

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI
ANONİM ŞİRKETİ**

**CONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AS OF 30 JUNE 2022
WITH AUDITORS'S REVIEW REPORT**

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



AUDITOR’S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

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

Introduction

We have reviewed the consolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi (“the Bank”) and its consolidated subsidiaries (collectively referred to as “the Group”) at 30 June 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of Review

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



Basis for the Qualified Conclusion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 30 June 2022 include a free provision amounting to TL 14.119.000 thousand which consist of TL 3.730.000 thousand provided in prior periods, TL 10.389.000 thousand recognized in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the consolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi and its consolidated subsidiaries at 30 June 2022 and the results of its consolidated operations and its consolidated cash flows for the six-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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



Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 12 August 2022



Ziraat Bankası

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

THE CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 30 JUNE 2022

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

- GENERAL INFORMATION ABOUT THE 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
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

Within the framework of this six-month financial report, our consolidated financial statements of subsidiaries, associates and jointly controlled entities 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 Azerbaijan ASC
Ziraat Bank Montenegro AD
JSC Ziraat Bank Georgia
Ziraat Bank Uzbekistan JSC

ASSOCIATES

Arap Türk Bankası A.Ş.

ENTITIES UNDER COMMON CONTROL

Turkmen Turkish Joint Stock Commercial Bank

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

Burhaneddin TANYERİ
Chairman of the Board

Alpaslan ÇAKAR
Member of the Board,
CEO

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

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

Emrah GÜNDÜZ
Assistant General Manager for
Banking Operations and
Corporate Communications

Rehber BİRKAN
Senior Vice President of
Financial
Coordination and Reporting

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

Name-Surname/Title : Serkan ÖZKAN / Financial Statements 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
30 JUNE 2022**

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

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 Parent 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 the banking activities, belonged to the Republic of Türkiye 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 PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE PARENT BANK BELONGS TO

The total share capital of the Parent Bank is TL 34.900.000. This capital is divided into 34.900.000.000 registered share with a nominal value of TL 1 each and is fully paid. The Parent Bank's sole shareholder is the Turkish Wealth Fund.

The decision to increase the capital to TL 34.900.000 was approved at the Extraordinary General Assembly meeting of the Bank held on March 9, 2022, and the capital increase and the related amendment to the relevant article of the Articles of Association were registered on March 14, 2022. It was announced in the Trade Registry Gazette dated 14 March 2022 and numbered 10536. The accounting for the said capital increase was carried out on 14 March 2022, based on the permission obtained from the BRSA.

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

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

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.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2022**

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

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	34.900.000	100	34.900.000	-

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

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 30 June 2022, the Parent Bank carries its activities with a grand total of 1.727 domestic branches (31 December 2021: 1.727 domestic branches and 25 branches abroad which are London branch in England, Baghdad and Arbil branches in Iraq, Athens, Komotini, and Xanthi branches in Greece, Sofia, Plovdiv, Kardzhali, Varna and Burgas 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. In addition to 25 branches and a total of 1.752 branches, the Parent 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 of 30 June 2022, the Group has 27.770 employees (31 December 2021: 27.447).

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 JUNE 2022**

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

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

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

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

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

None.

SECTION TWO

Consolidated Financial Statements

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2022**

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

I-CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five I)	Current Period 30 June 2022			Prior Period 31 December 2021		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (NET)		209.467.620	444.066.322	653.533.942	165.396.524	401.313.694	566.710.218
1.1	Cash and Cash Equivalents		24.958.820	236.708.657	261.667.477	27.946.723	218.366.784	246.313.507
1.1.1	Cash and Balances with Central Bank	(1)	24.094.946	203.565.708	227.660.654	26.386.921	201.162.438	227.549.359
1.1.2	Banks	(4)	136.596	33.168.011	33.304.607	765.446	16.770.195	17.535.641
1.1.3	Money Markets Receivables		738.071	-	738.071	799.134	450.634	1.249.768
1.1.4	Expected Loss Provision (-)		10.793	25.062	35.855	4.778	16.483	21.261
1.2	Financial Assets at Fair Value Through Profit or Loss	(2)	2.864.330	27.457.623	30.321.953	2.020.029	26.531.093	28.551.122
1.2.1	Government Debt Securities		238.089	26.323.310	26.561.399	154.528	25.561.364	25.715.892
1.2.2	Equity Instruments		156.027	-	156.027	25.041	-	25.041
1.2.3	Other Financial Assets		2.470.214	1.134.313	3.604.527	1.840.460	969.729	2.810.189
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	(5),(6)	178.146.865	178.764.730	356.911.595	124.979.090	154.798.964	279.778.054
1.3.1	Government Debt Securities		176.736.494	177.496.527	354.233.021	123.483.145	153.859.483	277.342.628
1.3.2	Equity Instruments		320.801	64.019	384.820	313.821	51.962	365.783
1.3.3	Other Financial Assets		1.089.570	1.204.184	2.293.754	1.182.124	887.519	2.069.643
1.4	Derivative Financial Assets	(3)	3.497.605	1.135.312	4.632.917	10.450.682	1.616.853	12.067.535
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		3.497.605	1.135.312	4.632.917	10.450.682	1.616.853	12.067.535
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		808.596.716	419.117.087	1.227.713.803	558.002.814	329.838.000	887.840.814
2.1	Loans	(7)	779.403.512	376.337.938	1.155.741.450	569.903.237	294.948.693	864.851.930
2.2	Lease Receivables	(12)	6.078.679	6.421.657	12.500.336	4.090.120	5.476.486	9.566.606
2.3	Factoring Receivables		-	-	-	-	18.204	18.204
2.4	Other Financial Assets Measured at Amortized Cost	(8)	57.207.508	40.245.766	97.453.274	14.359.307	31.979.718	46.339.025
2.4.1	Government Debt Securities		57.074.594	39.930.868	97.005.462	14.243.051	31.755.026	45.998.077
2.4.2	Other Financial Assets		132.914	314.898	447.812	116.256	224.692	340.948
2.5	Expected Credit Loss (-)		34.092.983	3.888.274	37.981.257	30.349.850	2.585.101	32.934.951
III.	NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS (Net)	(15)	5.757.972	27.400	5.785.372	5.426.813	23.474	5.450.287
3.1	Held for Sale Purpose		5.757.972	27.400	5.785.372	5.426.813	23.474	5.450.287
3.2	Held from Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		1.093.054	575.595	1.668.649	1.226.842	513.257	1.740.099
4.1	Investments in Associates (Net)	(9)	542.383	12.038	554.421	466.171	10.087	476.258
4.1.1	Associates Valued Based on Equity Method		218.208	-	218.208	205.959	-	205.959
4.1.2	Unconsolidated Associates		324.175	12.038	336.213	260.212	10.087	270.299
4.2	Subsidiaries (Net)	(10)	431.049	19.246	450.295	641.049	16.416	657.465
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		431.049	19.246	450.295	641.049	16.416	657.465
4.3	Entities under Common Control (Joint Ventures) (Net)	(11)	119.622	544.311	663.933	119.622	486.754	606.376
4.3.1	Joint Ventures Valued Based on Equity Method		119.622	544.311	663.933	119.622	486.754	606.376
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	PROPERTY AND EQUIPMENT (Net)	(16)	13.582.996	1.439.477	15.022.473	12.308.429	1.191.686	13.500.115
VI.	INTANGIBLE ASSETS (Net)		1.876.451	152.516	2.028.967	1.555.241	121.892	1.677.133
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.876.451	152.516	2.028.967	1.555.241	121.892	1.677.133
VII.	INVESTMENT PROPERTY (Net)	(14)	1.307.531	-	1.307.531	1.268.500	-	1.268.500
VIII.	CURRENT TAX ASSET		25.117	16.655	41.772	24.273	56.563	80.836
IX.	DEFERRED TAX ASSET		5.286.059	2.809	5.288.868	2.943.674	47.845	2.991.519
X.	OTHER ASSETS (Net)	(20)	14.801.908	3.789.531	18.591.439	9.463.237	2.811.122	12.274.359
TOTAL ASSETS			1.061.795.424	869.187.392	1.930.982.816	757.616.347	735.917.533	1.493.533.880

