34	-	-	589.031	-	11.162	-	-	-	631.586
Exposures to administrative bodies and non-commercial entities	19.736	-	58	-	-	-	-	721.934	-	-	-	741.728
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	49.293.961	-	14.399.077	-	-	23.611.552	-	1.665.653	-	-	1.581.560	90.551.803
Exposures to corporates	1.200.058	-	1.035.599	-	-	2.284.083	-	303.695.750	-	-	-	308.215.490
Retail exposures	1.146.907	-	843.404	-	-	4.053	221.494.128	-	-	-	71	225.488.563
Exposures secured by residential property	1.711	-	4.248	71.304.824	-	-	-	-	-	-	-	71.310.783
Exposures secured by commercial property	32.912	-	26.454	-	18.632.037	-	-	8.118.351	-	-	-	26.809.754
Past-due items	663	-	81	-	-	2.362.209	-	1.384.958	-	-	-	3.747.911
Exposures in high-risk categories	361	-	7	-	-	22.159	-	188	2.741.987	-	-	2.764.702
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	1.134	-	-	-	-	-	-	2.069.435	-	-	-	2.070.569
Equity share investments	-	-	-	-	-	-	-	703.107	-	-	-	703.107
Other exposures	12.108.075	-	8	-	-	-	-	28.275.360	-	-	-	40.383.443
<b>Total</b>	<b>345.642.501</b>	<b>-</b>	<b>16.572.834</b>	<b>71.304.824</b>	<b>18.632.037</b>	<b>42.602.379</b>	<b>221.494.128</b>	<b>348.703.954</b>	<b>2.741.987</b>	<b>-</b>	<b>1.581.631</b>	<b>1.069.276.275</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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### 3.13. Standard Approach: Receivables related with Risk Classes and Risk Weights

Prior Period Risk Classes/Risk Weight	0%	10%	20%	35% secured by property mortgage	50% secured by property mortgage	50% (*)	75%	100%	150%	200%	Other	Total risk amount (post-CCF and CRM)
Exposures to sovereigns and their central banks	124.989.206	-	9.892	-	-	62.753.377	-	505.113	-	-	-	188.257.588
Exposures to regional and local government	27.549	-	34	-	-	455.033	-	4.531	-	-	-	487.147
Exposures to administrative bodies and non-commercial entities	39.577	-	199	-	-	-	-	1.549.693	-	-	-	1.589.469
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	43.103.799	-	18.032.484	-	-	18.185.446	-	1.305.658	-	-	2.869.914	83.497.301
Exposures to corporates	947.168	-	505.619	-	-	3.732.036	-	258.050.230	-	-	-	263.235.053
Retail exposures	1.049.738	-	711.761	-	-	146	146.525.565	-	-	-	828	148.288.038
Exposures secured by residential property	21.174	-	16.390	59.380.353	-	-	-	32.165	-	-	-	59.450.082
Exposures secured by commercial property	8.297	-	8.916	-	8.493.780	-	-	149.299	-	-	-	8.660.292
Past-due items	13	-	-	-	-	2.789.733	-	1.285.619	-	-	-	4.075.365
Exposures in high-risk categories	1.938	-	2.174	-	-	-	-	2	2.889.911	-	-	2.894.025
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	185.348	-	-	-	-	-	-	2.367.231	-	-	-	2.552.579
Equity share investments	-	-	-	-	-	-	-	163.902	-	-	-	163.902
Other exposures	13.598.929	-	9	-	-	-	-	19.735.465	-	-	-	33.334.403
<b>Total</b>	<b>183.972.736</b>	<b>-</b>	<b>19.287.478</b>	<b>59.380.353</b>	<b>8.493.780</b>	<b>87.915.771</b>	<b>146.525.565</b>	<b>285.148.908</b>	<b>2.889.911</b>	<b>-</b>	<b>2.870.742</b>	<b>796.485.244</b>

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

### 3.14. Credit risk under Internal Ratings-Based (IRB) Approach

Standard approach is used in the Group's credit risk calculations.

### 3.15. Counter Party Credit Risk Explanations

#### Risk management goals and policies for CCR

As part of the Parent Bank's counter party credit risk management, the functions of identification, measurement, monitoring and controlling of counter party credit risk are conducted in line with the structure, size, complexity and growth rate of products and activities, and the analysis, including stress test, and its results are reported to the Top Management.

As part of capital adequacy ratio calculations, activities for counter party credit risk are an integral part of planning, monitoring and controlling of total risk profile, and counter party credit risk management is integrated to periodic risk management process.

In the scope of counter party risk management, it is aimed to meet legal obligations and to establish and maintain counter party credit risk management infrastructure that is flexible and structured enough to accommodate the best practices. Accordingly, it is planned to conduct stress test activities, improve counter party credit risk signal and limit structure and conduct relevant monitoring function.

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### Operational limit allocation method specified in the scope of internal capital calculated for CCR and CCP risks

Critical thresholds (signal and limit values) indicating that limits are approached due to internal or external developments have been identified. In the event that these values are approached or exceeded, relevant units take required actions.

Parameters for signal and limit structure and limit values of parameters are determined by consulting the relevant units and implemented at The Parent Bank upon approval of the Audit Committee and Board of Directors.

Internal limits are determined by considering the Parent Bank's budget, strategy and expectations for upcoming years, developments in Turkey and abroad and historical realization of risks.

### Policies for establishing guarantee and other risk mitigation and CCR, including CCP risk

In an attempt to identify the counter party credit risk that the Parent Bank may face, risk measurement and monitoring activities are performed and their results are considered in strategic decision-making process.

Our risk management structure involves activities to ensure that counter party credit risk measurement system functions and is maintained in line with the best practices, legal regulations, fields of activity and product ranges in a consistent, reliable and integrated way.

As part of counter party credit risk management, stress test scenarios were created by anticipating any unfavorable developments in macroeconomic conditions and the Parent Bank's balance sheet. Results of stress test analysis are considered while establishing risk management policies.

Amount subject to counter party credit risk is calculated with appraisal method based on its fair value in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and provisions in Appendix-2, and reported on a monthly basis. Accordingly, replacement cost and potential counter party credit risk amounts are calculated. Furthermore, capital obligation is also calculated for credit appraisal adjustment for all derivatives.

Additionally, compliance of transactions posing counter party credit risk with thresholds within signal and limit structure is monitored and research is conducted for counter party credit risk calculations with advanced methods.

### Rules for countertrend risk

Boasting a strong lending and collateralization structure, the Parent Bank avoids collateralization in positive correlation with the debtor's credibility and activities in connection with risk mitigation techniques are performed by considering qualitative criteria specified in legal legislation for calculation of amount subject to credit risk.

### Amount of additional collateral that the Parent Bank must submit in case of a decline in credit rating

As the Parent Bank has no transactions in connection with credit rating, there is not any additional collateral amount it must pay.

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### 3.16. Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

		Replacement	Potential Future exposure	EEPE (Effective Expected Positive Exposure) <sup>(1)</sup>	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	RWA
	<b>Current Period</b>						
	Valuation Method according to fair value - CCR (for derivatives)	4.223.311	1.831.453			6.054.764	2.413.718
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					41.415.886	2.774.809
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					8.427.178	2.840.299
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6</b>	<b>Total</b>						<b>8.028.826</b>

<sup>(1)</sup> Effective expected positive exposure

		Replacement	Potential future exposure	EEPE (Effective Expected Positive Exposure) <sup>(1)</sup>	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	RWA
	<b>Prior Period</b>						
	Valuation Method according to fair value - CCR (for derivatives)	3.314.970	1.453.786			4.768.756	2.130.456
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					36.549.393	2.950.852
4	Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					2.930.600	665.492
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit					-	-
<b>6</b>	<b>Total</b>						<b>5.746.800</b>

<sup>(1)</sup> Effective expected positive exposure

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### 3.17. Capital Requirement for Loan Valuation Adjustments

	Exposure at default post-CRM	RWA
<b>Current Period</b>		
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) Value at Risk (VaR) component (including the 3×multiplier)	-	-
2 (ii) Stressed VaR component (including the 3×multiplier)	-	-
3 All portfolios subject to the Standardised CVA capital charge	6.054.764	2.238.857
<b>4 Total subject to the CVA capital charge</b>	<b>6.054.764</b>	<b>2.238.857</b>
<b>Prior Period</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	4.768.756	85.704
<b>4 Total subject to the CVA capital charge</b>	<b>4.768.756</b>	<b>85.704</b>

### 3.18. Standardised approach - CCR exposures by risk class and risk weights

Current Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk <sup>(1)</sup>
Exposures to sovereigns and their central banks	3.663.671	-	-	-	-	-	-	-	3.663.671
Exposures to regional and local governments	1.819	-	-	-	-	-	-	-	1.819
Exposures to administrative bodies and non-commercial entities	7.319	-	-	-	-	-	-	-	7.319
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	31.669.526	-	9.088.397	9.374.982	-	119.392	-	1.581.560	51.833.857
Exposures to corporates	510.104	-	-	-	-	1.389.997	-	-	1.900.101
Retail exposures	11.066	-	-	-	1.740	-	-	71	12.877
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Past-due items	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	590	-	590
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>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>35.863.505</b>	<b>-</b>	<b>9.088.397</b>	<b>9.374.982</b>	<b>1.740</b>	<b>1.509.389</b>	<b>590</b>	<b>1.581.631</b>	<b>57.420.234</b>

<sup>(1)</sup> Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.<sup>(2)</sup> Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

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Prior Period Risk Weight/Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk <sup>(1)</sup>
Exposures to sovereigns and their central banks	2.734.946	-	-	457.031	-	133.957	-	-	3.325.934
Exposures to regional and local governments	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	42.841.324	-	11.474.227	5.550.242	-	269	-	2.869.914	62.735.976
Exposures to corporates	13.412	-	-	-	-	398.784	-	-	412.196
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	185.348	-	-	-	-	-	-	-	185.348
Equity share investments	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-
Other assets <sup>(2)</sup>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>45.945.159</b>	<b>-</b>	<b>11.474.227</b>	<b>6.007.273</b>	<b>1.349</b>	<b>533.010</b>	<b>-</b>	<b>2.870.742</b>	<b>66.831.760</b>

<sup>(1)</sup> Total credit exposure: the amount relevant for the capital requirements calculation, having applied CRM techniques.<sup>(2)</sup> Other assets: the amount excludes exposures to "Central counterparty" which are reported in Counterparty credit.

### 3.19. Risk classes and counterparty credit risk explanations

None.

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### Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	24.810.805	-
Cash-foreign currency	-	-	-	-	28.022.665	-
Domestic sovereign debts	-	-	-	-	136.170	-
Other sovereign debts	-	-	-	-	-	-
Government debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	<b>52.969.640</b>	-
<b>Prior Period</b>	<b>Collateral for derivative transactions</b>				<b>Collateral for other transactions</b>	
	<b>Collateral received</b>		<b>Collateral given</b>		<b>Collateral received</b>	<b>Collateral given</b>
	<b>Segregated</b>	<b>Unsegregated</b>	<b>Segregated</b>	<b>Unsegregated</b>		
Cash-domestic currency	-	-	-	-	26.936.138	-
Cash-foreign currency	-	-	-	-	22.943.367	-
Domestic sovereign debts	-	-	-	-	70.190	-
Other sovereign debts	-	-	-	-	133.957	-
Government debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	<b>50.083.652</b>	-

### Credit Derivatives

None.

### Risk Weight changes under CCR on the Internal Modeling Management Methods.

None.

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### Risks Related with Other Parts of the Center

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

### Explanations on Securitization Disclosures

None.

### 4. Explanations on Market Risk

**4.1. The Parent Bank's process and strategies: A disclosure on the Bank's strategic goals for trading activities is made in a manner that includes processes for identification, measurement, monitoring and controlling of the Parent Bank's market risks, hedging processes and strategies/processes for monitoring continuity of hedging efficiency**

For the purposes of market risk aversion in line with financial risk management, the Parent Bank has identified market risk management activities in accordance with the Communiqué on Measurement and Assessment of Capital Adequacy of Banks and the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Processes of Banks and has taken required precautions.

The Parent Bank's market risk management policies and implementation procedures have been specified in the scope of the Regulation on Risk Management, Stress Test Program and ICAAP approved by the Board of Directors.

The Parent Bank ensures that measurement, monitoring, limiting, stress test and scenario analysis activities are conducted in line with the structure and complexity of its positions for market risk management and their results are reported periodically. Activities sustained are conducted over a trading portfolio specified by the Bank's Treasury Management and other activities subject to market risk.

The amount subject to market risk is calculated and monitored with standard method and advanced measurement method at the Parent Bank. Furthermore, scenario analysis and stress tests are also conducted periodically.

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### 4.2. Organization and structure of market risk management function: Definition of market risk management structure established for implementation of the Parent Bank's strategies and processes as mentioned in line i) and definition of communication mechanism and relationship between different parties involved in market risk management

Market risk management is a subunit of Risk Management Group Presidency, one of internal systems units established independently from executive units of the Parent Bank.

Market risk management activities are conducted in line with the Regulation on Risk Management, Stress Test Program and ICAAP approved with the Board Decision no. 15/18 dated 28 April 2015 and performed by aiming the best practices in this structure.

The Parent Bank's trading activities and transactions subject to market risk are monitored and measured regularly and required practices are performed for risk management. Required reports on market risk are submitted to relevant units and the Parent Bank's Top Management regularly.

### 4.3. Structure and scope of risk reporting and/or measurement systems

The amount subject to the Parent Bank's market risk is calculated on a monthly basis with the standard method and included in the Bank's capital adequacy ratio.

Apart from the standard method, Value at Risk (VaR) estimations are made for trading accounts on a daily basis and reported to relevant units. VaR calculated with Historical Simulation Method is used in daily reporting and limit measurement with a confidence level of 99%. VaR can be calculated with Parametric and Monte Carlo Methods in addition to Historical Simulation Method. Backward testing is performed so as to measure performance of used model and monitor market realization. Also, the Parent Bank performs stress tests and scenario analyses on a daily and monthly basis so as to observe the effect of excessive market fluctuations that are not covered in the models on the Parent Bank's financial position. Scenario analysis and stress test activities are reviewed and improved regularly in line with the market dynamics.

The market risk exposure is restricted with VaR-based limits (interest rate and currency risk limit) within the context of the Regulation on Risk Management, Stress Test Program and ICAAP. Market risk limits are determined by the Bank's Board of Directors.

Standard approach-Current Period	RWA	
	Current Period	Prior Period
<b>Outright products</b>		
1 Interest rate risk (general and specific)	32.279.735	15.626.574
2 Equity risk (general and specific)	1.056.572	752.996
3 Foreign exchange risk	6.478.313	11.897.471
4 Commodity risk	-	-
<b>Options</b>		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 <b>Total</b>	<b>39.814.620</b>	<b>28.277.041</b>

Standard method is being used by The Parent Bank to calculate the risk of the sector.

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### 5. Explanations on the Operational Risk

In the Parent Bank, Amount subject to Operational Risk is calculated with Basic Indicator Approach based on yearly. The parameter which determines the amount subject to operational risk in Basic Indicator Approach is gross revenue. Yearly gross revenue is calculated by adding net interest incomes to net fees and commission income, dividend income, trading profit/loss (net) and other operating incomes and also by deducting profit/loss gained from sale of securities monitored out of purchase-sale account, extraordinary incomes, operating expense made against support service and amounts compensated from insurance.

Within the scope of the performances for modeling with the Advanced Measurement Approach of operational risk, based on the data in Operational Risk Loss database, Operational Value at Risk (OpVAR) measurements are calculated using Monte Carlo Simulation

Current Period	31.12.2017	31.12.2018	31.12.2019	Total/ Number of Positive GI years	Ratio (%)	Total
Gross Income	20.914.474	23.869.120	24.241.440	23.008.345	15	<b>3.451.252</b>
Amount Subject to Operational Risk (Total*12,5)						<b>43.140.646</b>

Prior Period	31.12.2016	31.12.2017	31.12.2018	Total/ Number of Positive GI years	Ratio (%)	Total
Gross Income	17.048.849	20.914.474	23.869.120	20.610.814	15	<b>3.091.622</b>
Amount Subject to Operational Risk (Total*12,5)						<b>38.645.276</b>

### 6. Explanations on the Interest Rate Risk for Banking Book

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of "Regulation on Risk Management, Stress Test Program and the Parent Bank's Internal Capital Adequacy Assessment Process ("ICAAP")".

The Parent Bank performs scenario analysis with measurements that are suitable for structure and complexness of positions related to the market risk management, limiting, scenario analysis and stress test and also reports the findings cyclically. The Parent Bank's perform analysis related to interest rate risks for the entire balance sheet. New products and services are also evaluated from the point of interest rate risk that is originated from banking accounts.

In the risk management, the following methods are followed at minimum level: The follow-up of rate and maturity mismatch between sources and uses of fixed and variable interest rates, the analysis and follow-up of the effects of the usual and unusual changes in interest rates which is possibly uptrend and downtrend on the interest margin and on the current value of assets and liabilities, the analysis and follow-up of contractual maturities as well as behavioral maturities assets and liabilities, monitoring closely of interest margins for provided Turkish Liras and foreign currency, the follow-up of the effects of interest rate changes on the Bank's economic value and capital requirement, the follow-up of potential impacts of valuation methods, the calculation and the determination of the size of interest rate shock in Bank's internal applications, the follow-up of yield curve risk. Also, in order to limit the impact of interest rate changes on Bank's financial structure, the interest rate risk limit arising from banking accounts which is approved by the Board of Directors is followed monthly.

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Type of Currency -Current Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(19.609.423)	(17,63%)
2. TL	(400)	19.212.179	17,28%
3. EUR	200	2.430.904	2,19%
4. EUR	(200)	(2.346.330)	(2,11%)
5. USD	200	(3.826.830)	(3,44%)
6. USD	(200)	4.724.669	4,25%
<b>Total (for negative shocks)</b>		<b>21.590.518</b>	<b>19,42%</b>
<b>Total (for positive shocks)</b>		<b>(21.005.349)</b>	<b>(18,89%)</b>

  

Type of Currency -Prior Period	Shock Applied (+/- x basis point)	Gains/(Losses)	Gains/Equity-(Losses)/Equity
1. TL	500	(12.679.918)	(15,16%)
2. TL	(400)	12.351.574	14,77%
3. EUR	200	701.590	0,84%
4. EUR	(200)	(376.572)	(0,45%)
5. USD	200	(3.066.038)	(3,67%)
6. USD	(200)	3.997.006	4,78%
<b>Total (for negative shocks)</b>		<b>15.972.008</b>	<b>19,10%</b>
<b>Total (for positive shocks)</b>		<b>(15.044.366)</b>	<b>(17,99%)</b>

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. As of 31 December 2020, the following notes to be presented on a quarterly and semi-annually basis according to Communiqué have not been presented due to usage of standard approach for the calculation of capital adequacy by the Bank.

RWA flow statements of market risk exposures under an Internal Model Approach (IMA)

RWA flow statements of Counterparty Credit Risk (CCR) exposures under the Internal Model Method (IMM)

RWA (Risk Weighted Amounts) flow statements of credit risk exposures under IRB

### IX. EXPLANATIONS ON HEDGING PROCEDURES

Along with the financial risk hedge accounting, the Parent Bank applies net investment hedging in order to hedge its investments abroad, which are included in the consolidated financial statements. The effective part of the fair value change of the hedging instrument in the net investment hedging transaction has been accounted for in the "Other Accumulated Comprehensive Income or Expenses to be Reclassified to Profit or Loss" under equity.

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

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

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The Parent Bank implements a net investment hedging strategy in order to avoid the exchange rate risk arising from the net investment value of its subsidiary Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD. The deposit in Euro supplied by the bank from the customers has been defined as a "hedging instrument".

Hedging instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(644.292)	644.292	-

### X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS

Organizational and internal reporting structure of the Group 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 Parent Bank renders services, such as; deposits, consumer loans, loans originated from public funds whose risk does not belong to the Bank, pension payments, credit cards, automatic and regular payment, cheques and notes, money transfer order, foreign exchange transactions, ATM, internet banking, mobile banking, safe-deposit box and insurance brokerage services. Moreover, existing banking products are improved and new banking products are launched in order to increase profitability and benefit from the services undertaken as being a state bank. By "Finart" IT system, which is working in a centralized manner, the Bank has the technical infrastructure required by modern banking to meet its clients' needs.

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

As the Bank is the main financial institution that meets the financing needs of agricultural sector in Turkey, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural Loan 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 Parent Bank has commission revenue from life, non-life and private pension insurance and other finance institutions by rendering agency services through its branches.

As of 31 December 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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### 1. Table for Segment Reporting

	Retail Banking	Corporate/ Entrepreneur banking	Specialized Banking	Treasury/ Investment Banking	Consolidation Corrections	Other/ Undistributed	Total
<b>Current Period</b>							
<b>OPERATING INCOME/EXPENSE</b>							
<b>Interest Income</b>	<b>16.074.598</b>	<b>25.901.597</b>	<b>8.593.354</b>	<b>23.257.080</b>	-	<b>624.108</b>	<b>74.450.737</b>
Interest Income from Loans	16.074.598	25.901.597	8.593.354	5.540.452	-	-	56.110.001
Interest Income from Banks	-	-	-	133.438	-	-	133.438
Interest Income from Securities	-	-	-	17.320.104	-	-	17.320.104
Other Interest Income	-	-	-	263.086	-	624.108	887.194
<b>Interest Expense</b>	<b>14.143.315</b>	<b>8.344.640</b>	-	<b>10.927.193</b>	-	<b>3.557.392</b>	<b>36.972.540</b>
Interest Expense on Deposits	14.143.315	8.344.640	-	1.887.011	-	-	24.374.966
Interest Expense on Funds Borrowed	-	-	-	1.325.340	-	-	1.325.340
Interest Expense on Money Market Transactions	-	-	-	5.791.733	-	-	5.791.733
Interest Expense on Securities Issued	-	-	-	1.923.109	-	-	1.923.109
Other Interest Expense	-	-	-	-	-	3.557.392	3.557.392
<b>Net Interest Income/Expense</b>	<b>1.931.283</b>	<b>17.556.957</b>	<b>8.593.354</b>	<b>12.329.887</b>	-	<b>(2.933.284)</b>	<b>37.478.197</b>
<b>Net Fees and Commission Income/Expense</b>	<b>2.424.183</b>	<b>1.895.359</b>	<b>127.990</b>	<b>(1.153.164)</b>	-	<b>290.037</b>	<b>3.584.405</b>
Fees and Commissions Received	2.424.183	1.918.495	127.990	3.876	-	971.221	5.445.765
Fees and Commissions Paid	-	23.136	-	1.157.040	-	681.184	1.861.360
<b>Dividend Income</b>	-	-	-	<b>1.119.673</b>	<b>(1.112.359)</b>	-	<b>7.314</b>
<b>Trading Profit/Loss (Net)</b>	-	-	-	<b>(7.660.157)</b>	-	<b>23.563</b>	<b>(7.636.594)</b>
<b>Other Operating Income</b>	<b>55.809</b>	<b>355.388</b>	<b>29.260</b>	<b>525.716</b>	<b>(298.577)</b>	<b>5.251.649</b>	<b>5.919.245</b>
<b>Provision for Expected Loss (-)</b>	<b>3.215.565</b>	<b>6.924.254</b>	<b>1.552.502</b>	-	-	<b>501.680</b>	<b>12.194.001</b>
<b>Other Provision Expenses (-)</b>	-	<b>48.342</b>	-	<b>49</b>	-	<b>2.826.528</b>	<b>2.874.919</b>
<b>Personnel Expenses (-)</b>	-	-	-	-	-	<b>4.852.164</b>	<b>4.852.164</b>
<b>Other Operating Expense</b>	<b>3.374.073</b>	<b>164.646</b>	<b>77.763</b>	<b>114.392</b>	-	<b>4.612.433</b>	<b>8.343.307</b>
<b>Net Operating Profit/Loss</b>	<b>(2.178.363)</b>	<b>12.670.462</b>	<b>7.120.339</b>	<b>5.047.514</b>	<b>(1.410.936)</b>	<b>(10.160.840)</b>	<b>11.088.176</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	-	-	-	-	<b>40.087</b>	<b>17.171</b>	<b>57.258</b>
<b>Tax Provision</b>	-	-	-	-	-	<b>(3.348.927)</b>	<b>(3.348.927)</b>
<b>Discontinued Operations Profit/ Loss Before Taxes</b>	-	-	-	-	-	<b>1.937.973</b>	<b>1.937.973</b>
<b>Discontinued Operations Tax Provision</b>	-	-	-	-	-	<b>(81.405)</b>	<b>(81.405)</b>
<b>Net Profit/Loss</b>	<b>(2.178.363)</b>	<b>12.670.462</b>	<b>7.120.339</b>	<b>5.047.514</b>	<b>(1.370.849)</b>	<b>(11.636.028)</b>	<b>9.653.075</b>
<b>SEGMENT ASSETS</b>							
Financial Assets at FV Through P/L	-	-	-	15.354.116	-	-	15.354.116
Banks and Receivables from Money Market	-	-	-	10.027.095	-	-	10.027.095
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	187.238.807	1.517	-	187.240.324
Loans <sup>(1)</sup>	179.301.086	367.187.496	85.643.924	9.500.957	-	-	641.633.463
Financial Assets Measured at Amortised Cost (Net)	-	-	-	30.615.146	-	-	30.615.146
Derivative Financial Assets	-	-	-	5.061.778	-	-	5.061.778
Associates, Subsidiaries and Entities under Common Control	-	-	-	15.245.526	(13.760.183)	-	1.485.343
Other Assets	8.689	6.524.817	122.567	88.366.223	524.208	31.569.152	127.115.656
<b>Total Segment Assets</b>	<b>179.309.775</b>	<b>373.712.313</b>	<b>85.766.491</b>	<b>361.409.648</b>	<b>(13.234.458)</b>	<b>31.569.152</b>	<b>1.018.532.921</b>
<b>SEGMENT LIABILITIES</b>							
Deposits	465.068.519	151.576.278	-	34.215.803	-	43.977.640	694.838.240
Derivative Financial Liabilities Held for Trading	-	-	-	3.486.961	-	-	3.486.961
Funds Borrowed	-	-	-	37.168.551	-	-	37.168.551
Money Markets Borrowings	9.029	22.701.248	-	95.792.265	-	-	118.502.542
Securities Issued (Net)	-	-	-	18.373.615	-	-	18.373.615
Provisions	1.308	1.862.610	-	-	-	5.646.908	7.510.826
Other Liabilities	-	-	-	-	(1.667)	43.580.300	43.578.633
Shareholders' Equity	-	-	-	-	(13.232.792)	108.306.345	95.073.553
<b>Total Segment Liabilities</b>	<b>465.078.856</b>	<b>176.140.136</b>	<b>-</b>	<b>189.037.195</b>	<b>(13.234.459)</b>	<b>201.511.193</b>	<b>1.018.532.921</b>

<sup>(1)</sup> It also includes receivables from leasing transactions.