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 30 JUNE 2022**

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

II- CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five II)	Current Period 30 June 2022			Prior Period 31 December 2021		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(1)	638.778.156	737.229.285	1.376.007.441	409.476.012	642.384.689	1.051.860.701
II.	FUNDS BORROWED	(3)	840.062	88.572.262	89.412.324	500.906	60.439.925	60.940.831
III.	MONEY MARKETS BORROWINGS	(4)	131.249.680	38.917.612	170.167.292	143.430.704	37.053.037	180.483.741
IV.	SECURITIES ISSUED (Net)	(5)	4.841.051	22.354.028	27.195.079	5.157.858	25.151.722	30.309.580
4.1	Bills		-	124.507	124.507	-	97.988	97.988
4.2	Asset Backed Securities		3.891.890	-	3.891.890	4.156.876	-	4.156.876
4.3	Bonds		949.161	22.229.521	23.178.682	1.000.982	25.053.734	26.054.716
V.	FUNDS		40.089	-	40.089	31.956	-	31.956
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		40.089	-	40.089	31.956	-	31.956
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(2)	2.010.136	4.998.852	7.008.988	1.273.552	2.428.525	3.702.077
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		2.010.136	4.998.852	7.008.988	1.273.552	2.428.525	3.702.077
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(7)	1.284.039	105.875	1.389.914	948.398	114.129	1.062.527
X.	PROVISIONS	(9)	21.759.502	718.489	22.477.991	9.278.734	512.274	9.791.008
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		2.292.599	19.352	2.311.951	1.766.511	11.961	1.778.472
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		19.466.903	699.137	20.166.040	7.512.223	500.313	8.012.536
XI.	CURRENT TAX LIABILITY	(10)	5.803.248	24.110	5.827.358	1.661.061	19.120	1.680.181
XII.	DEFERRED TAX LIABILITY	(10)	-	21.443	21.443	-	21.837	21.837
XIII.	LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "HELD FROM DISCONTINUED OPERATIONS" (Net)	(11)	-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(12)	-	26.588.584	26.588.584	-	22.741.964	22.741.964
14.1	Loans		-	2.204.391	2.204.391	-	1.314.363	1.314.363
14.2	Other Debt Instruments		-	24.384.193	24.384.193	-	21.427.601	21.427.601
XV.	OTHER LIABILITIES	(6)	39.555.535	5.897.763	45.453.298	24.089.118	5.675.240	29.764.358
XVI.	SHAREHOLDERS' EQUITY	(13)	183.905.589	(24.512.574)	159.393.015	107.946.273	(6.803.154)	101.143.119
16.1	Paid-in capital		34.900.000	-	34.900.000	13.100.000	-	13.100.000
16.2	Capital Reserves		-	-	-	-	-	-
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		-	-	-	-	-	-
16.3	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss		7.274.674	78.259	7.352.933	8.693.884	60.178	8.754.062
16.4	Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		46.635.225	(27.116.179)	19.519.046	9.797.763	(9.020.047)	777.716
16.5	Profit Reserves		74.103.064	2.525.346	76.628.410	66.408.996	2.156.715	68.565.711
16.5.1	Legal Reserves		5.980.365	107.010	6.087.375	5.611.495	65.239	5.676.734
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		67.963.665	110.832	68.074.497	60.658.319	63.332	60.721.651
16.5.4	Other Profit Reserves		159.034	2.307.504	2.466.538	139.182	2.028.144	2.167.326
16.6	Profit or (Loss)		19.365.476	-	19.365.476	8.355.475	-	8.355.475
16.6.1	Prior Periods' Profit or (Loss)		1.106.343	-	1.106.343	436.497	-	436.497
16.6.2	Current Period Profit or (Loss)		18.259.133	-	18.259.133	7.918.978	-	7.918.978
16.7	Minority Interest		1.627.150	-	1.627.150	1.590.155	-	1.590.155
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			1.030.067.087	900.915.729	1.930.982.816	703.794.572	789.739.308	1.493.533.880

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS
AS OF 30 JUNE 2022**

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

III- CONSOLIDATED STATEMENT OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 30 June 2022			Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		318.362.215	831.099.847	1.149.462.062	248.130.209	701.019.633	949.149.842
I. GUARANTEES AND WARRANTIES	(1)	102.193.604	295.375.210	397.568.814	64.309.001	227.996.203	292.305.204
1.1 Letters of Guarantee		93.086.724	186.946.015	280.032.739	61.275.279	145.438.377	206.713.656
1.1.1 Guarantees Subject to State Tender Law		3.167.883	36.082.429	39.250.312	2.086.436	30.435.739	32.522.175
1.1.2 Guarantees Given for Foreign Trade Operations		75.899.770	101.702.824	177.602.594	52.152.951	76.521.243	128.674.194
1.1.3 Other Letters of Guarantee		14.019.071	49.160.762	63.179.833	7.035.892	38.481.395	45.517.287
1.2 Bank Acceptances		1.361.332	13.879.675	15.241.007	211.032	11.757.674	11.968.706
1.2.1 Import Letter of Acceptance		1.361.332	13.874.628	15.235.960	211.032	11.754.283	11.965.315
1.2.2 Other Bank Acceptances		-	5.047	5.047	-	3.391	3.391
1.3 Letters of Credit		1.312.448	87.617.830	88.930.278	866.296	64.310.028	65.176.324
1.3.1 Documentary Letters of Credit		1.312.448	87.575.735	88.888.183	866.296	64.179.015	65.045.311
1.3.2 Other Letters of Credit		-	42.095	42.095	-	131.013	131.013
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		6.395.350	4.565.539	10.960.889	1.942.394	4.067.073	6.009.467
1.5.1 Endorsements to the Central Bank of Türkiye		6.395.350	4.565.539	10.960.889	1.942.394	4.067.073	6.009.467
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		20.750	2.366.151	2.386.901	14.000	2.419.706	2.433.706
1.9 Other Collaterals		17.000	-	17.000	-	3.345	3.345
II. COMMITMENTS		138.508.759	46.592.065	185.100.824	113.896.111	44.445.609	158.341.720
2.1 Irrevocable Commitments	(1)	138.508.759	21.133.241	159.642.000	113.896.111	26.387.386	140.283.497
2.1.1 Asset Purchase and Sales Commitments		9.148.370	15.168.274	24.316.644	6.171.884	18.645.704	24.817.588
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	3.150	-	3.150
2.1.4 Loan Granting Commitments		35.866.255	31.937	35.898.192	22.868.861	60.618	22.929.479
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques Payments		9.948.905	383	9.949.288	7.058.090	76	7.058.166
2.1.8 Tax and Fund Liabilities from Export Commitments		45.327	-	45.327	22.637	-	22.637
2.1.9 Commitments for Credit Card Limits		64.331.010	81.578	64.412.588	61.848.867	65.822	61.914.689
2.1.10 Commitments for Credit Cards and Banking Services Promotions		131.980	-	131.980	102.027	-	102.027
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		19.036.912	5.851.069	24.887.981	15.820.595	7.615.166	23.435.761
2.2 Revocable Commitments		-	25.458.824	25.458.824	-	18.058.223	18.058.223
2.2.1 Revocable Loan Granting Commitments		-	983.716	983.716	-	501.351	501.351
2.2.2 Other Revocable Commitments		-	24.475.108	24.475.108	-	17.556.872	17.556.872
III. DERIVATIVE FINANCIAL INSTRUMENTS		77.659.852	489.132.572	566.792.424	69.925.097	428.577.821	498.502.918
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		77.659.852	489.132.572	566.792.424	69.925.097	428.577.821	498.502.918
3.2.1 Forward Foreign Currency Buy/Sell Transactions		3.661.153	4.787.048	8.448.201	5.484.022	8.215.000	13.699.022
3.2.1.1 Forward Foreign Currency Transactions-Buy		3.317.653	1.078.704	4.396.357	2.461.616	4.354.090	6.815.706
3.2.1.2 Forward Foreign Currency Transactions-Sell		343.500	3.708.344	4.051.844	3.022.406	3.860.910	6.883.316
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		71.084.130	468.749.448	539.833.578	64.441.075	410.366.391	474.807.466
3.2.2.1 Foreign Currency Swap-Buy		7.847.803	211.689.260	219.537.063	4.980.360	194.149.164	199.129.524
3.2.2.2 Foreign Currency Swap-Sell		62.956.327	159.272.228	222.228.555	59.090.715	131.942.283	191.032.998
3.2.2.3 Interest Rate Swap-Buy		140.000	48.893.980	49.033.980	185.000	42.137.472	42.322.472
3.2.2.4 Interest Rate Swap-Sell		140.000	48.893.980	49.033.980	185.000	42.137.472	42.322.472
3.2.3 Foreign Currency, Interest rate and Securities Options		-	12.972.017	12.972.017	-	9.996.430	9.996.430
3.2.3.1 Foreign Currency Options-Buy		-	6.486.429	6.486.429	-	4.998.463	4.998.463
3.2.3.2 Foreign Currency Options-Sell		-	6.485.588	6.485.588	-	4.997.967	4.997.967
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		2.914.569	2.624.059	5.538.628	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	2.624.059	2.624.059	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		2.914.569	-	2.914.569	-	-	-
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. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2.534.366.108	796.191.626	3.330.557.734	2.023.689.677	621.895.957	2.645.585.634
IV. ITEMS HELD IN CUSTODY		348.970.084	192.882.576	541.852.660	268.786.682	128.563.910	397.350.592
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		25.244.004	70.766.067	96.010.071	18.330.909	54.004.146	72.335.055
4.3 Cheques Received for Collection		38.644.020	6.809.641	45.453.661	25.347.206	5.545.781	30.892.987
4.4 Commercial Notes Received for Collection		30.771.141	2.303.784	33.074.925	21.658.335	2.033.670	23.692.005
4.5 Other Assets Received for Collection		8.816	-	8.816	8.816	-	8.816
4.6 Assets Received for Public Offering		198.109.422	1.619.999	199.729.421	178.476.218	811.746	179.287.964
4.7 Other Items Under Custody		56.191.032	106.872.025	163.063.057	24.963.549	62.095.577	87.059.126
4.8 Custodians		1.649	4.511.060	4.512.709	1.649	4.072.990	4.074.639
V. PLEDGES RECEIVED		2.182.446.825	594.068.402	2.776.515.227	1.752.586.741	485.083.577	2.237.670.318
5.1 Marketable Securities		6.415.586	3.449.244	9.864.830	5.674.092	2.855.088	8.529.180
5.2 Guarantee Notes		38.324.532	20.238.645	58.563.177	26.821.920	15.320.366	42.142.286
5.3 Commodity		6.669.497	3.454.170	10.123.667	3.823.143	2.359.395	6.182.538
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		1.768.492.049	351.504.298	2.119.996.347	1.407.801.570	291.014.842	1.698.816.412
5.6 Other Pledged Items		362.539.952	215.362.267	577.902.219	308.460.807	173.485.771	481.946.578
5.7 Pledged Items-Depository		5.209	59.778	64.987	5.209	48.115	53.324
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		2.949.199	9.240.648	12.189.847	2.316.254	8.248.470	10.564.724
OFF-BALANCE SHEET TOTAL (A+B)		2.852.728.323	1.627.291.473	4.480.019.796	2.271.819.886	1.322.915.590	3.594.735.476