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	Retail Banking	Corporate/ Entrepreneur banking	Specialized Banking	Treasury/ Investment Banking	Consolidation Corrections	Other/ Undistributed	Total
<b>Prior Period</b>							
<b>OPERATING INCOME/EXPENSE</b>							
<b>Interest Income</b>	<b>14.772.768</b>	<b>27.418.265</b>	<b>8.386.213</b>	<b>18.563.542</b>	-	<b>577.994</b>	<b>69.718.782</b>
Interest Income from Loans	14.772.768	27.418.265	8.386.213	5.497.898	-	-	56.075.144
Interest Income from Banks	-	-	-	355.434	-	-	355.434
Interest Income from Securities	-	-	-	12.221.439	-	-	12.221.439
Other Interest Income	-	-	-	488.771	-	577.994	1.066.765
<b>Interest Expense</b>	<b>18.825.682</b>	<b>7.435.705</b>	-	<b>15.283.489</b>	-	<b>358.173</b>	<b>41.903.049</b>
Interest Expense on Deposits	18.825.682	7.435.705	-	2.838.240	-	-	29.099.627
Interest Expense on Funds Borrowed	-	-	-	1.747.982	-	-	1.747.982
Interest Expense on Money Market Transactions	-	-	-	8.939.821	-	-	8.939.821
Interest Expense on Securities Issued	-	-	-	1.757.446	-	-	1.757.446
Other Interest Expense	-	-	-	-	-	358.173	358.173
<b>Net Interest Income/Expense</b>	<b>(4.052.914)</b>	<b>19.982.560</b>	<b>8.386.213</b>	<b>3.280.053</b>	-	<b>219.821</b>	<b>27.815.733</b>
<b>Net Fees and Commission Income/Expense</b>	<b>3.285.163</b>	<b>2.195.210</b>	<b>126.736</b>	<b>(1.835.461)</b>	-	<b>(531.814)</b>	<b>3.239.834</b>
Fees and Commissions Received	3.285.163	2.214.008	126.736	11.581	-	(209.240)	5.428.248
Fees and Commissions Paid	-	18.798	-	1.847.042	-	322.574	2.188.414
<b>Dividend Income</b>	-	-	-	<b>1.078.317</b>	<b>(1.052.345)</b>	-	<b>25.972</b>
<b>Trading Profit/Loss (Net)</b>	-	-	-	-	-	<b>(7.152)</b>	<b>(7.754.939)</b>
<b>Other Operating Income</b>	<b>124.808</b>	<b>446.218</b>	<b>29.882</b>	<b>122.064</b>	<b>(71.422)</b>	<b>1.512.405</b>	<b>2.163.955</b>
<b>Provision for Expected Loss (-)</b>	<b>1.750.036</b>	<b>4.298.012</b>	<b>1.010.658</b>	-	-	<b>155.834</b>	<b>7.214.540</b>
<b>Other Provision Expense</b>	<b>38.464</b>	<b>4.162</b>	-	<b>14.999</b>	-	<b>217.862</b>	<b>275.487</b>
<b>Personnel Expense (-)</b>	-	-	-	-	-	<b>3.813.756</b>	<b>3.813.756</b>
<b>Other Operating Expense</b>	<b>2.199.792</b>	<b>87.992</b>	<b>64.779</b>	<b>9.803</b>	-	<b>4.240.230</b>	<b>6.602.596</b>
<b>Net Operating Profit/Loss</b>	<b>(4.631.235)</b>	<b>18.233.822</b>	<b>7.467.394</b>	<b>(5.127.616)</b>	<b>(1.123.767)</b>	<b>(7.234.422)</b>	<b>7.584.176</b>
<b>Profit/Loss on Equity Method Applied Subsidiaries</b>	-	-	-	-	<b>39.842</b>	<b>44.431</b>	<b>84.273</b>
<b>Tax Provision</b>	-	-	-	-	-	<b>(1.776.755)</b>	<b>(1.776.755)</b>
<b>Discontinued Operations Profit/ Loss Before Taxes</b>	-	-	-	-	-	<b>1.801.496</b>	<b>1.801.496</b>
<b>Discontinued Operations Tax Provision</b>	-	-	-	-	-	<b>(335.716)</b>	<b>(335.716)</b>
<b>Net Profit/Loss</b>	<b>(4.631.235)</b>	<b>18.233.822</b>	<b>7.467.394</b>	<b>(5.127.616)</b>	<b>(1.083.925)</b>	<b>(7.500.966)</b>	<b>7.357.474</b>
<b>SEGMENT ASSETS</b>							
Financial Assets at FV Through P/L	-	-	-	2.077.124	-	-	2,077,124
Banks and Receivables from Money Markets	-	-	-	7,999,770	-	-	7,999,770
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	113,343,110	160	-	113,343,270
Loans <sup>(1)</sup>	120,921,280	255,916,730	70,408,159	23,219,181	-	-	470,465,350
Financial Assets Measured at Amortised Cost (Net)	-	-	-	18,168,766	-	-	18,168,766
Derivative Financial Assets	-	-	-	2,794,737	-	-	2,794,737
Associates, Subsidiaries and Entities under Common Control	-	-	-	7,990,970	(7,263,884)	-	727,086
Other Assets	18,767	5,070,698	150,770	48,015,157	(132,941)	25,022,671	78,145,122
<b>Total Segment Assets</b>	<b>120,940,047</b>	<b>260,987,428</b>	<b>70,558,929</b>	<b>223,608,815</b>	<b>(7,396,665)</b>	<b>25,022,671</b>	<b>693,721,225</b>
<b>SEGMENT LIABILITIES</b>							
Deposits	338,845,798	93,581,093	-	31,837,650	-	15,663,985	479,928,526
Derivative Financial Liabilities Held for Trading	-	-	-	1,652,201	-	-	1,652,201
Funds Borrowed	-	-	-	34,258,437	-	-	34,258,437
Money Market Borrowings	6,649	26,580,217	-	22,707,679	-	-	49,294,545
Securities Issued (Net)	-	-	-	15,593,121	-	-	15,593,121
Provisions	868	1,093,910	-	14,393	-	3,001,623	4,110,794
Other Liabilities	-	-	-	-	15,145	34,640,954	34,656,099
Shareholders' Equity	-	-	-	-	(7,427,955)	81,655,457	74,227,502
<b>Total Segment Liabilities</b>	<b>338,853,315</b>	<b>121,255,220</b>	<b>-</b>	<b>106,063,481</b>	<b>(7,412,810)</b>	<b>134,962,019</b>	<b>693,721,225</b>

<sup>(1)</sup> It also includes receivables from leasing transactions.

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### XI. EXPLANATIONS ON THE FAIR VALUE REALIZATION OF FINANCIAL ASSETS AND LIABILITIES

#### 1. Information Regarding the Fair Value of Financial Assets and Liabilities

Current Period	Book Value	Fair Value
<b>Financial Assets</b>	<b>885.404.729</b>	<b>886.180.132</b>
Due from Interbank Money Market	603.790	603.790
Banks	9.430.160	9.430.160
Available-for-sale Financial Assets	187.240.324	187.240.324
Held-to-maturity Investments	30.620.481	31.395.884
Loans	657.509.974	657.509.974
<b>Financial Liabilities</b>	<b>864.091.605</b>	<b>864.091.605</b>
Bank Deposits	39.448.179	39.448.179
Other Deposits	655.390.061	655.390.061
Funds Borrowed from Other Financial Institutions	37.168.551	37.168.551
Issued Marketable Securities	118.502.542	118.502.542
Miscellaneous Payables	13.582.272	13.582.272
<b>Prior Period</b>	<b>Book Value</b>	<b>Fair Value</b>
<b>Financial Assets</b>	<b>620.478.429</b>	<b>620.308.994</b>
Due from Interbank Money Market	621.769	621.769
Banks	7.382.885	7.382.885
Available-for-sale Financial Assets	113.343.270	113.343.270
Held-to-maturity Investments	18.171.615	18.002.180
Loans	480.958.890	480.958.890
<b>Financial Liabilities</b>	<b>571.187.304</b>	<b>571.187.304</b>
Bank Deposits	31.480.628	31.480.628
Other Deposits	448.447.898	448.447.898
Funds Borrowed from Other Financial Institutions	34.258.437	34.258.437
Issued Marketable Securities	49.294.545	49.294.545
Miscellaneous Payables	7.705.796	7.705.796

Receivables from money markets, receivables from banks and bank deposits are of short term nature, therefore carrying values are considered as fair value.

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

The fair value of held to maturity financial assets is calculated by considering market prices. In cases where these prices cannot be determined, the fair value is assessed on the basis of market prices quoted for securities that have the same attributes in terms of interest, maturity and other terms.

The fair value of loans and other deposits represent the sum of the cost and the accrued interest.

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### 2. Information on Fair Value Measurements Recognized in the Financial Statements

According to TFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related notes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below:

Current Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>239.716</b>	<b>15.114.400</b>	<b>-</b>	<b>15.354.116</b>
Government Debt Securities	92.249	13.699.516	-	13.791.765
Marketable Securities	109.543	434.012	-	543.555
Other Marketable Securities	37.924	980.872	-	1.018.796
<b>Financial Assets at Fair Value Through Other</b>	<b>185.296.077</b>	<b>1.676.401</b>	<b>236.776</b>	<b>187.209.254</b>
Government Debt Securities	180.817.801	-	-	180.817.801
Marketable Securities <sup>(1)</sup>	5.869	122	236.776	242.767
Other Marketable Securities	4.472.407	1.676.279	-	6.148.686
<b>Derivative Financial Assets</b>	<b>-</b>	<b>5.061.778</b>	<b>-</b>	<b>5.061.778</b>
<b>Subsidiaries and Joint Ventures</b>	<b>-</b>	<b>-</b>	<b>931.088</b>	<b>931.088</b>
<b>Total Assets</b>	<b>185.535.793</b>	<b>21.852.579</b>	<b>1.167.864</b>	<b>208.556.236</b>
Derivative Financial Liabilities	-	3.486.961	-	3.486.961
<b>Total Liabilities</b>	<b>-</b>	<b>3.486.961</b>	<b>-</b>	<b>3.486.961</b>

<sup>(1)</sup> Since equity securities under the heading of Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income amounting to TL 31.070 are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

Prior Period	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value Through Profit or (Loss)</b>	<b>2.077.124</b>	<b>-</b>	<b>-</b>	<b>2.077.124</b>
Government Debt Securities	1.906.204	-	-	1.906.204
Marketable Securities	23	-	-	23
Other Marketable Securities	170.897	-	-	170.897
<b>Financial Assets at Fair Value Through Other</b>	<b>112.686.767</b>	<b>502.864</b>	<b>122.845</b>	<b>113.312.476</b>
Government Debt Securities	109.602.957	-	-	109.602.957
Marketable Securities <sup>(1)</sup>	386.630	108	122.845	509.583
Other Marketable Securities	2.697.180	502.756	-	3.199.936
<b>Derivative Financial Assets</b>	<b>-</b>	<b>2.794.737</b>	<b>-</b>	<b>2.794.737</b>
<b>Subsidiaries and Joint Ventures</b>	<b>-</b>	<b>-</b>	<b>442.258</b>	<b>442.258</b>
<b>Total Assets</b>	<b>114.763.891</b>	<b>3.297.601</b>	<b>565.103</b>	<b>118.626.595</b>
Derivative Financial Liabilities	-	1.652.201	-	1.652.201
<b>Total Liabilities</b>	<b>-</b>	<b>1.652.201</b>	<b>-</b>	<b>1.652.201</b>

<sup>(1)</sup> Since equity securities under the heading of Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income amounting to TL 30.794 are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

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The movement of financial assets in Level 3 is presented below:

	Current Period	Prior Period
<b>Balances at Beginning at Period</b>	<b>565.103</b>	<b>245.952</b>
Purchases	274.964	23.788
Disposals Through Sale/Redemptions	-	40.852
Valuation effect	327.797	336.215
Transfers	-	-
<b>Balances at the End at Period</b>	<b>1.167.864</b>	<b>565.103</b>

### XII. EXPLANATIONS ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ON ACCOUNT OF OTHER PARTIES

#### 1. Transaction, Custody, Management and Consultancy Services of The Group on behalf of Third Parties:

The Group acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The Group does not provide consultancy and management services.

#### 2. Transactions with Other Financial Institutions Under Fiduciary Transaction Agreements and Financial Services Rendered to Other Financial Institutions Under the Scope Of Fiduciary Transactions and the Effects of Such Services to the Financial Position of the Parent Bank or the Group

The Parent Bank has no fiduciary transactions.

### SECTION FIVE

### EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

#### I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.239.346	3.983.617	2.096.092	2.744.823
Central Bank of the Republic of Turkey	6.127.060	82.146.802	851.533	47.135.173
Other	-	449.400	-	2.984.645
<b>Total</b>	<b>8.366.406</b>	<b>86.579.819</b>	<b>2.947.625</b>	<b>52.864.641</b>

##### Explanation on reserve requirements

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.

Required reserve rates vary according to the maturity structure of the liabilities, and are applied between 1%-6% for TL deposits and other liabilities, 5%-22% for FX deposits and other FC liabilities.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	5.905.660	21.462.861	740.936	15.680.921
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	370	-	-
Other <sup>(1)</sup>	221.400	60.683.571	110.597	31.454.252
<b>Total</b>	<b>6.127.060</b>	<b>82.146.802</b>	<b>851.533</b>	<b>47.135.173</b>

<sup>(1)</sup> Includes required reserves and CBRT restricted electronic money funds amounting to TL 12.011. Required reserve of branches abroad amounting to TL 265.879 is presented in this line. TL 9.120.863 of the current period's FC required reserve is the part of the TL required reserves that are held in FC (31 December 2019: Includes required reserves and CBRT restricted electronic money funds amounting to TL 3.373. Required reserve of branches abroad amounting to TL 160.297 is presented in this line. TL 3.497.808 of the current period's FC required reserve is the part of the TL required reserves that are held in FC).

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	987.872	-
Assets Blocked/Given as Collateral	13.708.749	-
<b>Total</b>	<b>14.696.621</b>	<b>-</b>

#### 3. Positive Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	69.015	1.618	156.574	25.329
Swap Transactions	2.872.371	2.112.607	1.139.190	1.473.623
Futures Transactions	6.018	-	-	-
Options	-	-	-	21
Other	140	9	-	-
<b>Total</b>	<b>2.947.544</b>	<b>2.114.234</b>	<b>1.295.764</b>	<b>1.498.973</b>

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

##### 4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	3.213	2.625.254	3.318	196.788
Foreign	578.142	6.223.551	127.754	7.055.025
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>581.355</b>	<b>8.848.805</b>	<b>131.072</b>	<b>7.251.813</b>

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### 4.2. Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	3.127.880	3.296.987	-	-
USA, Canada	472.364	2.459.220	-	-
OECD Countries <sup>(1)</sup>	229.374	67.046	-	-
Off-shore Banking Regions	-	-	-	-
Other	2.970.814	1.356.818	1.261	2.708
<b>Total</b>	<b>6.800.432</b>	<b>7.180.071</b>	<b>1.261</b>	<b>2.708</b>

<sup>(1)</sup> OECD countries except EU countries, USA and Canada.

### 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	54.282.961	50.621.551
Assets Blocked/Given as Collateral	84.326.980	30.621.149
<b>Total</b>	<b>138.609.941</b>	<b>81.242.700</b>

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

	Current Period	Prior Period
Debt Securities	189.012.067	114.912.189
Quoted at Stock Exchange	187.266.123	114.349.056
Unquoted at Stock Exchange	1.745.944	563.133
Share Certificates	302.479	564.533
Quoted at Stock Exchange	2.733	376.658
Unquoted at Stock Exchange	299.746	187.875
Provision for Impairment (-)	2.074.222	2.133.452
<b>Total</b>	<b>187.240.324</b>	<b>113.343.270</b>

### 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	
	TL	FC	TL	FC
<b>Direct Loans Granted to Shareholders</b>	-	-	-	-
Granted loans to Legal Entity Partners	-	-	-	-
Granted loans to Individual Partners	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	-	-	-	-
<b>Loans Granted to Employees <sup>(1) (2)</sup></b>	<b>642.578</b>	-	<b>485.525</b>	-
<b>Total</b>	<b>642.578</b>	<b>-</b>	<b>485.525</b>	<b>-</b>

<sup>(1)</sup> Interest rediscount and interest accrual amounting TL 4.190, are not included (31 December 2019: Interest rediscount and interest accrual amounting TL 4.330 are not included).<sup>(2)</sup> Since the balance of overdraft accounts related to employees amounting TL 21.494, 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 22.633, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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### 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	Loans under restructuring	
Cash Loans	Standard Loans		Loans with revised contract terms	Refinancing
Non-Specialized Loans	511.771.755	20.159.042	1.024.130	13.930.913
Commercial Loans	300.433.370	17.973.440	944.727	13.822.319
Export Loans	6.969.102	502.089	-	-
Import Loans	63.885	-	-	-
Loans Given to Financial Sector	7.383.937	-	-	-
Consumer Loans	166.429.646	1.371.308	79.208	104.309
Credit Cards	17.742.374	234.189	-	3.354
Other	12.749.441	78.016	195	931
Specialized Loans <sup>(1) (2)</sup>	79.035.186	1.188.468	764	1.216.456
Other Receivables	-	-	-	-
Interest Income Accruals	10.042.382	1.670.508	57.285	731.871
<b>Total</b>	<b>600.849.323</b>	<b>23.018.018</b>	<b>1.082.179</b>	<b>15.879.240</b>

<sup>(1)</sup> Funds are originated agricultural loans are shown in specialized lendings.<sup>(2)</sup> Agricultural loans to support farmers are shown in specialized lendings.