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 JUNE 2022**

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

IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1 January- 30 June 2022	Prior Period 1 January- 30 June 2021	Current Period 1 April- 30 June 2022	Prior Period 1 April- 30 June 2021
I. INTEREST INCOME	(1)	95.309.722	46.851.891	55.664.951	25.009.723
1.1 Interest on Loans		57.182.430	34.791.979	31.357.769	18.239.646
1.2 Interest on Reserve Requirements		516.409	587.626	100.848	377.963
1.3 Interest on Banks		333.281	91.813	225.682	46.778
1.4 Interest on Money Market Transactions		5.975	3.283	3.892	1.366
1.5 Interest on Marketable Securities Portfolio		36.437.437	10.955.502	23.581.788	6.159.285
1.5.1 Fair Value Through Profit or Loss		306.905	147.418	155.486	84.436
1.5.2 Fair Value through Other Comprehensive Income		28.617.336	9.545.388	17.872.769	5.360.041
1.5.3 Measured at Amortized Cost		7.513.196	1.262.696	5.553.533	714.808
1.6 Financial Lease Interest Income		499.398	221.071	292.927	113.601
1.7 Other Interest Income		334.792	200.617	102.045	71.084
II. INTEREST EXPENSE (-)	(2)	43.345.104	32.177.067	23.742.244	17.209.492
2.1 Interest on Deposits		32.057.148	20.884.415	17.975.689	11.054.456
2.2 Interest on Funds Borrowed		1.248.157	578.105	714.198	327.120
2.3 Interest Expense on Money Market Transactions		7.015.798	9.194.884	3.467.476	5.063.566
2.4 Interest on Securities Issued		1.698.075	1.209.327	836.877	620.094
2.5 Interest on Leases		114.606	67.779	64.323	36.317
2.6 Other Interest Expenses		1.211.320	242.557	683.681	107.939
III. NET INTEREST INCOME/EXPENSE (I - II)		51.964.618	14.674.824	31.922.707	7.800.231
IV. NET FEES AND COMMISSIONS INCOME		5.931.418	2.627.334	3.427.044	1.351.544
4.1 Fees and Commissions Received		8.255.051	3.611.374	4.937.417	1.887.055
4.1.1 Non-cash Loans		1.209.508	637.969	674.241	301.150
4.1.2 Other		7.045.543	2.973.405	4.263.176	1.585.905
4.2 Fees and Commissions Paid (-)		2.323.633	984.040	1.510.373	535.511
4.2.1 Non-cash Loans		377	172	144	65
4.2.2 Other		2.323.256	983.868	1.510.229	535.446
V. DIVIDEND INCOME		21.344	8.248	20.343	2.900
VI. TRADING PROFIT/(LOSS) (Net)	(3)	(2.709)	(4.941.447)	(279.407)	(2.484.563)
6.1 Trading Gains / (Losses) on Securities		451.699	76.237	(12.286)	75.425
6.2 Gains / (Losses) on Derivative Financial Transactions		(3.780.192)	(5.623.704)	(1.987.502)	(2.769.396)
6.3 Foreign Exchange Gains/(Losses)		3.325.784	606.020	1.720.381	209.408
VII. OTHER OPERATING INCOME	(4)	4.750.028	2.722.573	2.522.660	1.223.720
VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)		62.664.699	15.091.532	37.613.347	7.893.832
IX. EXPECTED CREDIT LOSS (-)	(5)	9.197.117	4.235.406	4.156.608	2.382.438
X. OTHER PROVISION EXPENSES (-)	(5)	14.872.214	163.365	12.762.410	42.623
XI. PERSONNEL EXPENSE (-)		4.573.751	2.784.826	2.227.572	1.441.503
XII. OTHER OPERATING EXPENSES (-)	(6)	7.026.103	4.624.258	3.509.015	2.412.157
XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)		26.995.514	3.283.677	14.957.742	1.615.111
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		74.706	41.027	40.942	27.576
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XV)	(7)	27.070.220	3.324.704	14.998.684	1.642.687
XVII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(8)	(8.786.086)	(954.722)	(4.414.624)	(613.135)
18.1 Current Tax Provision		(17.661.709)	(2.044.504)	(4.398.706)	(1.203.905)
18.2 Deferred Tax Expense Effect (+)		(1.976.551)	(369.887)	(1.094.134)	(184.562)
18.3 Deferred Tax Income Effect (-)		10.852.174	1.459.669	1.078.216	775.332
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(9)	18.284.134	2.369.982	10.584.060	1.029.552
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Non-Current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses for Non-Current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Entities under Common Control (Joint Ventures)		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT /(LOSS) (XIX+XXIV)	(10)	18.284.134	2.369.982	10.584.060	1.029.552
25.1 Profit /(Loss) from the Group		18.259.133	2.355.391	10.578.821	1.015.406
25.2 Profit /(Loss) from Minority Interest		25.001	14.591	5.239	14.146
Earnings/(Loss) per share (in TL full)		0,697	0,181	0,256	0,079

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME AS OF 30 JUNE 2022**

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

V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period 1 January-30 June 2022	Prior Period 1 January-30 June 2021
I.	PROFIT (LOSS)	18.284.134	2.369.982
II.	OTHER COMPREHENSIVE INCOME	17.324.035	(4.212.822)
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	(1.419.463)	(375.590)
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	(84.327)	(52.725)
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	(17.031)	235.844
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	(1.504.154)	(620.447)
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	186.049	61.738
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	18.743.498	(3.837.232)
2.2.1	Exchange Differences on Translation	885.251	395.729
2.2.2	Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	23.537.165	(5.799.801)
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	718.133	269.162
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	(6.397.051)	1.297.678
III.	TOTAL COMPREHENSIVE INCOME (I+II)	35.608.169	(1.842.840)

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 JUNE 2022

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

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						
					CURRENT PERIOD											
I. Prior Period End Balance 30 June 2022	13.100.000	-	-	-	6.983.490	219.940	1.550.632	4.396.571	(5.813.923)	2.195.068	68.565.711	8.355.475	-	99.552.964	1.590.155	101.143.119
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	13.100.000	-	-	-	6.983.490	219.940	1.550.632	4.396.571	(5.813.923)	2.195.068	68.565.711	8.355.475	-	99.552.964	1.590.155	101.143.119
IV. Total comprehensive income	-	-	-	-	(203.367)	(12.773)	(1.203.323)	885.251	17.140.114	718.133	-	-	18.259.133	35.583.168	25.001	35.608.169
V. Capital increase by cash	21.800.000	-	-	-	-	-	-	-	-	-	-	-	-	21.800.000	-	21.800.000
VI. Capital increase by internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) by other changes	-	-	-	-	-	-	(7.314)	-	(2.168)	-	492.011	347.204	-	829.733	11.994	841.727
XI. Profit distribution	-	-	-	-	-	-	25.648	-	-	-	7.570.688	(7.596.336)	-	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(2.820)	-	(2.820)	-	(2.820)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	7.532.637	(7.532.637)	-	-	-	-
11.3 Other	-	-	-	-	-	-	25.648	-	-	-	38.051	(60.879)	-	2.820	-	2.820
Balance at the end of the period (III+IV+.....+X+XI)	34.900.000	-	-	-	6.780.123	207.167	365.643	5.281.822	11.324.023	2.913.201	76.628.410	1.106.343	18.259.133	157.765.865	1.627.150	159.393.015

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

^(*)The exemption amounts of the gains arising from the sale of immovables and affiliate shares amounting to TL 2.140.022 related to the Corporate Tax Law article 5. 1. e. are monitored.

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 JUNE 2021

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

VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss			Profit Reserves	Prior Period Net Profit/(loss)	Current Period Net Profit/(loss)	Shareholders Equity Before Minority Interest	Minority Interest	Total Equity
					1	2	3 ^(*)	4	5	6						
					PRIOR PERIOD											
30 June 2021																
I. Prior Period End Balance	13.100.000	-	-	(17.745)	6.136.881	3.716	(553.770)	3.036.019	839.365	644.292	58.720.828	13.159.432	-	95.069.018	4.535	95.073.553
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	13.100.000	-	-	(17.745)	6.136.881	3.716	(553.770)	3.036.019	839.365	644.292	58.720.828	13.159.432	-	95.069.018	4.535	95.073.553
IV. Total comprehensive income	-	-	-	-	(47.226)	188.675	(517.039)	395.729	(4.502.123)	269.162	-	-	2.355.391	(1.857.431)	14.591	(1.842.840)
V. Capital increase by cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase by internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) by other changes	-	-	-	(3.031)	-	-	(901)	-	-	-	67.441	(68.064)	-	(4.555)	1.743.142	1.738.587
XI. Profit distribution	-	-	-	-	-	-	2.114.374	-	-	-	10.625.668	(12.740.042)	-	-	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	9.974.507	(9.974.507)	-	-	-	-
11.3 Other	-	-	-	-	-	-	2.114.374	-	-	-	651.161	(2.765.535)	-	-	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(20.776)	6.089.655	192.391	1.042.664	3.431.748	(3.662.758)	913.454	69.413.937	351.326	2.355.391	93.207.032	1.762.268	94.969.300

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

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

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

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 JUNE 2022

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

VII. CONSOLIDATED STATEMENT OF CASH FLOWS	Note	Current Period 1 January-30 June 2022	Prior Period 1 January-30 June 2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		18.492.568	1.881.225
1.1.1 Interest Received		80.505.138	42.652.538
1.1.2 Interest Paid		(37.425.745)	(31.246.769)
1.1.3 Dividend Received		21.344	8.248
1.1.4 Fees and Commissions Received		10.765.845	3.733.490
1.1.5 Other Income		2.260.135	716.453
1.1.6 Collections from Previously Written-off Loans and Other Receivables		3.062.043	1.636.913
1.1.7 Cash Payments to Personnel and Service Suppliers		(5.058.212)	(3.114.136)
1.1.8 Taxes Paid		(13.475.468)	(1.850.302)
1.1.9 Other		(22.162.512)	(10.655.210)
1.2 Changes in Operating Assets and Liabilities		(6.196.952)	12.289.336
1.2.1 Net (Increase) / Decrease in Financial Assets At Fair Value Through Profit Or Loss		(1.081.706)	(4.168.708)
1.2.2 Net (Increase) / Decrease in Due From Banks And Other Financial Institutions		(37.633.422)	(9.920.091)
1.2.3 Net (Increase) / Decrease in Loans		(234.727.483)	(29.173.461)
1.2.4 Net (Increase) / Decrease in Other Assets		(8.127.264)	282.572
1.2.5 Net Increase / (Decrease) in Bank Deposits		6.981.169	4.968.616
1.2.6 Net Increase / (Decrease) in Other Deposits		249.908.811	37.906.921
1.2.7 Net Increase / (Decrease) in Financial Liabilities At Fair Value Through Profit Or Loss		-	-
1.2.8 Net Increase / (Decrease) in Funds Borrowed		14.821.656	1.924.328
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities		3.661.287	10.469.159
I. Net Cash Provided from Banking Operation		12.295.616	14.170.561
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities		(49.198.735)	(16.089.581)
2.1 Cash Paid For Acquisition of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		(65.713)	(611.137)
2.2 Cash Obtained From Disposal of Investments, Associates, Subsidiaries and Entities under Common Control (Joint Venture)		211.700	-
2.3 Purchases of Property and Equipment		(1.562.493)	(1.005.665)
2.4 Disposals of Property and Equipment		1.138.058	458.699
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(30.655.252)	(33.703.221)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		19.901.294	16.354.313
2.7 Purchase of Financial Assets Measured at Amortized Cost		(39.058.529)	(188.723)
2.8 Sale of Financial Assets Measured at Amortized Cost		892.200	2.606.153
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		13.640.505	112.141
3.1 Cash Obtained from Funds Borrowed and Securities Issued		9.237.794	10.535.877
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(17.292.372)	(10.243.118)
3.3 Issued Equity Instruments		21.800.000	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(104.917)	(180.618)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		896.881	2.184.479
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		(22.365.733)	377.600
VI. Cash and Cash Equivalents at Beginning of the Period		110.121.556	43.002.234
VII. Cash and Cash Equivalents at End of the Period		87.755.823	43.379.834

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

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022**

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

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 Accounting Standards 34 (“TAS 34”) Interim Financial Reporting Standard and Turkish Financial Reporting Standards (“TFRS”) and (referred as “Turkish Accounting and Financial Reporting Regulations” or “Reporting Standards”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

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

While preparing the interim financial statements dated 30 June 2022, 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022**

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

As of 30 June 2022, due to the adverse effects of the COVID-19 pandemic, the Parent Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the 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 30 June 2022, the Parent Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

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 30 June 2022, by taking into account the change in probability of default and loss given default.