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans under restructuring	
Cash Loans	Standard Loans		Loans with revised contract terms	Refinancing
Non-Specialized Loans	363.097.301	17.835.400	976.581	6.155.147
Commercial Loans	220.344.285	8.342.700	920.911	6.001.175
Export Loans	6.065.257	381.127	-	-
Import Loans	598.091	2.837	-	-
Loans Given to Financial Sector	5.844.116	6.786.703	-	-
Consumer Loans	110.444.752	1.942.072	52.804	152.291
Credit Cards	11.116.087	287.413	-	1.681
Other	8.684.713	92.548	2.866	-
Specialized Loans <sup>(1) (2)</sup>	63.022.874	2.283.220	1.433	897.278
Other Receivables	-	-	-	-
Interest Income Accruals	8.922.676	2.715.192	70.129	450.229
<b>Total</b>	<b>435.042.851</b>	<b>22.833.812</b>	<b>1.048.143</b>	<b>7.502.654</b>

<sup>(1)</sup> Funds are originated agricultural loans are shown in specialized lendings.<sup>(2)</sup> Agricultural loans to support farmers are shown in specialized lendings.

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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 Months Expected Credit Losses	2.888.030	-	1.484.228	-
Significant Increase in Credit Risk	-	6.223.597	-	3.475.535

### 7.3. Distribution of Cash Loans by Maturity Structure

Current Period	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring <sup>(1)</sup>	
		Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	99.763.206	4.216.356	1.206.028
Medium and Long-term Loans and Other Receivables	491.043.735	17.131.154	14.966.235

<sup>(1)</sup> Accruals are not included.

Prior Period	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring <sup>(1)</sup>	
		Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans	93.189.456	2.057.911	1.286.299
Medium and Long-term Loans and Other Receivables	332.930.719	18.060.709	6.744.140

<sup>(1)</sup> Accruals are not included.

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### 7.4. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	695.314	163.835.316	164.530.630
Mortgage Loans <sup>(2)</sup>	9.748	95.348.941	95.358.689
Automotive Loans	7.567	1.063.501	1.071.068
Consumer Loans <sup>(2)</sup>	677.999	67.422.874	68.100.873
Other	-	-	-
Consumer Loans- Indexed to FC	273	352.145	352.418
Mortgage Loans	-	55.203	55.203
Automotive Loans	-	2.889	2.889
Consumer Loans	65	18.236	18.301
Other	208	275.817	276.025
Consumer Loans-FC	5.168	899.509	904.677
Mortgage Loans	298	161.298	161.596
Automotive Loans	104	13.049	13.153
Consumer Loans	1.915	77.306	79.221
Other	2.851	647.856	650.707
Consumer Credit Cards-TL	9.906.452	199.310	10.105.762
With Installment	3.324.760	184.008	3.508.768
Without Installment	6.581.692	15.302	6.596.994
Consumer Credit Cards-FC	57.384	22	57.406
With Installment	56.678	-	56.678
Without Installment	706	22	728
Personnel Loans-TL	14.553	405.788	420.341
Mortgage Loans	-	1.082	1.082
Automotive Loans	-	425	425
Consumer Loans	14.553	404.281	418.834
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	232	36.600	36.832
Mortgage Loans	-	10.446	10.446
Automotive Loans	-	-	-
Consumer Loans	5	1.538	1.543
Other	227	24.616	24.843
Personnel Credit Cards-TL	176.667	7.245	183.912
With Installment	63.409	6.890	70.299
Without Installment	113.258	355	113.613
Personnel Credit Cards-FC	1.493	-	1.493
With Installment	1.470	-	1.470
Without Installment	23	-	23
Credit Deposit Account-TL (Real Person)	1.739.573	-	1.739.573
Credit Deposit Account-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>12.597.109</b>	<b>165.735.935</b>	<b>178.333.044</b>

<sup>(1)</sup> TL 1.089.551 of interest income rediscount and accrual is not included.<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.914.794 are included.

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Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	<b>1.129.293</b>	<b>108.555.639</b>	<b>109.684.932</b>
Mortgage Loans <sup>(2)</sup>	17.171	66.746.547	66.763.718
Automotive Loans	9.468	484.696	494.164
Consumer Loans <sup>(2)</sup>	1.102.654	41.324.396	42.427.050
Other	-	-	-
Consumer Loans- Indexed to FC	-	<b>187.594</b>	<b>187.594</b>
Mortgage Loans	-	22.540	22.540
Automotive Loans	-	10	10
Consumer Loans	-	79.630	79.630
Other	-	85.414	85.414
Consumer Loans-FC	<b>7.363</b>	<b>665.150</b>	<b>672.513</b>
Mortgage Loans	181	79.052	79.233
Automotive Loans	-	1.057	1.057
Consumer Loans	1.904	296.775	298.679
Other	5.278	288.266	293.544
Consumer Credit Cards-TL	<b>7.013.410</b>	<b>189.176</b>	<b>7.202.586</b>
With Installment	2.484.024	181.398	2.665.422
Without Installment	4.529.386	7.778	4.537.164
Consumer Credit Cards-FC	<b>41.943</b>	-	<b>41.943</b>
With Installment	41.181	-	41.181
Without Installment	762	-	762
Personnel Loans-TL	<b>21.572</b>	<b>278.144</b>	<b>299.716</b>
Mortgage Loans	-	228	228
Automotive Loans	-	92	92
Consumer Loans	21.572	277.143	298.715
Other	-	681	681
Personnel Loans-Indexed to FC	-	<b>11.530</b>	<b>11.530</b>
Mortgage Loans	-	3.650	3.650
Automotive Loans	-	-	-
Consumer Loans	-	2.461	2.461
Other	-	5.419	5.419
Personnel Loans-FC	<b>178</b>	<b>17.387</b>	<b>17.565</b>
Mortgage Loans	-	4.260	4.260
Automotive Loans	-	-	-
Consumer Loans	175	5.554	5.729
Other	3	7.573	7.576
Personnel Credit Cards-TL	<b>148.749</b>	<b>6.658</b>	<b>155.407</b>
With Installment	56.923	6.508	63.431
Without Installment	91.826	150	91.976
Personnel Credit Cards-FC	<b>1.307</b>	-	<b>1.307</b>
With Installment	1.256	-	1.256
Without Installment	51	-	51
Credit Deposit Account-TL (Real Person)	<b>1.718.010</b>	-	<b>1.718.010</b>
Credit Deposit Account-FC (Real Person)	<b>59</b>	-	<b>59</b>
<b>Total <sup>(1)</sup></b>	<b>10.081.884</b>	<b>109.911.278</b>	<b>119.993.162</b>

<sup>(1)</sup> TL 929.464 of interest income accrual is not included.<sup>(2)</sup> Funds originated consumer loans amounting to TL 3.908.975 of are included.

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### 7.5. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans- TL	2.473.246	106.838.039	109.311.285
Mortgage Loans	1.352	1.475.010	1.476.362
Automotive Loans	155.613	2.166.836	2.322.449
Consumer Loans	2.316.281	103.196.193	105.512.474
Other	-	-	-
Commercial Installement Loans- FC Indexed	779.976	1.009.417	1.789.393
Mortgage Loans	779.976	1.006.474	1.786.450
Automotive Loans	-	2.943	2.943
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans- FC	315.999	46.135.941	46.451.940
Mortgage Loans	38.228	147.081	185.309
Automotive Loans	-	37.882	37.882
Consumer Loans	161.831	45.305.788	45.467.619
Other	115.940	645.190	761.130
Corporate Credit Cards- TL	7.533.999	75.399	7.609.398
With Installment	3.278.089	75.279	3.353.368
Without Installment	4.255.910	120	4.256.030
Corporate Credit Cards- FC	21.946	-	21.946
With Installment	21.412	-	21.412
Without Installment	534	-	534
Overdraft Account-TL (Legal Entity)	940.273	-	940.273
Overdraft Account-FC (Legal Entity)	26.457	-	26.457
<b>Total <sup>(1)</sup></b>	<b>12.091.896</b>	<b>154.058.796</b>	<b>166.150.692</b>

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

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Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans- TL	1.866.168	50.654.394	52.520.562
Mortgage Loans	39.864	1.007.014	1.046.878
Automotive Loans	100.385	1.364.032	1.464.417
Consumer Loans	1.725.919	48.283.348	50.009.267
Other	-	-	-
Commercial Installment Loans- FC Indexed	428.933	889.942	1.318.875
Mortgage Loans	414.390	796.389	1.210.779
Automotive Loans	-	25.946	25.946
Consumer Loans	-	-	-
Other	14.543	67.607	82.150
Commercial Installment Loans- FC	227.442	31.157.845	31.385.287
Mortgage Loans	-	40.163	40.163
Automotive Loans	-	30.257	30.257
Consumer Loans	27.940	30.705.602	30.733.542
Other	199.502	381.823	581.325
Corporate Credit Cards- TL	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
Corporate Credit Cards- FC	12.688	-	12.688
With Installment	12.121	-	12.121
Without Installment	567	-	567
Overdraft Account- TL (Legal Entity)	718.320	-	718.320
Overdraft Account- FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>7.212.647</b>	<b>82.734.335</b>	<b>89.946.982</b>

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

### 7.6. Loans According to Types of Borrowers

	Current Period	Prior Period
Public	5.912.984	5.172.646
Private	622.413.730	449.096.588
Interest Income Accruals of Loans	12.502.046	12.158.226
<b>Total</b>	<b>640.828.760</b>	<b>466.427.460</b>

### 7.7. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	613.508.290	438.050.832
Foreign Loans	14.818.424	16.218.402
Interest Income Accruals of Loans	12.502.046	12.158.226
<b>Total</b>	<b>640.828.760</b>	<b>466.427.460</b>

### 7.8. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	1.138.436	317.906
Indirect loans granted to subsidiaries and associates	-	-
<b>Total</b>	<b>1.138.436</b>	<b>317.906</b>

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

	Current Period	Prior Period
Loans and other receivables with limited collectability	1.234.735	1.037.244
Loans and other receivables with doubtful collectability	655.989	1.596.085
Uncollectible loans and other receivables	10.020.337	6.569.199
<b>Total</b>	<b>11.911.061</b>	<b>9.202.528</b>

### 7.10. Information on Non-Performing Loans (Net)

#### 7.10.1. Information on Non-Performing Loans Restructured or Rescheduled and Other Receivables

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Current Period</b>			
Gross amounts before the provisions	245.295	124.385	1.015.246
Rescheduled Loans	245.295	124.385	1.015.246
<b>Prior Period</b>			
Gross amounts before the provisions	234.691	200.185	263.237
Rescheduled Loans	234.691	200.185	263.237

#### 7.10.2. Information on The Movement of Total Non-Performing Loans

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
<b>Prior Period Ending Balance</b>	<b>2.958.436</b>	<b>3.390.090</b>	<b>8.182.904</b>
Additions (+)	3.271.821	947.886	1.288.232
Transfers from Other Categories of Non-Performing Loans (+)	-	3.354.225	5.274.918
Transfers to Other Categories of Non-Performing Loans (-)	3.354.225	5.274.918	-
Collections (-) <sup>(1)</sup>	267.597	1.075.393	1.914.119
Write-offs (-)	-	-	-
Sold Portfolio	-	-	101.046
Corporate and Commercial Loans	-	-	101.046
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>2.608.435</b>	<b>1.341.890</b>	<b>12.730.889</b>
Provision (-)	1.234.735	655.989	10.020.337
<b>Net Balance at Balance Sheet</b>	<b>1.373.700</b>	<b>685.901</b>	<b>2.710.552</b>

<sup>(1)</sup> Includes transfers to the first and second group loans amounting to TL 589.226.<sup>(2)</sup> Ziraat Katılım Bank A.Ş.'s non-performing loan amount, which is transferred from the financial statements of the receivable based on the transfer agreements.

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### 7.10.3. Information on Non-Performing Loans Granted as Foreign Currency Loans

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and other receivables
<b>Current Period</b>			
<b>Balance at the End of the Period</b>	<b>1.421.370</b>	<b>134.815</b>	<b>384.361</b>
Provision (-)	684.262	93.696	321.922
<b>Net Balance on Balance Sheet</b>	<b>737.108</b>	<b>41.119</b>	<b>62.439</b>
<b>Prior Period</b>			
<b>Balance at the End of the Period</b>	<b>981.661</b>	<b>36.786</b>	<b>176.860</b>
Provision (-)	351.548	27.662	118.767
<b>Net Balance on Balance Sheet</b>	<b>630.113</b>	<b>9.124</b>	<b>58.093</b>

### 7.10.4. Breakdown of Non-Performing Loans According to Their Gross and Net Values

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>Current Period (Net)</b>	<b>1.373.700</b>	<b>685.901</b>	<b>2.710.552</b>
Loans to Real Persons and Legal Entities (Gross)	2.608.435	1.341.890	12.582.423
Provisions (-)	1.234.735	655.989	9.871.871
Loans to Real Persons and Legal Entities (Net)	1.373.700	685.901	2.710.552
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	148.466
Provisions (-)	-	-	148.466
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>1.921.192</b>	<b>1.794.005</b>	<b>1.613.705</b>
Loans to Real Persons and Legal Entities (Gross)	2.958.436	3.390.090	8.036.937
Provisions (-)	1.037.244	1.596.085	6.423.232
Loans to Real Persons and Legal Entities (Net)	1.921.192	1.794.005	1.613.705
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	145.967
Provisions (-)	-	-	145.967
Other Loans and Receivables (Net)	-	-	-

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

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>Current Period (Net)</b>	<b>168.569</b>	<b>40.312</b>	<b>157.220</b>
Interest Accruals and Valuation Differences	257.319	128.081	570.510
Provisions (-)	88.750	87.769	413.290
<b>Prior Period (Net)</b>	<b>118.907</b>	<b>141.858</b>	<b>66.952</b>
Interest Accruals and Rediscounts and Valuation Differences	176.670	304.558	247.365
Provisions (-)	57.763	162.700	180.413

### 7.11. Information on expected loss provisions set aside for loans

Current Period	Stage 1	Stage 2	Stage 3	Total
<b>Balances at Beginning of the Period</b>	<b>1.484.228</b>	<b>3.475.535</b>	<b>9.202.528</b>	<b>14.162.291</b>
Additions during the Period	1.966.662	5.732.986	3.948.567	11.648.215
Disposals (-) <sup>(1)</sup>	(543.249)	(3.031.323)	(1.112.200)	(4.686.772)
Sales (-)	-	-	(101.046)	(101.046)
Write-offs (-)	-	-	-	-
Transfer to Stage1	157.552	(102.528)	(55.024)	-
Transfer to Stage 2	(159.634)	250.417	(90.783)	-
Transfer to Stage 3	(17.529)	(101.490)	119.019	-
<b>Balances at End of Period</b>	<b>2.888.030</b>	<b>6.223.597</b>	<b>11.911.061</b>	<b>21.022.688</b>

<sup>(1)</sup> It includes the provision cancellation of the loan amounting to USD 1.155 million collected while monitoring in the second phase. The amount related to the part of the said provision allocated in previous years has been accounted under the "Other Operating Income" item, and the amount related to the part allocated in the current year has been accounted under the "Provisions for Expected Loss" item.

Prior Period	Stage 1	Stage 2	Stage 3	Total
<b>Balances at Beginning of the Period</b>	<b>996.215</b>	<b>2.264.734</b>	<b>6.190.930</b>	<b>9.451.879</b>
Additions during the Period	772.512	1.374.211	4.475.467	6.622.190
Disposals (-)	(207.537)	(116.892)	(1.035.702)	(1.360.131)
Sales (-)	-	-	(445.643)	(445.643)
Write-offs (-)	-	-	(106.004)	(106.004)
Transfer to Stage1	33.885	(32.078)	(1.807)	-
Transfer to Stage 2	(99.118)	135.053	(35.935)	-
Transfer to Stage 3	(11.729)	(149.493)	161.222	-
<b>Balances at End of Period</b>	<b>1.484.228</b>	<b>3.475.535</b>	<b>9.202.528</b>	<b>14.162.291</b>

### 7.12. Information on Liquidating Policy of Uncollectible Loans and Other Receivables

Execution proceedings are carried out for the collection of receivables from loan services of the Parent Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Parent Bank and assets of the debtor(s) are realized while receivables of the Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels. When the debtor offers exceed authorizations transferred to the Branch/Regional Management or includes matters outside the scope of current legislation agreements and the Branch/Regional Management submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

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### 7.13. Explanations on Write-Off Policy

The Group writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

### 8. Information on Financial Assets Measured at Amortised Cost

#### 8.1. Information on Comparative Net Values of Financial Assets Measured at Amortised Cost Subject to Repo Transactions and Given as a Collateral/Blocked

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

	Current Period		Prior Period	
	TL	FX	TL	FX
Government Bonds	3.315.575	1.802.748	1.989.088	2.104.824
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>3.315.575</b>	<b>1.802.748</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	FX	TL	FX
Bills	-	-	-	-
Bonds and Similar Investment Securities	8.723.020	14.875.540	2.021.297	10.404.413
Other	-	-	-	-
<b>Total</b>	<b>8.723.020</b>	<b>14.875.540</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 Debt	29.577.973	17.449.581
Treasury Bills	22.087	-
Other Public Sector Debt Securities	874.661	610.381
<b>Total</b>	<b>30.474.721</b>	<b>18.059.962</b>

#### 8.3. Information on Investments Valued at Amortised Cost

	Current Period	Prior Period
Debt Securities	30.620.661	18.171.734
Quoted at Stock Exchange	29.571.518	17.485.773
Unquoted at Stock Exchange	1.049.143	685.961
Impairment (-)	180	119
<b>Total</b>	<b>30.620.481</b>	<b>18.171.615</b>

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### 8.4. The Movement of Financial Assets at Amortised Costs

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>18.171.615</b>	<b>10.282.545</b>
Foreign Currency Differences on Monetary Assets	4.245.424	573.347
Purchases During the Year <sup>(1)</sup>	9.056.733	11.191.088
Disposals through Sales and Redemptions	(853.111)	(3.875.246)
Impairment Provision (-)	180	119
<b>Balance at the End of the Period</b>	<b>30.620.481</b>	<b>18.171.615</b>

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

### 9. Information on Associates Accounts (Net)

#### 9.1. Information on Unconsolidated Associates

	Title	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Platform Ortak Kartlı Sistemler A.Ş.	Istanbul/Turkey	20,00	20,00
2	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Istanbul/Turkey	33,34	33,34
3	Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş.	Manisa/Turkey	32,40	32,40

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non-Current Assets <sup>(2)(3)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	5.250	5.250	-	-	-	-	-	-
2	186.027	156.928	16.452	2.009	-	2.989	13.276	-
3	351.828	(620.618)	163.234	791	-	468.531	(323.710)	-

<sup>(1)</sup> There is no fair value due to the fact that associates are not traded in the stock exchange.<sup>(2)</sup> Current period financial information has been provided from unaudited financial statements as of 31 December 2020. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2019.<sup>(3)</sup> Total non current assets include tangible and intangible assets.

#### 9.2. Information on Consolidated Associates

	Title	Address (City/Country)	The Parent Bank's Share Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	Istanbul/Turkey	15,43	15,43

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non-Current Assets <sup>(2)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	5.576.326	1.152.814	147.064	169.879	86.938	96.575	166.427	-

<sup>(1)</sup> There is no fair value of Arap Türk Bankası A.Ş. due to the fact that associates are not traded in the stock exchange<sup>(2)</sup> Current period information of Arap Türk Bankası A.Ş. has been provided from unaudited financial statements as of 31 December 2020. Prior period profit/loss information of associates has been provided from audited financial statements as of 31 December 2019.

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### 9.3. Information on Financial Associates

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>162.465</b>	<b>133.745</b>
<b>Movement During the Period</b>	<b>15.414</b>	<b>28.720</b>
Additions	-	-
Bonus Share Certificates	-	-
Dividends from Current Year Income	14.902	25.680
Transfer (-)	-	-
Sales/Liquidation	-	-
Revaluation Increase	512	3.040
Revaluation/Impairment	-	-
<b>Balance at the End of the Period</b>	<b>177.879</b>	<b>162.465</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

### 9.4. Sectoral Information on Financial Associates and the Related Carrying Amounts

	Current Period	Prior Period
Banks	177.879	162.465
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	-	-

### 9.5. Subsidiaries Quoted to the Stock Exchange

None (31 December 2019: None).

### 10. Information on Subsidiaries (Net)

#### 10.1. Information on Unconsolidated Subsidiaries

	Description	Address (City/Country)	The Parent Bank's Share Percentage-if different Voting Percentage (%)	The Parent Bank's Group Share Percentage (%)
1	Ziraat Teknoloji A.Ş.	İstanbul/Turkey	100,00	100,00
2	Onko İlaç Sanayi ve Ticaret A.Ş.	Kocaeli/Turkey	85,00	85,00
3	Koçsel İlaç Sanayi ve Ticaret A.Ş.	Kocaeli/Turkey	85,00	85,00
4	Rinerji Rize Elektrik Üretim A.Ş.	Rize/Turkey	51,00	51,00

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	81.488	19.337	9.080	1.295	279	3.456	1.806	56.467
2	806.718	130.048	360.494	2.867	-	34.963	(35.095)	62.661
3	47.751	7.704	5.882	-	-	(3.796)	(1.998)	7.320
4	56.856	12.694	54.048	-	-	(8.991)	(10.348)	38.948

<sup>(1)</sup> There is no fair value due to the fact that subsidiaries are not traded in the stock exchange.<sup>(2)</sup> Current period financial information has been provided from unaudited financial statements as of 31 December 2020. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2019.

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### 10.2. Information on Consolidated Subsidiaries

Financial subsidiaries are recorded 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. Valuation differences determined for the mentioned partnerships are accounted for under equity.

	Description	Address (City/Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul/Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul/Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	100,00	100,00
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul/Turkey	100,00	100,00
6	Ziraat Bank International A.G.	Frankfurt/Germany	100,00	100,00
7	Ziraat Bank BH d.d.	Sarajevo/Bosnia Herzegovina	100,00	100,00
8	Ziraat Bank (Moscow) JSC	Moscow/Russia	99,91	99,91
9	Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	99,58	99,58
10	Ziraat Bank Azerbaycan ASC	Baku/Azerbaijan	99,98	100,00
11	Ziraat Bank Montenegro AD	Podgorica/Montenegro	100,00	100,00
12	JSC Ziraat Bank Georgia	Tbilisi/Georgia	100,00	100,00
13	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	727.008	428.909	4.445	63.943	-	314.841	91.235	1.098.904	-
2	151.523	140.561	3.868	11.638	-	68.873	41.704	153.045	-
3	60.186.996	3.734.273	339.221	3.582.776	608.569	638.562	516.735	3.277.972	-
4	5.436.092	5.085.872	4.682.142	4.687	-	403.381	118.361	5.085.872	-
5	1.007.392	1.005.686	1.110	27.597	-	136.886	117.742	1.005.686	-
6	14.775.383	2.350.096	27.997	326.851	5.423	69.669	89.092	1.700.069	-
7	5.270.596	537.548	47.243	121.773	-	(231.512)	3.922	278.717	-
8	948.196	346.281	13.071	67.874	546	37.340	29.424	268.876	-
9	2.130.672	576.055	191.688	131.579	508	53.165	37.454	435.713	-
10	1.294.956	310.231	92.675	68.322	3.551	4.501	5.780	228.372	-
11	650.178	152.426	10.116	25.827	1.561	2.198	1.580	116.537	-
12	287.585	128.137	15.459	12.256	3.980	3.204	6.935	113.798	-
13	789.229	232.013	16.156	59.441	-	34.448	41.128	138.316	-

<sup>(1)</sup> The amounts shown in the interest income column of Ziraat Katılım Bankası A.Ş. include profit share income.<sup>(2)</sup> Current period financial information has been provided from unaudited financial statements as of 31 December 2020. Prior period profit/loss information has been provided from audited financial statements as of 31 December 2019.

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*(Reflects the values of the Parent Bank)*

	Current Period	Prior Period
<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>6.566.853</b>	<b>(59.383)</b>
Additions to Scope of Consolidation	-	-
Purchases <sup>(1)</sup>	2.499.959	106.806
Bonus Shares Obtained	-	2.065
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase <sup>(2)</sup>	4.738.323	325.990
Impairment Provision (-)	671.429	364.273
Transfer (-)	-	129.971
<b>Balance at the End of the Period</b>	<b>13.901.878</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.

### 10.3. Sectoral Information on Subsidiaries and the Related Carrying Amounts

*(Reflects the values of the Parent Bank)*

	Current Period	Prior Period
Banks	6.558.371	5.178.895
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	7.343.507	2.156.130

### Subsidiaries Quoted to the Stock Exchange

None (31 December 2019: None).

### 11. Information on Entities under Common Control (Joint Ventures)

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

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share (%)	Group's Share (%)	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	6.338.953	22.149	8.721	171.399	79.730

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

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### 12. Information on Lease Receivables

Information on receivables from financial leasing transactions

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	101.563	97.448	71.065	70.080
1-5 Years	4.664.859	4.133.051	3.623.740	3.100.581
More than 5 Years	1.166.870	915.678	860.343	498.090
<b>Total</b>	<b>5.933.292</b>	<b>5.146.177</b>	<b>4.555.148</b>	<b>3.668.751</b>

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

The Group has no hedging derivative financial assets.

### 14. Information on the Investment Property

The Group's investment properties are TL 477.790 (31 December 2019: None).

### 15. Disclosure on Fixed Assets Held for Sale and Related to Discontinued Operations

The Group does not have any discontinued 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 Group's immovables acquired amount to TL 5.334.912 (31 December 2019: TL 4.753.593) consisting of TL 8.689 (31 December 2019 TL: 18.767) due to consumer loans, TL 5.203.656 (31 December 2019: TL 4.584.056) on its commercial loans and TL 122.567 (31 December 2019: TL 150.770) on its agricultural loans. Also, the sum of movables acquired from consumer loan amounts to TL 1.207 (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 Parent 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. Ziraat Hayat ve Emeklilik A.Ş. The price to be paid to the Bank for its shares is determined as TL 23,00 (full TL) per share and the total sales price is TL 1.839.448.000,00 (full TL). The sale price was paid in full by a special category government domestic debt security.

For the transfer of the all ownership of the Group's 100% share of Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş., total sales price is TL 2.771.500.000,00 (full TL). Income and expenses up to the said sale transaction have been subjected to elimination and followed in the consolidated statement of profit or loss, it is shown under "Income from Discontinued Operations" and "Expenses from Discontinued Operations" together with consolidated net sales profit.

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### 16. Information on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Operational Leasing Development Costs	Other Tangibles	Total
<b>Prior Period End</b>							
Cost	7.431.539	838.292	1.449.848	154.582	312.609	-	10.186.870
Accumulated Depreciation (-)	971.237	118.561	991.585	49.935	263.207	-	2.394.525
Impairment (-)	3.429	-	618	-	-	-	4.047
<b>Net Book Value</b>	<b>6.456.873</b>	<b>719.731</b>	<b>457.645</b>	<b>104.647</b>	<b>49.402</b>	<b>-</b>	<b>7.788.298</b>
<b>Current Period End</b>							
Net Book Value at the Beginning of the Period	6.456.873	719.731	457.645	104.647	49.402	-	7.788.298
Change During the Period (Net)	3.573.269	107.420	70.294	36.296	(7.182)	-	3.780.097
- Cost	3.474.820	180.251	217.384	83.296	17.012	-	3.972.763
- Depreciation (Net) (-)	(97.173)	72.831	147.090	47.000	24.194	-	193.942
- Impairment (-)	(1.276)	-	-	-	-	-	(1.276)
Net Currency Translation from Foreign Subsidiaries	(82.612)	16.607	(3.337)	2.140	2.637	-	(64.565)
Cost at Period End	10.823.747	1.035.150	1.663.895	240.018	332.258	-	14.095.068
Accumulated Depreciation at Period End (-)	874.064	191.392	1.138.675	96.935	287.401	-	2.588.467
Impairment (-)	2.153	-	618	-	-	-	2.771
<b>Closing Net Book Value</b>	<b>9.947.530</b>	<b>843.758</b>	<b>524.602</b>	<b>143.083</b>	<b>44.857</b>	<b>-</b>	<b>11.503.830</b>

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

None.

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

None.

### 19. Explanations on Intangible Assets

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Establishment Costs	9.173	7.100	2.073	24.262	8.331	15.931
Goodwill	-	-	-	30.723	-	30.723
Intangible Rights	1.803.278	591.218	1.212.060	1.327.638	439.144	888.494
<b>Total</b>	<b>1.812.451</b>	<b>598.318</b>	<b>1.214.133</b>	<b>1.382.623</b>	<b>447.475</b>	<b>935.148</b>

### Disclosures for book value, description and remaining useful life for a specific intangible fixed asset that is material to the financial statements:

None.