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

On 20 January 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards Accordingly, it has been stated that companies applying TFRS are not required to make any adjustments in their financial statements for 2021 within the scope of TAS 29 Financial Reporting in High Inflation Economies. As of 30 June 2022, no new announcement has been made by Public Oversight Accounting and Auditing Standards Authority (“POA”) in this context, and no inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 30 June 2022.

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

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

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

Changes in Accounting Policies

The Benchmark Interest Rate Reform, which brings amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, has been implemented. With the amendments made, certain exceptions are provided for the basis used in determining contractual cash flows and hedge accounting provisions. The Bank has participated in international protocols within the scope of IBOR transformation. The Benchmark Interest Rate Reform process continues and the Bank has been continuing to work within the scope of adaptation to the changes.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2022**

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

Main activity of the 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 Parent Bank’s main funding sources are deposits, repurchase agreements, issued securities and shareholders’ equity. The Parent Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Parent Bank’s liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Parent 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 cheque payments and commitments for credit card limits 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 Türkiye, 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.

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

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

For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Parent Bank’s subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 291.627 thousand (31 December 2021: EUR 288.527 thousand), which is associated with this purpose, from exchange rate risk effects arising from changes in foreign exchange rates, is presented in Section Four, article no VIII.

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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, considering 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 interests in the consolidated balance sheet are presented separately from the liabilities and shares of the Group shareholders. In addition, minority interests are presented separately in the profit or loss statement interest.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. INFORMATION ON CONSOLIDATED SUBSIDIARIES (Continued)

1. Consolidation Principles Applied (Continued)

1.1. Consolidation Principles for Subsidiaries (Continued)

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’s Share- Percentage (%)	Parent Bank’s Risk Group Share Percentage (%)
Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	Brokerage Houses	99,60	99,60
Ziraat Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Portfolio Management	74,90	99,80
Ziraat Katılım Bankası A.Ş.	İstanbul/Türkiye	Banking	100,00	100,00
Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul/Türkiye	Real Estate	81,06	81,06
Ziraat Girişim Sermayesi Ortaklığı A.Ş.	İstanbul/Türkiye	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	100,00
Kazakhstan Ziraat Int. Bank	Almaty/Kazakhstan	Banking	99,83	99,83
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 Joint Ventures

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 joint ventures 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 Percent age (%)	Group’s Share (%)
Turkmen Turkish Joint Stock Commercial Bank	Ashkhabad/Turkmenistan	Banking	50,00	50,00
Arap Türk Bankası A.Ş.	İstanbul/Türkiye	Banking	15,43	15,43

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. INFORMATION ON CONSOLIDATED SUBSIDIARIES (Continued)

1. Consolidation Principles Applied (Continued)

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.

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 measured at fair value through profit or/ loss or derivative financial liabilities measured at fair value through profit or/loss in the following periods of the recording. Differences in fair value as a result of the valuation are accounted for under profit/loss from derivative financial transactions and profit/loss from foreign exchange transactions in the commercial profit/loss item in the profit or loss statement.

The fair value of derivative instruments is calculated by considering 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 is recognized as gross carrying amount according to the effective interest rate method except for interest income from purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. The Parent 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 expenses from banking, agency and intermediary services are recognized as income/expense and conformant with TFRS 15 Revenue from Contracts with Customers on the date they are collected.

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

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

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 “Recognition and Derecognition.” Financial assets are measured at fair value at initial recognition in the financial statements. They are included in the balance sheet of the 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Classification and Measurement within the Scope of TFRS 9

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

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss 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.

Among the financial assets at fair value through profit or loss, Government Bonds and Treasury Bills traded in the BIST, the weighted average clearing prices formed in the BIST on the balance sheet date, and the financial assets not traded in the BIST, with the prices of the Central Bank of the Republic of Türkiye, Eurobonds Bench The transaction prices in the Upmarket and the funds in the Bank's portfolio are valued according to the fund price announced for the relevant day. Gains and losses resulting from the valuation are included in the profit/loss accounts.

Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

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

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

Financial Assets at Measured at Amortized Cost

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

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

Financial assets measured at fair value through other comprehensive income and measured at amortized cost portfolios of the Group 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. In this context, as of 30 June 2022, the valuation of the assets was made according to the annual 50% inflation forecast. At the end of the year, the actual inflation rate is used. A 1% increase in the CPI estimate will increase the profit before tax by TL 261.3 million as of 30 June 2022, while a 1% decrease will decrease it by TL 211.4 million.

Loans

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

Cash loans are accounted with their original balances in the accounts specified in Uniform Chart of Accounts and Prospectus according to their type, maturity, and collateral structures. Foreign exchange loans are recognized with fixed price and revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. The repayments of foreign exchange indexed loans, which were extended in TL at the Bank’s counter foreign exchange buying rate valid on the date of use, are collected in TL equivalents calculated over the Bank’s counter foreign exchange selling rate valid on the installment collection date.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

In addition, using expert opinion, the Bank has made provision on the model outputs for customer groups that it believed that the model did not statistically respond to credit risk factors and/or were affected by the COVID-19 outbreak. The reserve provision will be reviewed in the following reporting periods, considering the impact of the pandemic, the loan portfolio, and changes in future expectations.

Impairment

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

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

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

- 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:

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

12 Month Expected Credit Losses (Stage 1)

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

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

Significant Increase in Credit Risk (Stage 2)

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

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

Credit-Impaired Losses (Stage 3)

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

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

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

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

Probability of Default (PD)

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

Exposure at Default (EAD)

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

Loss Given Default (LGD)

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

Future Expectations

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

The Methodology of Behavioral Maturity Calculation

The loans in Stage 1, expected loss provision is calculated until their maturity for the ones which have less than one year to due date and for 1 year which have more than one year to due date. The loans in Stage 2, expected loss provision is calculated for lifetime (until maturity date) of the loan. In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing 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 "Regulation on the Amendment of the Regulation on the Classification of Loans and the Procedures and Principles Regarding the Classification of Loans and Provisions for These" entered into force with its publication in the Official Gazette No,31533 on 6 July 2021. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Group V Loan" (Loans Classified as Loss) within the period deemed appropriate by the bank specific to the situation of the debtor, if it cannot reasonably be expected to be recovered. Since the reporting period, it can be written-off from the records under TFRS 9. The write-off is an accounting policy and does not result in the waiver of the right to receivable.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

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

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

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

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

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

The assets acquired by the 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. Various events or circumstances may extend the completion time of the sale transaction beyond one year. Assets are continued to be classified as held for sale if there is sufficient evidence that the delay is due to events or conditions beyond the Bank's control and that the Bank's plan to sell the related asset (or disposal group) is in progress.

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 division of a business that is classified as disposed or held for sale. The results related to discontinuing operations are presented separately in the profit or loss statement. The 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 2021: None).

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

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

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

The 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%.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognized 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 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 leases	4-5	20-25%

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (Continued)

Ordinary maintenance and repair expenses 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 fixed assets.

XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties consist of assets held to earn rent and / or value increase. The mentioned 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 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.

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 Group 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

Leases in TFRS 16 (Continued)

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

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

Severance Pay and Leave Rights

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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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

Severance Pay and Leave Rights (Continued)

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

The Parent Bank uses independent actuaries in determining liability and makes assumptions about issues such as discount rate and inflation. As of 30 June 2022, retirement benefit obligation is TL 1.708.103 (31 December 2021: TL 1.393.410).

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

The Parent Bank recognize its actuarial profit and loss under shareholders’ equity in accordance with the revised TAS 19 Turkish Accounting Standard for Employee Benefits, which entered into force as of January 1, 2013. The Group has reclassified actuarial gain of TL 207.167 after deferred tax effect under shareholders’ equity in the financials (December 31, 2021: TL 219.940 gain).

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 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411; the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33.

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

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

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years.

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS (Continued)

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

The technical balance sheet report as of 31 December 2021 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

The corporate tax rate has been determined as 20%, effective as of 1 January 2006, with the Corporate Tax Law No. 5520, which was published in the Official Gazette dated 21 June 2006 numbered 26205.

However;

-With the temporary Article 10 added to the Corporate Tax Law on 5 December 2017, the 20% Corporate Tax in the first paragraph of Article 32 of this law has been applied as 22% for the corporate earnings of the companies for the 2018, 2019, 2020 taxation periods.

-In accordance with the regulation introduced with the Law No. 7316 on the "Law on the Collection of Public Claims and Amendments to Certain Laws", published in the Official Gazette dated April 22, 2021, while it is 25% to be applied to the corporate earnings for the 2021 taxation period and 23% to be applied to the corporate earnings of the 2022 taxation period,

-With the Law No. 7394 on Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 2022 and numbered 31810, corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. This provision entered into force on April 15, 2022 to be applied to corporate earnings for the 2022 taxation period. This amendment will be valid in the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of 1 July 2022. According to this; As of 30 June 2022, the corporate tax rate has been applied as 25% in the financial statements.

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

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

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

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XVIII. EXPLANATIONS ON TAXATION (Continued)

Current Tax (Continued)

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

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

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

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

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

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

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XVIII. EXPLANATIONS ON TAXATION (Continued)

Current Tax (Continued)

Tax rates used in tax calculation considering the related countries’ tax legislation as of 30 June 2022 are presented below:

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

Deferred Tax

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

In accordance with the Law No. 7316 published in the Official Gazette dated April 22, 2021, the corporate tax rate has been increased to 25% for the taxation period of 2021, starting from the declarations that must be submitted as of July 1, 2021 and being valid for the taxation period starting from January 1, 2021, it was announced that this rate would be applied as 23% for the taxation period of 2022 and 20% for the taxation periods of 2023 and beyond. However, with the Law No. 7394 on the Evaluation of Immovable Property Owned by the Treasury and Amending the Value Added Tax Law, which was published in the Official Gazette dated April 15, 2022 and numbered 31810, and the Law on Amendments to Some Laws and Decree-Laws, Article 26 With the paragraph added to the temporary article 13 of the Corporate Tax Law No. 5520, it is stated that the Corporate Tax rate will be rearranged for the corporate earnings of the 2022 taxation period and the tax rate will be applied as 25% for the banks.

Deferred tax liability or assets are determined by calculating the tax effects of the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, according to the balance sheet method, taking into account the enacted tax rates. In the calculation of deferred tax, the Bank estimates the time when temporary differences will be taxable/deductible and uses enacted tax rates as of the balance sheet date in accordance with the current tax legislation. As the deferred tax assets or liabilities within the scope of TAS 12 are calculated based on the tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using the tax rates expected to be applied in the periods when the assets are converted into income or the liabilities are paid, the Parent Bank has made deferred tax calculations based on rate 25% on assets and liabilities as of June 30, 2022. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future. Except for goodwill or business combinations, deferred tax liability or asset is not calculated for temporary timing differences arising from the initial recognition of assets or liabilities and which do not affect both commercial and financial profit or loss.

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

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

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XVIII. EXPLANATIONS ON TAXATION (Continued)

Deferred Tax (Continued)

Deferred tax assets and liabilities are reflected in the consolidated financial statements by offsetting in the separate financial statements of the consolidated subsidiaries.

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 1 January 2018. Deferred rate calculation for free provisions is not calculated.

XIX. 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.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by the Group.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS

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

XXIII. CASH AND CASH EQUIVALENTS

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. 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 IX of Section Four.

XXV. EXPLANATIONS ON OTHER MATTERS

Profit Distribution of the Parent Bank

According to the Bank's Ordinary General Assembly Meeting dated on 25 March 2022;

In accordance with paragraph 1 of Article 33 of the Bank's Articles of Association regarding the determination, allocation and distribution of net profit for the period; has been set aside 5% (TL 314.565) of the remaining legal reserve from the net profit of TL 6.291.309,

Real estate sales revenue exception calculated in accordance with the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520 after deducting 50% of its base, TL 4.685, which is the portion associated with the profit for the period, is taken into a special fund account under the shareholders' equity to be followed up until the end of the 5th year following the year of the sale, the remaining TL 5.972.059 is transferred to extraordinary reserves,

TL 20.963, which is 50% of the real estate sales income exemption base calculated according to the TPL within the scope of the 5/1-e clause of the Corporate Tax Law no. 5520, out of TL 63.699, which arises from real estate valuation differences and is monitored in the profit of previous years as required by TAS-16 to be monitored until the end of the fifth year following the year in which the sale was made, to a special fund account under equity, 5% (TL 2.137) of the remaining TL 42.736 to be allocated as legal reserves, and the remaining TL 40.599 to be decided to transfer to extraordinary reserves.

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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 these, the following regulations of the BRSA.

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 28 April 2022 and numbered 10188, the Central Bank's foreign exchange buying rate of 31 December 2021 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.
- Within the framework of the regulation dated December 21, 2021 No. 9996, if the net valuation differences of the securities held by banks in the portfolio of “Financial Assets at Fair Value through Other Comprehensive Income” are negative, these differences may not be taken into consideration in the calculation of equity amount. The said exception was not used in the calculation of equity on 30 June 2022.

As of 30 June 2022, the Parent Bank's total regulatory capital has been calculated as TL 196.225.999 (31 December 2021: TL 135.084.119), capital adequacy ratio is 14,85% (31 December 2021: 15,66%). This ratio is well above the minimum ratio required by the legislation.

1. Information Related to The Components of Shareholders' Equity

	Current Period 30 June 2022	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	34.900.000	-
Share issue premiums	-	-
Reserves	76.628.410	-
Gains recognized in equity as per TAS	53.790.889	-
Profit	19.365.476	-
Current Period Profit	18.259.133	-
Prior Period Profit	1.106.343	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	197.269	-
Minority Interest	1.609	-
Common Equity Tier 1 Capital Before Deductions	184.883.653	-
Deductions from Common Equity Tier 1 Capital		
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	27.116.179	-
Improvement costs for operating leasing	110.045	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	2.028.967	2.028.967
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	-	-

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

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

	Current Period 30 June 2022	Amount as per the regulation before 01/01/2014*
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	29.255.191	-
Total Common Equity Tier I Capital	155.628.462	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	26.127.167	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the secondary capital	-	-
Third parties' share in the secondary capital (Covered by Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	26.127.167	-
Deductions from Additional Tier I Capital	-	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items to be defined by the BRSA (-)	-	-
Transition from the Core Capital to Continue to deduct Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
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 (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	26.127.167	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	181.755.629	-
TIER II CAPITAL		
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)	14.496.731	-
Tier II Capital Before Deductions	14.496.731	-
Deductions from Tier II Capital	-	-
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 (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	14.496.731	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	196.252.360	-

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

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

	Current period 30 June 2022	Amount as per the regulation before 01/01/2014**
Total Capital (The sum of Tier I Capital and Tier II Capital)	196.252.360	-
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	26.361	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
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	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	196.225.999	-
Total Risk Weighted Assets	1.321.865.637	-
CAPITAL ADEQUACY RATIOS		
Consolidated CET 1 Capital Ratio (%)	11,77	-
Consolidated Tier I Capital Ratio (%)	13,75	-
Consolidated Capital Adequacy Ratio (%)	14,85	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	4,56	-
a) Capital conservation buffer requirement (%)	2,5	-
b) Bank specific countercyclical buffer requirement (%)	0,06	-
c) Higher bank buffer requirement ratio (%) (**)	2	-
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	7,27	-
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	286.155	-
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	120.312	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	5.288.868	-
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per the thousand)	26.349.559	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	14.496.731	-
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	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1,2018-1.1,2022)		
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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**I. EXPLANATIONS ON THE COMPONENTS OF CONSOLIDATED SHAREHOLDERS’
EQUITY (Continued)**