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### Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition:

None.

### The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition:

None.

### The book value of intangible fixed assets that are pledged or restricted for use:

None.

### Amount of purchase commitments for intangible fixed assets:

None.

### Information on revalued intangible assets according to their types:

None.

### Amount of total research and development expenses recorded in income statement within the period if any:

None.

### Positive or negative consolidation goodwill on entity basis:

Not applicable for the consolidated financial statements.

### Information on Goodwill:

None.

### 20. Information on Deferred Tax Asset

Deferred tax is recognized on 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 in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

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. Calculated deferred tax assets and deferred tax liabilities are net off in the consolidated associates individual financial statements.

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions is shown below;

	Current Period	Prior Period
Deferred Tax Assets	3.590.528	2.204.701
Deferred Tax Liabilities	(2.735.544)	(1.052.306)
Net Deferred Tax Assets/(Liabilities)	854.984	1.152.395
Net Deferred Tax Income/(Expense)	205.147	1.291.258

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	Current Period	Prior Period
<b>Deferred Tax Asset</b>	<b>3.590.528</b>	<b>2.204.701</b>
Stage 1 and 2 TFRS 9 Expected Loss Provisions	1.982.864	1.169.393
Reserve for Employee Benefits	313.811	352.865
Other	1.293.853	682.443
<b>Deferred Tax Liabilities</b>	<b>2.735.544</b>	<b>1.052.306</b>
Financial Assets Valuation Differences	1.912.767	582.525
Real Estate Valuation Difference	509.930	395.527
Other	312.847	74.254
<b>Net Deferred Tax Asset</b>	<b>854.984</b>	<b>1.152.395</b>

As of 31 December 2020, deferred tax income amounting to TL 205.147 was classified on profit or loss table and deferred tax income amounting TL 225.511 was classified under shareholders' equity. (As of 31 December 2019, deferred tax income amounting to TL 1.291.258 was classified on profit or loss table and deferred tax income amounting TL 1.769.752 was classified under shareholders' equity).

### 21. Information on expected loss provisions for financial assets

	Current Period	Prior Period
Cash and Balances at Central Bank	6.322	1.784
Banks and Receivables from Money Markets	6.855	4.884
Financial Assets Measured at Amortized Cost	5.335	2.849
Other assets	74.615	36.563
<b>Total</b>	<b>93.127</b>	<b>46.080</b>

### 22. Information on Other Assets

As of 31 December 2020, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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### II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

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

##### 1.1 Information on Maturity Structure of Deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	48.014.520	-	7.562.276	91.260.511	20.510.140	2.843.804	5.568.085	209.210	175.968.546
Foreign Currency Deposits	90.996.954	-	23.352.900	103.448.833	17.035.980	13.237.413	40.367.364	10.170	288.449.614
Residents in Turkey	75.717.042	-	22.370.527	90.250.701	10.546.198	5.530.704	14.516.185	8.374	218.939.731
Residents Abroad	15.279.912	-	982.373	13.198.132	6.489.782	7.706.709	25.851.179	1.796	69.509.883
Public Sector Deposits	9.785.775	-	18.323.885	11.465.709	689.739	203.345	74.892	-	40.543.345
Commercial Deposits	17.896.366	-	22.287.509	32.520.742	548.261	3.587.070	2.241.276	-	79.081.224
Other Institutions Deposits	3.488.854	-	2.866.572	16.121.648	791.308	562.211	460.252	-	24.290.845
Precious Metals Deposit	37.776.374	-	726.639	7.339.550	539.658	369.773	304.493	-	47.056.487
Interbank Deposits	6.096.456	-	19.987.356	5.698.564	2.232.920	3.545.368	1.887.515	-	39.448.179
The CBRT	2.224	-	-	-	-	-	-	-	2.224
Domestic Banks	495.511	-	18.589.118	51.984	-	622	1.801.705	-	20.938.940
Foreign Banks	5.492.499	-	1.398.238	5.646.580	2.232.920	3.544.746	85.810	-	18.400.793
Participation Banks	106.222	-	-	-	-	-	-	-	106.222
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>214.055.299</b>	<b>-</b>	<b>95.107.137</b>	<b>267.855.557</b>	<b>42.348.006</b>	<b>24.348.984</b>	<b>50.903.877</b>	<b>219.380</b>	<b>694.838.240</b>

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	35.946.421	-	4.864.170	72.544.510	24.755.635	2.637.794	8.479.585	209.613	149.437.728
Foreign Currency Deposits	52.063.043	-	18.175.259	66.037.955	11.708.393	9.517.472	33.335.193	6.056	190.843.371
Residents in Turkey	41.780.061	-	16.810.247	54.930.745	7.372.052	4.039.827	10.453.621	4.746	135.391.299
Residents Abroad	10.282.982	-	1.365.012	11.107.210	4.336.341	5.477.645	22.881.572	1.310	55.452.072
Public Sector Deposits	10.526.687	-	5.339.736	6.184.135	730.143	1.839.551	63.037	-	24.683.289
Commercial Deposits	12.812.698	-	14.340.380	18.228.963	968.606	3.254.094	2.072.099	-	51.676.840
Other Institutions Deposits	2.262.330	-	2.228.721	6.252.734	3.733.631	459.868	384.466	-	15.321.750
Precious Metals Deposit	13.371.268	-	150.419	2.424.888	237.388	148.961	151.996	-	16.484.920
Interbank Deposits	3.205.124	-	18.063.433	5.064.292	3.851.471	764.408	531.900	-	31.480.628
The CBRT	2.389	-	-	-	-	-	-	-	2.389
Domestic Banks	304.149	-	17.620.986	250.734	120.458	2.130	-	-	18.298.457
Foreign Banks	2.255.836	-	442.447	4.168.269	3.459.312	762.278	531.900	-	11.620.042
Participation Banks	642.750	-	-	645.289	271.701	-	-	-	1.559.740
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>130.187.571</b>	<b>-</b>	<b>63.162.118</b>	<b>176.737.477</b>	<b>45.985.267</b>	<b>18.622.148</b>	<b>45.018.276</b>	<b>215.669</b>	<b>479.928.526</b>

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### 1.2. Information on Saving Deposits Under the Guarantee of the Saving Deposit Insurance Fund and Amounts Exceeding the Limit of the Deposit Insurance Fund

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
<b>Saving Deposits</b>				
Saving Deposits <sup>(1)</sup>	114.341.657	101.143.825	60.801.597	47.737.037
Foreign Currency Saving Deposits <sup>(1)</sup>	93.780.765	62.267.214	136.623.674	80.692.915
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under Foreign Authority Insurance <sup>(2)</sup>	2.089.213	1.381.203	638.133	263.633
Off-Shore Banking Regions' 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 562.575 and TL 30.001 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 511 (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 1.508.273 (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.

### 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 Parent 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	5.865	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	33.185	21.718
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	-	-

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### 2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	46.748	549	128.438	7.475
Swap Transactions	1.417.814	2.021.850	408.117	1.108.163
Futures Transactions	-	-	-	-
Options	-	-	-	8
Other	-	-	-	-
<b>Total</b>	<b>1.464.562</b>	<b>2.022.399</b>	<b>536.555</b>	<b>1.115.646</b>

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	1.165.521	5.113.189	1.294.374	4.437.534
From Foreign Banks, Institutions and Funds	228.249	30.661.592	373.530	28.152.999
<b>Total</b>	<b>1.393.770</b>	<b>35.774.781</b>	<b>1.667.904</b>	<b>32.590.533</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1.164.557	2.939.194	1.291.741	1.598.501
Medium and Long-Term	229.213	32.835.587	376.163	30.992.032
<b>Total</b>	<b>1.393.770</b>	<b>35.774.781</b>	<b>1.667.904</b>	<b>32.590.533</b>

#### 3.3. Further Information is Disclosed for the Areas of Group's Liability Concentrations, Main Liability Concentration Areas Fund Supplier Customers, Sector Groups or other Risk Concentration Criteria

68,22% of the Group's total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Group's liabilities are not subject to a significant concentration risk.

### 4. Information on Money Market Borrowings

	Short-Term		Short-Term	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>94.932.803</b>	<b>-</b>	<b>28.821.018</b>	<b>-</b>
Financial Institutions and Organizations	93.973.463	-	28.198.716	-
Other Institutions and Organizations	950.313	-	615.654	-
Real Person	9.027	-	6.648	-
<b>From Overseas Operations</b>	<b>-</b>	<b>23.569.739</b>	<b>-</b>	<b>20.473.527</b>
Financial Institutions and Organizations	-	23.569.739	-	20.473.527
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>94.932.803</b>	<b>23.569.739</b>	<b>28.821.018</b>	<b>20.473.527</b>

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### 5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	-	2.267.540	279.678
Asset-Backed Securities	4.017.250	-	2.482.999	-
Treasury Bonds	1.010.353	13.346.012	1.010.690	9.552.214
<b>Total</b>	<b>5.027.603</b>	<b>13.346.012</b>	<b>5.761.229</b>	<b>9.831.892</b>

### 6. If Other Liabilities Exceed 10% of the Balance Sheet Total, Name and Amount of Sub-Accounts Constituting at Least 20% of These Liabilities

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

### 7. Information on Finance Lease Liabilities (Net)

Information on finance lease liabilities represented in the table below

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	110.268	61.690	17.198	16.809
Between 1-4 Years	736.107	413.059	343.003	325.022
More than 4 Years	816.332	526.614	498.191	430.844
<b>Total</b>	<b>1.662.707</b>	<b>1.001.363</b>	<b>858.392</b>	<b>772.675</b>

### 8. Information on the hedging derivative financial liabilities

There are no hedging derivative financial liabilities.

### 9. Information on Provisions

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

There is no foreign exchange loss provisions on foreign currency indexed loans and finance lease receivables (31 December 2019: None).

#### 9.2. Liabilities on Employee Benefits Provision

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

The Group accounts for its vacation and termination benefit obligations in accordance with the TAS 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 December 2020, unpaid vacation liability amounted to TL 290.280 and employment termination amounted to TL 1.256.959 are presented under the "Employee Benefits Provision" in the financial statements (31 December 2019: unpaid vacation liability amounted to TL 275.049, and employment termination amounted to TL 1.052.901 are presented under the "Employee Benefits Provision" in the financial statements).

##### 9.2.2. Pension Rights

The technical balance sheet reports which are prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, by using a technical interest rate of 9,80%, concluded that no technical deficit arises in the mentioned fund as of 31 December 2020 and 31 December 2019.

The liability related to Bank's benefits to be transferred to SSI as of the balance sheet date is expected payment to be made to SSI during the transfer. Actuarial parameters and results used in calculation of this amount reflects the Act's, numbered 5754 declared in the Official Gazette dated 8 May 2008 numbered 26870, principles related to pension and health benefits to be transferred to SSI (9,80% real discount rate, etc.).

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According to related Actuary Report, the Fund's surplus is TL 7.663.184 as of 31 December 2020 (31 December 2019: TL 5.925.666).

	Current Period	Prior Period
Non-Medical Assets	4.310.644	3.295.264
Actual and Technical Overrun	7.663.184	5.925.666

The principal actuarial assumptions used are as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

The CSO 1980 Female/Male mortality table is used to represent the expected mortality rates before and after retirement.

The distribution of fund assets is as follows:

	Current Period	Prior Period
Bank placements	87.668	1.209.299
Property and equipment	381.205	380.707
Marketable securities	3.831.575	1.645.168
Other	10.196	60.090
<b>Total</b>	<b>4.310.644</b>	<b>3.295.264</b>

### 9.3. Information on Other Provisions

These financial statements include a free provision amounting to TL 3.505.000 which consist of TL 910.000 provided in prior year and TL 2.630.000 recognized and TL 35.000 reversed in the current period by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 40.750 and other provision of TL 157 exist for cash transfers made by Group officials. Expected credit loss amounting to TL 1.927.597 has been provided for the off-balance sheet items (31 December 2019: these financial statements include a free provision amounting to TL 982.000 which consist of TL 910.000 provided in prior year and TL 50.000 recognized in the current period and TL 122.000 reversed in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. Moreover, the provision of TL 37.000 and other provision of TL 217 exist for cash transfers made by Group officials. Expected credit loss amounting to TL 1.134.125 has been provided for the off-balance sheet items).

Regarding the Group's lawsuit files, a total amount of TL 92.766 provision has been provided in financial statements for the lawsuits against the Group which are not finalized yet. (31 December 2019: Based on the information provided by the legal department, TL 59.638 provision has been provided in financial statements for the lawsuits against the Group which are not finalized yet.)

### 10. Explanations on Tax Liability

#### 10.1. Explanations on Current Tax Liability

##### 10.1.1. Information on Taxes Payable

As of 31 December 2020, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 978.761 (As of 31 December 2019, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 1.034.189).

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### 10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	978.761	1.034.189
Taxation on Marketable Securities	286.356	358.954
Property Tax	1.862	3.356
Banking Insurance Transaction Tax (BITT)	261.298	262.241
Foreign Exchange Transaction Tax	20.902	7.643
Value Added Tax Payable	21.524	15.377
Other	157.295	142.774
<b>Total</b>	<b>1.727.998</b>	<b>1.824.534</b>

### 10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums - Employee	63	56
Social Security Premiums - Employer	93	76
Bank Social Aid Pension Fund Premium - Employee	17.743	15.201
Bank Social Aid Pension Fund Premium - Employer	26.008	22.271
Pension Fund Membership Fees and Provisions - Employee	2	1
Pension Fund Membership Fees and Provisions - Employer	4	1
Unemployment Insurance - Employee	1.384	1.180
Unemployment Insurance - Employer	2.768	2.360
Other	-	-
<b>Total</b>	<b>48.065</b>	<b>41.146</b>

### 10.2. Information on Deferred Tax Liabilities, if Any

The Group has TL 7.128 deferred tax liability (31 December 2019: TL 39.172).

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

The Group does not have any liabilities related to non-current assets held for sale and held from discontinued operations (31 Aralık 2019: TL 3.061.224).

### 12. Information on Subordinated Loan

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	13.816.234	-	10.103.295
Subordinated loans	-	768.037	-	537.338
Subordinated debt instruments	-	13.048.197	-	9.565.957
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>13.816.234</b>	<b>-</b>	<b>10.103.295</b>

<sup>(3)</sup> Subordinated loans are explained in detail in the Note "information about debt instruments included in total capital calculation" in Section Four.

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### 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, Explanations as to Whether the Registered Share Capital System is Applied, if so the Amount of Registered Share Capital Ceiling

The Parent 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 Ordinary 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.

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
21 May 2020	7.000.000	7.000.000	-	-

#### 13.4. Other Information on Capital Increases and Increased Share Capital with Reserves within 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 Parent Bank has no capital commitments.

#### 13.6. Effects on the Group's Equity of The Anticipation Based on the Financial Figures For Prior Periods Regarding the Group's Income, Profitability and Liquidity, and Uncertainties at These Indicators

In the current period, The Parent Bank follows its operations in line with the previous periods. The Parent 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 Parent Bank's performance and contributes to the profitability structure to be sustainable.

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

The Parent Bank has no preferred shares.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities under Common Control (Joint Ventures)	356.498	(24.632)	88	(2.046)
Valuation Difference	3.563.047	956.442	3.613.096	(1.160.750)
Foreign Currency Differences	2.262.057	187	2.008.638	14
<b>Total</b>	<b>6.181.602</b>	<b>931.997</b>	<b>5.621.822</b>	<b>(1.162.782)</b>

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### III. EXPLANATIONS AND NOTES TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

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

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

	Current Period	Prior Period
Asset Purchase Commitments	14.252.453	13.705.480
Subsidiaries and Associates Capital Contribution Commitments	3.150	7.500
Loan Granting Commitments	14.730.515	11.875.717
Commitments for Cheques Payments	5.098.875	3.852.943
Commitments for Credit Card Expenditure Limits	44.677.624	24.245.305
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	68.632	36.161
Tax and Fund Liabilities from Export Commitments	16.428	11.509
Other Irrevocable Commitments	21.014.255	14.103.945
<b>Total</b>	<b>99.861.932</b>	<b>67.838.560</b>

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

The Group has provided provision amounting to TL 1.927.597 for possible losses arising from the off-balance sheet items in the current period. (31 December 2019: TL 1.134.125).

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

	Current Period	Prior Period
Letters of Guarantee	124.706.662	101.167.423
Letters of Credit	24.663.278	20.393.036
Bank Acceptances	7.210.528	8.221.510
Endorsements	1.520.463	969.507
Other Guarantees	1.939.522	939.474
Other Collateral	13.550	5.210
<b>Total</b>	<b>160.054.003</b>	<b>131.696.160</b>

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

	Current Period	Prior Period
Letters of Certain Guarantees	72.970.790	72.268.479
Letters of Advance Guarantees	19.941.194	15.942.982
Letters of Temporary Guarantees	4.240.556	3.228.559
Letters of Guarantees Given to Customs Offices	1.714.398	1.631.521
Other Letters of Guarantees	25.839.724	8.095.882
<b>Total</b>	<b>124.706.662</b>	<b>101.167.423</b>

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

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

	Current Period	Prior Period
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>21.758.344</b>	<b>4.038.263</b>
With Original Maturity of One Year or Less	11.012.186	244.688
With Original Maturity of More than One Year	10.746.158	3.793.575
<b>Other Non-Cash Loans</b>	<b>138.295.659</b>	<b>127.657.897</b>
<b>Total</b>	<b>160.054.003</b>	<b>131.696.160</b>

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### 1.3.2 Information on Sectorial Risk Concentrations of Non-Cash Loans

	Current Period			
	TL	(%)	FC	(%)
Agricultural	507.654	1,01	438.330	0,40
Farming and Raising Livestock	321.356	0,64	196.998	0,18
Forestry	164.574	0,33	8.593	0,01
Fishing	21.724	0,04	232.739	0,21
Manufacturing	11.728.431	23,31	50.841.549	46,33
Mining and Quarrying	395.638	0,79	1.197.427	1,09
Production	7.787.279	15,48	44.059.268	40,15
Electric, Gas and Water	3.545.514	7,05	5.584.854	5,09
Construction	16.672.415	33,13	33.281.107	30,33
Services	20.867.045	41,47	23.955.254	21,83
Wholesale and Retail Trade	10.468.229	20,80	8.124.883	7,40
Hotel, Food and Beverage Services	459.514	0,91	1.247.769	1,14
Transportation and Telecommunication	2.645.879	5,26	5.943.787	5,42
Financial Institutions	5.039.936	10,02	6.382.920	5,82
Real Estate and Leasing Services	1.881.737	3,74	1.791.930	1,63
Self-employment Services	-	-	14.821	0,01
Education Services	180.068	0,36	236.028	0,22
Health and Social Services	191.682	0,38	213.116	0,19
Other	542.645	1,08	1.219.573	1,11
<b>Total</b>	<b>50.318.190</b>	<b>100,00</b>	<b>109.735.813</b>	<b>100,00</b>

	Prior Period			
	TL	(%)	FC	(%)
Agricultural	379.728	0,86	90.671	0,10
Farming and Raising Livestock	261.728	0,59	74.989	0,09
Forestry	110.387	0,25	-	-
Fishing	7.613	0,02	15.682	0,02
Manufacturing	9.795.557	22,18	40.728.500	46,53
Mining and Quarrying	422.531	0,96	399.387	0,46
Production	5.849.608	13,25	36.140.931	41,29
Electric, Gas and Water	3.523.418	7,98	4.188.182	4,78
Construction	13.937.992	31,56	23.655.531	27,02
Services	19.358.132	43,83	21.792.993	24,90
Wholesale and Retail Trade	8.540.121	19,34	7.240.722	8,27
Hotel, Food and Beverage Services	299.869	0,68	1.030.054	1,18
Transportation and Telecommunication	1.920.359	4,35	4.485.570	5,12
Financial Institutions	6.486.112	14,69	7.283.797	8,32
Real Estate and Leasing Services	1.711.352	3,88	1.462.091	1,67
Self-employment Services	-	-	-	-
Education Services	175.811	0,40	160.624	0,18
Health and Social Services	224.508	0,51	130.135	0,15
Other	692.283	1,57	1.264.773	1,44
<b>Total</b>	<b>44.163.692</b>	<b>100,00</b>	<b>87.532.468</b>	<b>100,00</b>

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### 1.3.3. Information on the Non-Cash Loans Classified Under Group I and Group II

Current Period	Group I		Group II	
	TL	FC	TL	FC
<b>Non-Cash Loans</b>	<b>49.022.985</b>	<b>105.385.915</b>	<b>1.092.794</b>	<b>3.861.945</b>
Letters of Guarantee	47.696.629	71.558.193	1.092.794	3.670.382
Bank Acceptances	122.254	7.084.468	-	3.806
Letters of Credit	997.868	23.479.556	-	184.154
Endorsements	99.000	1.417.860	-	3.603
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	107.234	1.845.838	-	-
<b>Prior Period</b>	<b>Group I</b>		<b>Group II</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Non-Cash Loans</b>	<b>43.187.161</b>	<b>85.228.406</b>	<b>736.294</b>	<b>1.804.495</b>
Letters of Guarantee	42.916.548	55.068.571	736.294	1.707.468
Bank Acceptances	9.724	8.168.054	-	43.732
Letters of Credit	255.679	20.082.800	-	53.295
Endorsements	-	969.507	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	5.210	939.474	-	-

### 2. Explanations on Derivative Transactions

	Current Period	Prior Period
<b>Types of Trading Transactions</b>		
<b>Foreign Currency Related Derivative Transactions: (I)</b>	309.272.806	208.427.026
Forward Transactions	5.018.987	8.185.376
Swap Transactions	302.953.741	200.211.116
Futures Transactions	1.300.078	-
Option Transactions	-	30.534
<b>Interest Related Derivative Transactions (II)</b>	54.425.306	44.356.644
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	54.425.306	44.356.644
Interest Rate Options	-	-
Interest Rate Futures	-	-
<b>Other Trading Derivative Transactions: (III)</b>	-	-
<b>A.Total Trading Derivative Transactions (I+II+III)</b>	<b>363.698.112</b>	<b>252.783.670</b>
<b>Types of Hedging Derivative Transactions</b>		
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Foreign Currency Investment Hedges	-	-
<b>B. Total Hedging Purposes Derivative Transactions</b>	-	-
<b>Total Derivative Transactions (A+B)</b>	<b>363.698.112</b>	<b>252.783.670</b>

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The Group has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption however; it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	(928.501)	1.392.896	104.104	-	269.733	838.232
- Inflow	113.856.312	31.752.995	8.159.164	1.972	1.285.076	155.055.519
- Outflow	(114.784.813)	(30.360.099)	(8.055.060)	(1.972)	(1.015.343)	(154.217.287)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	180.000	180.000	230.000	1.329.506	25.293.147	27.212.653
- Outflow	(180.000)	(180.000)	(230.000)	(1.329.506)	(25.293.147)	(27.212.653)
<b>Derivatives held for hedging</b>	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>114.036.312</b>	<b>31.932.995</b>	<b>8.389.164</b>	<b>1.331.478</b>	<b>26.578.223</b>	<b>182.268.172</b>
<b>Total Outflow</b>	<b>(114.964.813)</b>	<b>(30.540.099)</b>	<b>(8.285.060)</b>	<b>(1.331.478)</b>	<b>(26.308.490)</b>	<b>(181.429.940)</b>

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>Derivatives held for trading</b>						
Foreign exchange derivatives	96.759	72	(88.026)	670.220	18.819	697.844
- Inflow	70.164.588	25.482.460	6.821.765	1.357.757	735.865	104.562.435
- Outflow	(70.067.829)	(25.482.388)	(6.909.791)	(687.537)	(717.046)	(103.864.591)
Interest rate derivatives	-	-	-	-	-	-
- Inflow	40.000	-	387.353	597.136	21.153.833	22.178.322
- Outflow	(40.000)	-	(387.353)	(597.136)	(21.153.833)	(22.178.322)
<b>Derivatives held for hedging</b>	-	-	-	-	-	-
Foreign exchange derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total Inflow</b>	<b>70.204.588</b>	<b>25.482.460</b>	<b>7.209.118</b>	<b>1.954.893</b>	<b>21.889.698</b>	<b>126.740.757</b>
<b>Total Outflow</b>	<b>(70.107.829)</b>	<b>(25.482.388)</b>	<b>(7.297.144)</b>	<b>(1.284.673)</b>	<b>(21.870.879)</b>	<b>(126.042.913)</b>

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### 3. Explanations on Contingent Assets and Liabilities

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Group and otherwise, provision is provided based on the estimations.

The Group's liability resulting from the cheques given to its customers amounts TL 5.098.875 (31 December 2019: TL 3.852.943).

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

### 4. Explanations on Services in the Name of Others

The Group acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

## IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED PROFIT OR LOSS STATEMENT

### 1. Interest Income

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Interest on Loans <sup>(1)</sup></b>	<b>47.263.559</b>	<b>8.846.442</b>	<b>47.120.167</b>	<b>8.954.977</b>
Short Term Loans	9.595.908	794.095	14.600.368	938.635
Medium and Long Term Loans	36.455.889	8.044.912	31.372.831	8.007.002
Interest on Loans Under Follow-Up	1.211.762	7.435	1.146.968	9.340
Premiums Received from the Resource Utilization Support Fund	-	-	-	-

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

#### 1.2. Information on interest income on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank of the Republic of Turkey	-	-	91.929	-
From Domestic Banks	25.249	22.240	145.219	14.098
From Foreign Banks	29.151	56.798	35.952	68.236
From Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>54.400</b>	<b>79.038</b>	<b>273.100</b>	<b>82.334</b>

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### 1.3. Information on interest income on marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
From Fair Value Through Profit or Loss	179.595	1.520	26.986	5.404
Fair Value Through Other Comprehensive Income	11.564.004	3.278.853	9.087.193	1.750.061
Financial Assets Measured at Amortized Cost	1.376.172	919.960	779.495	572.300
<b>Total</b>	<b>13.119.771</b>	<b>4.200.333</b>	<b>9.893.674</b>	<b>2.327.765</b>

### 1.4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	118.872	2.595

### 2. Interest Expense

#### 2.1. Information on Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks <sup>(1)</sup></b>	<b>252.996</b>	<b>1.072.344</b>	<b>346.054</b>	<b>1.347.214</b>
Central Bank of the Republic of Turkey	2.428	-	-	-
Domestic Banks	99.668	249.866	193.418	263.851
Foreign Banks	150.900	822.478	152.636	1.083.363
From Abroad Headquarters and Branches	-	-	-	-
Other Institutions	-	-	36.726	17.988
<b>Total</b>	<b>252.996</b>	<b>1.072.344</b>	<b>382.780</b>	<b>1.365.202</b>

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

#### 2.2. Information on Interest Expenses Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	24.527	1.748

#### 2.3. Information on Interest Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expense on Securities Issued	671.377	1.251.732	867.553	889.893

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### 2.4. Maturity structure of the interest expense on deposits

Current Period	Time Deposit							Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year			
TL									
Bank Deposit	4	1.830.715	1.403	-	213	-	-	1.832.335	
Saving Deposit	-	635.805	7.750.711	2.798.171	250.707	997.549	20.833	12.453.776	
Public Sector Deposit	370	1.556.295	561.725	60.430	121.588	6.452	-	2.306.860	
Commercial Deposit	107	1.741.470	2.267.735	58.790	471.424	91.849	-	4.631.375	
Other Deposit	-	224.845	851.230	137.773	78.577	24.028	-	1.316.453	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>481</b>	<b>5.989.130</b>	<b>11.432.804</b>	<b>3.055.164</b>	<b>922.509</b>	<b>1.119.878</b>	<b>20.833</b>	<b>22.540.799</b>	
FC									
Foreign Currency Deposit	1.983	154.788	999.474	83.870	103.831	382.225	7	1.726.178	
Bank Deposit	11	36.116	20.897	6.753	8.865	7.859	-	80.501	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	4.709	17.692	1.824	1.796	1.467	-	27.488	
<b>Total</b>	<b>1.994</b>	<b>195.613</b>	<b>1.038.063</b>	<b>92.447</b>	<b>114.492</b>	<b>391.551</b>	<b>7</b>	<b>1.834.167</b>	
<b>Grand Total</b>	<b>2.475</b>	<b>6.184.743</b>	<b>12.470.867</b>	<b>3.147.611</b>	<b>1.037.001</b>	<b>1.511.429</b>	<b>20.840</b>	<b>24.374.966</b>	

Prior Period	Time Deposit							Cumulative Deposit	Total
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year			
TL									
Bank Deposit	2.197	2.624.159	19.650	4.501	460	472	-	2.651.439	
Saving Deposit	2.267	486.087	11.608.371	2.844.517	502.875	1.069.181	15.788	16.529.086	
Public Sector Deposit	447	657.399	696.629	134.889	325.190	20.357	-	1.834.911	
Commercial Deposit	696	1.116.282	1.806.122	160.757	708.932	57.739	-	3.850.528	
Other Deposit	7	181.008	679.938	532.356	188.129	88.721	-	1.670.159	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>5.614</b>	<b>5.064.935</b>	<b>14.810.710</b>	<b>3.677.020</b>	<b>1.725.586</b>	<b>1.236.470</b>	<b>15.788</b>	<b>26.536.123</b>	
FC									
Foreign Currency Deposit	2.298	320.882	1.238.164	140.764	158.016	493.441	6	2.353.571	
Bank Deposit	153	150.729	10.597	17.586	4.842	8.776	-	192.683	
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-	
Precious Metal Deposits	-	6.098	8.850	1.030	568	704	-	17.250	
<b>Total</b>	<b>2.451</b>	<b>477.709</b>	<b>1.257.611</b>	<b>159.380</b>	<b>163.426</b>	<b>502.921</b>	<b>6</b>	<b>2.563.504</b>	
<b>Grand Total</b>	<b>8.065</b>	<b>5.542.644</b>	<b>16.068.321</b>	<b>3.836.400</b>	<b>1.889.012</b>	<b>1.739.391</b>	<b>15.794</b>	<b>29.099.627</b>	

### 3. Explanations on Dividend Income

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss	27	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.727	17.522
Other <sup>(1)</sup>	560	8.450
<b>Total</b>	<b>7.314</b>	<b>25.972</b>

<sup>(1)</sup> Shows the Group's dividend income from subsidiaries, associates and entities under common control.