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

	Prior Period 31 December 2021	Amount as per the regulation before 01/01/2014
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	13.100.000	-
Share issue premiums	-	-
Reserves	68.565.711	-
Gains recognized in equity as per TAS	18.413.122	-
Profit	8.355.475	-
Current Period Profit	7.918.978	-
Prior Period Profit	436.497	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	138.703	-
Minority Interest	923	-
Common Equity Tier 1 Capital Before Deductions	108.573.934	-
Deductions from Common Equity Tier 1 Capital		
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	3.209.640	-
Improvement costs for operating leasing	76.178	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.677.133	1.677.133
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 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	-	-

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

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

	Prior Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier I Capital	4,962,951	-
Total Common Equity Tier I Capital	103,610,983	-
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	21,860,635	-
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)	-	-
Additional Tier I Capital before Deductions	21,860,635	-
Deductions from Additional Tier I Capital		
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 (-)	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
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 (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	21,860,635	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	125,471,618	-
TIER II CAPITAL		
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)	9,628,527	-
Tier II Capital Before Deductions	9,628,527	-
Deductions from Tier II Capital		
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 (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	9,628,527	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	135,100,145	-

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

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

	Prior Period 31 December 2021	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	135.100.145	-
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	16.026	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
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 (-)	-	-
CAPITAL	-	-
Total Capital (Total of Tier I Capital and Tier II Capital)	135.084.119	-
Total Risk Weighted Assets	862.578.752	-
CAPITAL ADEQUACY RATIOS	-	-
Consolidated CET 1 Capital Ratio (%)	12,01	-
Consolidated Tier I Capital Ratio (%)	14,55	-
Consolidated Capital Adequacy Ratio (%)	15,66	-
BUFFERS	-	-
Total additional core capital requirement ratio (a+b+c)	4,56	-
a) Capital conservation buffer requirement (%)	2,5	-
b) Bank specific countercyclical buffer requirement (%)	0,06	-
c) Higher bank buffer requirement ratio (%)	2	-
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	7,51	-
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	251.635	-
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	95.387	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	2.991.519	-
Limits for Provisions Used in Tier II Capital Calculation	-	-
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)	19.856.675	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	9.628.527	-
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	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 01 January 2018- 01 January 2022)	-	-
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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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

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

2. Items Included in Capital Calculation

Information about instruments included in total capital calculation-Current Period	
Issuer	T.C Ziraat Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital and Communiqué on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and /or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	24.164
Nominal value of instrument (TL million)	24.164
Accounting classification of the instrument	347001- Subordinated Debts
Original date of issuance	24.04.2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA. a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24.04.2024
Interest/dividend payment	
Fixed or floating coupon/dividend payments	Fixed
Coupon rate and any related index	First 5 years fixed 5,076%, next 5 years MS + 5,031% fixed
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	Yes. Article 7 of the Regulation on Bank Capital
If bond can be written-down, full or partial	Has full or partial write down feature
If bond can be written-down, permanent or temporary	Has permanent or temporary write down feature
If temporary write-down, description of write-up mechanism.	Has-write up mechanism
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.
Details of incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

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

2. Items Included in Capital Calculation (Continued)

Information about instruments included in total capital calculation-Current Period	
Issuer	Turkish Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	Regulation on Equities of Banks published in the Official Gazette on September 5, 2013
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and /or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1.355
Nominal value of instrument (TL million)	1.736
Accounting classification of the instrument	347001- Subordinated Debts
Original date of issuance	24.04.2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (it is subject to BRSA permission.)
Subsequent call dates, if applicable	-
Interest/dividend payment	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	If the CET 1 Capital adequacy ratio or the consolidated CET 1 Capital ratio falls below 5.125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of 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)	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.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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(Continued)**

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

2. Items Included in Capital Calculation (Continued)

Information about instruments included in total capital calculation-Current Period	
Issuer	Turkish Wealth Fund.
Identifier (CUSIP, ISIN vb.)	-
Governing law (s) of the instrument	Regulation on Equities of Banks published in the Official Gazette on September 5, 2013.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	None
Eligible on unconsolidated and /or unconsolidated basis	Eligible on consolidated and unconsolidated
Instrument type	Additional Capital
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	609
Nominal value of instrument (TL million)	990
Accounting classification of the instrument	347000- Subordinated Debts
Original date of issuance	09.03.2022
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Option date is 5 years, (it is subject to BRSA permission.)
Subsequent call dates, if applicable	-
Interest/dividend payment	
Fixed or floating coupon/dividend payments	None
Coupon rate and any related index	None
Existence of any dividend payment restriction	None
Fully discretionary, partially discretionary or mandatory	None
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	None
Convertible into equity shares	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, type of instrument convertible into	None
If convertible, issuer of instrument to be converted into	None
Write-down feature	
If bonds can be written-down, write-down trigger(s)	If the CET 1 Capital adequacy ratio or the consolidated CET 1 Capital ratio falls below 5.125 percent
If bond can be written-down, full or partial	Yes
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of 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)	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.
Details of incompliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 7 of the Regulation on Bank Capital.

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

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

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

	Current Period	Prior Period
Balance Sheet - Equity	159.393.015	101.143.119
Operational Leasing Development Costs	(110.045)	(76.178)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(2.028.967)	(1.677.133)
TIER 2 Capital (Provisions)	14.496.731	9.628.527
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	26.127.167	21.860.635
Other deductions from common equity	(26.361)	(16.026)
Minority interest	(1.625.541)	(1.589.232)
Other regulations	-	5.810.407
Amount recognized in regulatory capital	196.225.999	135.084.119

II. 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 Director**

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

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

None.

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(Continued)**

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)

3. Management Policy for Foreign Currency Risk

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

4. Current Foreign Exchange Bid Rates of The 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
23.06.2022	17,1946	18,1059	11,8918	2,4342	1,6898	17,9503	13,2664	1,7276	21,0977	4,5825	12,7907
24.06.2022	17,1963	18,1266	11,9394	2,4363	1,6972	18,0179	13,3150	1,7418	21,1343	4,5827	12,7220
27.06.2022	16,3756	17,3483	11,3647	2,3324	1,6266	17,1239	12,7159	1,6717	20,1354	4,3631	12,1166
28.06.2022	16,4687	17,3036	11,3914	2,3263	1,6245	17,1925	12,7882	1,6747	20,0736	4,3881	12,0889
29.06.2022	16,4617	17,2469	11,3207	2,3184	1,6150	17,2736	12,7878	1,6695	19,9483	4,3876	12,0273
30.06.2022	16,5243	17,2597	11,3787	2,3212	1,6116	17,2704	12,8145	1,6712	20,0804	4,4043	12,1610

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
16,8334	17,7785	11,8190	2,3904	1,6774	17,3656	13,1316	1,7256	20,7355	4,4869	12,5666

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

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)