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### 4. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
<b>Profit</b>	<b>204.700.835</b>	<b>99.859.715</b>
Trading Gains on Securities	4.217.803	233.359
Gains on Derivative Financial Transactions	5.693.391	3.178.427
Foreign Exchange Gains	194.789.641	96.447.929
<b>Loss (-)</b>	<b>212.337.429</b>	<b>107.614.654</b>
Trading Losses on Securities	61.399	6.392
Losses on Derivative Financial Transactions	10.830.440	11.748.791
Foreign Exchange Losses	201.445.590	95.859.471

### 5. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 4.602.348 and income from sales of assets amounting to TL 279.210 (31 December 2019: significant portion of other operating income consists of reversal from prior period provisions amounting to TL 1.477.633, and income from sales of assets amounting to TL 123.539).

### 6. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provision	12.194.001	7.214.540
12 Month Expected Credit Loss (Stage 1)	1.690.665	801.062
Significant Increase in Credit Risk (Stage 2)	5.886.484	1.387.718
Non-Performing Loans (Stage 3)	4.616.852	5.025.760
Marketable Securities Impairment Provision	49	876
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	49	876
Associates, Subsidiaries and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other <sup>(1)</sup>	2.874.870	274.611
<b>Total</b>	<b>15.068.920</b>	<b>7.490.027</b>

<sup>(1)</sup> Includes free provision expense amounting to TL 2.630.000 in the current period (31 December 2019:None) (Note II.9.3 of Section Five).

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### 7. Information Related to Other Operating Expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	285.243	188.906
Bank Social Aid Fund Deficit Provision	16	-
Impairment Expenses of Tangible Assets	-	137
Depreciation Expenses of Tangible Assets	518.860	462.194
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	156.251	112.959
Impairment Expense of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses for Non-Current Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	4.169.018	2.998.934
Leasing Expenses on TFRS 16 Exceptions	82.699	116.339
Maintenance Expenses	158.628	131.899
Advertisement Expenses	279.065	284.997
Other Expenses	3.648.626	2.465.699
Loss on Sales of Assets	4.434	29.789
Other <sup>(1)</sup>	3.209.485	2.809.677
<b>Total</b>	<b>8.343.307</b>	<b>6.602.596</b>

<sup>(1)</sup> TL 1.417.753 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 1.017.684 consists of taxes, duties and charges expense (31 December 2019: TL 987.625 of other items consists of Saving Deposit Insurance Fund accrual expense, TL 906.212 consists of taxes, duties and charges expense)

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

The Group's compositions of the profit/loss before tax from the continuing operations are following :

	Current Period	Prior Period
Net Interest Income	37.478.197	27.815.733
Net Fees and Commissions Income	3.584.405	3.239.834
Other Operating Income	5.919.245	2.163.955
Dividend Income	7.314	25.972
Trading Profit/Loss (Net)	(7.636.594)	(7.754.939)
Personnel Expenses (-)	4.852.164	3.813.756
Expected Credit Loss (-)	12.194.001	7.214.540
Other Provision Expenses (-)	2.874.919	275.487
Other Operating Expenses (-)	8.343.307	6.602.596
Profit/Loss from Investments in Subsidiaries Consolidated based on Equity Method	57.258	84.273
<b>Current Period Profit/Loss from Continued Operations</b>	<b>11.145.434</b>	<b>7.668.449</b>

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The Group's compositions of the profit/loss before tax from the discontinued operations are following:

	Current Period	Prior Period
Income from Discontinued Operations	2.473.439	4.692.070
Expenses for Discontinued Operations (-)	535.466	2.890.574
<b>Profit/Loss Before Tax from Discontinued Operations</b>	<b>1.937.973</b>	<b>1.801.496</b>

### 9. Information on Tax Provision of Continued and Discontinued Operations

As of 31 December 2020, TL 3.348.927 of the Group's total tax provision expense consists of TL 3.554.074 of current tax expense and TL 205.147 of deferred tax expense (As of 31 December 2019, TL 1.776.755 of the Group's total tax provision expense consists of amounting to TL 3.068.013 current tax expense while remaining balances amounting to TL 1.291.258 consists of deferred tax income).

As of 31 December 2020, TL 81.405 of the Group's tax provision expense from discontinued operations consists of TL 78.057 of current tax expense from discontinued operations and TL 3.348 of deferred tax expense from discontinued operations (As of 31 December 2019, TL 340.887 of the Group's tax provision expense for held for sale and discontinued operations amounting to TL 335.716 is from current tax expense for held-for-sale and discontinued operations, and TL 5.171 for held-for-sale and discontinued operations is deferred. consists of tax revenue).

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

The Group's net profit after tax amounts to TL 7.796.507 (31 December 2019: TL 5.891.694) and net profit from discontinued operations is TL 1.856.568 (31 December 2019: 1.465.780).

### 11. Explanation on Net Profit/Loss

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

The Parent Bank mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, income are obtained by commissions taken from non-cash loans, other banking operations with insurance agencies.

#### 11.2. 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

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

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

### V. EXPLANATIONS AND NOTES RELATED TO THE CHANGES IN SHAREHOLDERS' EQUITY

#### 1. Explanations on the Issuance of Shares:

The decision to increase the capital to 13.100.000 TL was approved at the Extraordinary General Assembly meeting of the Bank held on 15 May 2020, the capital increase and the related amendment made in the related article of the Articles of Association was registered on 21 May 2020, and It was announced in the Trade Registry Gazette No. the recognition of the paid capital increase was made on 21 May 2020, based on the permission obtained from the BRSA.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

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

(Convenience translation of publicly announced consolidated financial statements originally issued in Turkish)

### 2. Explanations on Profit Distribution:

With the decision taken at the Parent Bank's Ordinary General Assembly Meeting held on 12 June 2020; Pursuant to Article 33 of the Articles of Association of the Bank on the Determination, Allocation and Distribution of Net Profit for the Period; Set aside legal reserves at the rate of 5% (245.479 TL) over the remaining TL 4.909.584 after deducting the deferred tax income amounting to TL 1.277.304 in accordance with the Circular No. 2004/3 of the BRSA from the net profit for the period of 6.186.888 TL, remaining 4.664.104 TL from TL 222.285, which is monitored in previous years' profits as per TAS 16, which is due to the real estate valuation differences, with the tax provision of 48.903 TL calculated in accordance with the Tax Law within the scope of the 5/1-e paragraph of the Corporate Tax Law No. 5520. 5% (5.064 TL) of legal reserves over the remaining TL 101.280 after deducting TL 72.102, which is 50% of the real estate sales income exemption base, transferring the remaining TL 96.216 to extraordinary reserves, which is 50% of the real estate sales earnings exemption base, and 72.102 TL, which should be monitored in a special fund account, was decided to be transferred to other reserves.

The Parent Bank plans to distribute its profit in 2020 in accordance with its articles of association. However, as of the date of preparation of the financial reports, no decision has been taken regarding profit distribution.

### 3. Profit Reserves:

As of the balance sheet date, the profit reserves were TL 58.720.828, legal reserves were TL 5.145.171, extraordinary reserves were TL 52.425.681 and other profit reserves were TL 1.149.976 (As of December 31, 2019, profit reserves were TL 52.325.076, and legal reserves were 5,089,581 TL. TL, extraordinary reserves were 46.531.906 TL and other profit reserves were 703.589 TL).

## VI. EXPLANATIONS ON CASH FLOW STATEMENTS

### 1. Explanations on the "Other" items and "The Effect of the Change in Foreign Currency on Cash and Cash Equivalent" item in the Cash Flow Statement

Operating Profit before Changes in Operating Assets and Liabilities" amounting to TL 21.675.973 is composed mainly from interest received from loans and securities amounting to TL 69.359.999 and interest paid to deposit and money market operations which is amounting to TL 33.250.585 Other earnings consists primarily net fee, commission income and other operation losses.

The effect of change in foreign exchange rates on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, TL 464.042 as of 31 December 2020 and amounts to TL 2.024.161 as of 31 December 2019

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

#### Period opening and end cash and cash equivalents balance

Period Opening	Current Period	Prior Period
Cash in TL and in Foreign Currency	7.825.560	5.159.473
Central Bank of the Republic of Turkey and Other Banks	23.603.766	22.885.886
Money Market Operations	621.769	250.087
<b>Total Cash and Cash Equivalents</b>	<b>32.051.095</b>	<b>28.295.446</b>
Period End	Current Period	Prior Period
Cash in TL and in Foreign Currency	6.672.363	7.825.560
Central Bank of the Republic of Turkey and Other Banks	35.726.081	23.603.766
Money Market Operations	603.790	621.769
<b>Total Cash and Cash Equivalents</b>	<b>43.002.234</b>	<b>32.051.095</b>

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## VII. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE PARENT BANK BELONGS TO

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

#### 1.1 Information Regarding Loans Belonging to the Risk Group of the Bank

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	317.906	87.558	-	-	-	-
Ending Balance	1.138.436	27.516	-	-	-	-
Interest and Commissions Income <sup>(1)</sup>	118.872	798	-	-	-	-

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	-	45.815	-	-	-	-
Ending Balance	317.906	87.558	-	-	-	-
Interest and Commissions Income <sup>(1)</sup>	2.595	-	-	-	-	-

#### 1.2. Information on Deposits of the Parent Bank's Risk Group

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Parent Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	111.739	27.657	-	-	-	-
Ending Balance	283.286	111.739	-	-	-	-
Interest Expense on Deposits <sup>(1)</sup>	24.527	1.748	-	-	-	-

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

None (31 December 2019: None).

#### 1.4. Information Regarding Benefits Provided to the Group's Key Management

Fees paid to the Group's key management amount to TL 47.234 (31 December 2019: TL 34.761).

## VIII. EXPLANATIONS AND NOTES RELATED TO POST-BALANCE SHEET MATTERS

Keskinoğlu Tavukçuluk ve Damızlık İşl. San. Tic. A.Ş.'s 39.3% shares were taken over from T. Vakıflar Bankası TAO, and the share of the Bank increased from 32.4% to 71.7%. The transfer transaction was registered on 12 January 2021 and announced in the Trade Registry Gazette dated 15 January 2021 and numbered 102462.

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### IX. EXPLANATIONS AND NOTES RELATED TO DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR AFFILIATES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK

#### 1. Information on the Parent Bank's Domestic and Foreign Branches and Foreign Representatives of the Bank

	Number	Number of Employees			
Domestic Branch <sup>(1)</sup>	1.728	24.585			
			<b>Country of Incorporation</b>		
Foreign Representative Office <sup>(2)</sup>	1	-	1- Iran		
				<b>Total Assets</b>	<b>Statutory Share Capital</b>
Foreign Branch <sup>(2)</sup>	1	4	1- England	10.743.849	512.399
	4	3	2- Bulgaria	1.380.759	128.025
	2	4	3- Iraq	1.041.526	367.165
	3	4	4- Greece	1.066.034	297.267
	1	3	5- Saudi Arabia	560.747	110.150
	4	-	6- Kosovo	734.619	90.081
	8	32	7- T.R. of Northern Cyprus	4.003.494	285.730
	1	3	8- Bahrain	24.881.615	36.717
Off-Shore Banking Region Branches	-	-	-	-	-

<sup>(1)</sup> Includes the employees of the domestic branches, including the employees of head office and regional management.<sup>(2)</sup> Excluding the local employees of the foreign branches.

#### 2. Information on The Parent Bank About Opening, Closing, Changing its Organization Considerably for Domestic and Foreign Branches and Foreign Representatives of the Bank:

In 2020, 1 new branch was opened in the country and 7 branches were closed.

### SECTION SIX

#### OTHER EXPLANATIONS

#### I. INFORMATION ON THE PARENT BANK'S RATING THAT HAS BEEN DETERMINED BY INTERNATIONAL RATING AGENCIES

Information on the assessment done by the international rating agencies Moody's Investors Service, Fitch Ratings and JCR Eurasia are as follows:

##### Moody's Investors Service: December 2020

Outlook	Negative
Long term Foreign Currency Deposit	B2
Short term Foreign Currency Deposit	Not-Prime
Long term Domestic Currency Deposit	B2
Short term Domestic Currency Deposit	Not-Prime
Long term Issuer Rating Foreign Currency	B2
Long term Issuer Rating Domestic Currency	B2
Baseline Credit Assessment	caa1
Adjusted Baseline Credit Assessment	caa1

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#### Fitch Ratings: September 2020

Foreign Currency Long Term	B+
Outlook	Negative
Foreign Currency Short Term	B
Domestic Currency Long Term	BB-
Outlook	Negative
Domestic Currency Short Term	B
National Long Term Rating	AA
Outlook	Stable
Support Rating	4
Support Rating Floor	B
Viability Rating	b+

#### JCR Eurasia: December 2020

Long Term International FC	BB +
Outlook	Negative
Long Term International LC	BB +
Outlook	Negative
Long Term National LC	AAA (Trk)
Outlook	Stable
Short Term International FC	B
Outlook	Negative
Short Term International LC	B
Outlook	Negative
Short Term National LC	A-1+ (Trk)
Sponsor Support	1
Stand Alone	A

### II. OTHER EXPLANATIONS ON THE GROUP'S OPERATIONS

None.

### SECTION SEVEN

#### EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

##### I. MATTERS TO BE EXPLAINED ON THE INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements prepared as of 31 December 2020 and for the fiscal period ending on the same date have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and presented preceding the consolidated financial statements of independent auditors' report dated 19 February 2021.

##### II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.