6. Information on The Foreign Currency Risk of The Group

	EUR	USD	Other FC	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Türkiye	84.957.571	82.931.676	35.670.885	203.560.132
Banks ⁽⁷⁾	10.051.248	17.738.164	5.359.113	33.148.525
Financial Assets at Fair Value Through Profit and Loss	-	1.149.658	26.307.965	27.457.623
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	12.921.124	165.428.519	415.087	178.764.730
Loans ⁽¹⁾⁽⁶⁾	165.215.335	203.270.532	10.634.430	379.120.297
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	-	544.312	31.283	575.595
Financial Assets Measured at Amortised Cost	30.966.879	9.160.222	110.420	40.237.521
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	299.061	5.886	1.134.530	1.439.477
Intangible Assets	51.462	8.438	92.616	152.516
Other Assets ⁽³⁾	1.723.012	2.395.051	753.199	4.871.262
Total Assets ⁽⁴⁾	306.185.692	482.632.458	80.509.528	869.327.678
Liabilities				
Interbank Deposits	31.717.854	4.779.099	2.931.269	39.428.222
Foreign Currency Deposits	308.438.985	282.108.908	107.253.170	697.801.063
Money Market Borrowings	-	38.917.612	-	38.917.612
Funds Provided from Other Financial Institutions	34.052.772	52.803.745	1.715.745	88.572.262
Issued Marketable Securities ⁽⁵⁾	24.384.193	21.948.136	405.892	46.738.221
Miscellaneous Payables	1.105.515	1.102.795	386.323	2.594.633
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	4.423.152	6.381.507	571.631	11.376.290
Total Liabilities	404.122.471	408.041.802	113.264.030	925.428.303
Net Balance Sheet Position	(97.936.779)	74.590.656	(32.754.502)	(56.100.625)
Net Off-Balance Sheet Position ⁽²⁾	98.354.451	(86.561.542)	40.619.383	52.412.292
Financial Derivative Assets	114.564.768	109.677.279	46.530.385	270.772.432
Financial Derivative Liabilities	16.210.317	196.238.821	5.911.002	218.360.140
Non-Cash Loans	101.075.818	169.589.140	24.710.252	295.375.210
Prior Period				
Total Assets	253.299.389	413.574.708	69.264.835	736.138.932
Total Liabilities	350.705.225	349.953.009	95.884.228	796.542.462
Net Balance Sheet Position	(97.405.836)	63.621.699	(26.619.393)	(60.403.530)
Net Off-Balance Sheet Position ⁽²⁾	100.986.295	(70.381.915)	32.096.177	62.700.557
Financial Derivative Assets	114.544.132	92.671.196	38.423.861	245.639.189
Financial Derivative Liabilities	13.557.837	163.053.111	6.327.684	182.938.632
Non-Cash Loans	82.654.563	128.029.712	17.311.928	227.996.203

(1) TL 133.883 (31 December 2021: TL 133.697) equivalent of loans granted is USD and TL 106.848 (31 December 2021: TL 140.542) equivalent of EUR balance is caused by foreign currency indexed loans

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

(3) Prepaid expenses in other assets amounting to TL 100.445 are not included in the table.

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

(5) Includes subordinated debt instruments.

(6) Includes receivables from lease transactions and factoring receivables.

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

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II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (Continued)

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

Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the six-month accounting periods ending on 30 June 2022 and 30 June 2021 is shown in the table below.

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

	Current Period – 30 June 2022		Prior Period - 30 June 2021	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	(987.857)	(1.269.220)	(311.925)	(442.112)
EUR	282.450	(133.695)	(127.696)	(369.232)
Other currencies	257.456	257.456	150.893	150.893
Total (Net) (**)	(447.951)	(1.145.459)	(288.728)	(660.451)

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

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

The effect of 10% appreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for six-month accounting periods ending on 30 June 2022 and 30 June 2021 is shown in the table below:

	Current Period - 30 June 2022		Prior Period - 30 June 2021	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	987.857	1.269.220	311.925	442.112
EUR	(282.450)	133.695	127.696	369.232
Other currencies	(257.456)	(257.456)	(150.893)	(150.893)
Total (Net) (**)	447.951	1.145.459	288.728	660.451

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

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

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III. 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
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	29.728.277	-	-	-	-	197.919.267	227.647.544
Banks ⁽⁸⁾	2.185.702	277.191	531.882	87.837	1.863	30.197.440	33.281.915
Financial Assets at Fair Value Through Profit and Loss	43.826	95.691	107.535	26.350.055	14.864	3.709.982	30.321.953
Money Markets Receivables	738.018	-	-	-	-	-	738.018
Financial Assets at Fair Value Through Other Comprehensive Income	67.359.484	49.810.061	60.458.311	117.870.059	59.744.949	1.668.731	356.911.595
Loans Given ^{(3) (7)}	282.101.034	124.453.809	295.732.252	312.768.342	110.863.852	4.362.037	1.130.281.326
Financial Assets Measured at Amortised Cost	3.937.630	5.185.929	40.112.140	37.086.654	11.110.124	-	97.432.477
Other Assets ⁽²⁾	1.325.258	1.702.847	1.020.388	509.970	702.257	49.107.268	54.367.988
Total Assets ^{(1) (5)}	387.419.229	181.525.528	397.962.508	494.672.917	182.437.909	286.964.725	1.930.982.816
Liabilities							
Interbank Deposits	38.125.064	6.118.198	14.759.237	2.139.386	-	8.975.182	70.117.067
Other Deposits	491.635.185	265.691.071	71.319.976	5.040.891	5.542.558	466.660.693	1.305.890.374
Money Markets Borrowings	149.577.024	7.069.246	5.307.190	8.213.832	-	-	170.167.292
Miscellaneous Payables	-	-	-	-	-	25.165.157	25.165.157
Issued Marketable Securities ⁽⁶⁾	1.370.186	2.468.533	1.135.050	46.605.503	-	-	51.579.272
Funds Provided from Other Financial Institutions	28.361.502	22.013.345	21.593.307	16.562.828	881.342	-	89.412.324
Other Liabilities ^{(4) (6)}	5.654.614	588.243	1.523.992	683.339	874.651	209.326.491	218.651.330
Total Liabilities ⁽¹⁾	714.723.575	303.948.636	115.638.752	79.245.779	7.298.551	710.127.523	1.930.982.816
Balance Sheet Long Position	-	-	282.323.756	415.427.138	175.139.358	-	872.890.252
Balance Sheet Short Position	(327.304.346)	(122.423.108)	-	-	-	(423.162.798)	(872.890.252)
Off-Balance Sheet Long Position	-	1.956.310	-	15	-	-	1.956.325
Off-Balance Sheet Short Position	(3.113.643)	-	(848.239)	-	(1.015.345)	(2.399)	(4.979.626)
Total Position	(330.417.989)	(120.466.798)	281.475.517	415.427.153	174.124.013	(423.165.197)	(3.023.301)

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

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

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

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

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

⁽⁶⁾ Includes subordinated debt instruments.

⁽⁷⁾ Includes receivables from leasing transactions.

⁽⁸⁾ Includes the guarantees given for derivative and repo transactions with foreign banks.

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

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

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

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Türkiye	30.229.017	-	-	-	-	197.311.613	227.540.630
Banks	4.535.689	538.220	637.628	589	-	11.811.053	17.523.179
Financial Assets at Fair Value Through Profit and Loss	52.804	6.706.897	3.067.736	15.909.462	26.184	2.788.039	28.551.122
Money Markets Receivables	1.249.698	-	-	-	-	-	1.249.698
Financial Assets at Fair Value Through Other Comprehensive Income	42.468.332	20.572.880	59.285.568	96.175.210	60.561.662	714.402	279.778.054
Loans Given ^{(5) (7)}	251.702.029	81.325.397	166.982.372	262.666.274	73.902.547	4.933.304	841.511.923
Financial Assets Measured at Amortised Cost	813.081	1.110.034	10.184.626	27.787.469	6.433.681	-	46.328.891
Other Assets ⁽²⁾	4.466.630	4.320.376	2.853.665	563.769	357.272	38.488.671	51.050.383
Total Assets ⁽¹⁾⁽⁵⁾	335.517.280	114.573.804	243.011.595	403.102.773	141.281.346	256.047.082	1.493.533.880
Liabilities							
Interbank Deposits	29.977.786	5.293.148	16.173.994	563.517	1.139.209	6.995.085	60.142.739
Other Deposits	399.092.536	136.846.047	78.282.668	9.080.479	4.252.706	364.163.526	991.717.962
Money Market Borrowings	153.540.717	21.374.101	2.553.454	3.015.469	-	-	180.483.741
Miscellaneous Payables	-	-	-	-	-	19.033.000	19.033.000
Issued Marketable Securities ⁽⁶⁾	1.245.168	2.527.922	9.333.952	38.630.139	-	-	51.737.181
Funds Provided from Other Financial Institutions	3.235.390	21.521.436	24.651.350	10.806.615	714.206	11.834	60.940.831
Other Liabilities ⁽⁴⁾	337.503	804.305	1.964.292	1.982.537	636.606	123.753.183	129.478.426
Total Liabilities ⁽¹⁾	587.429.100	188.366.959	132.959.710	64.078.756	6.742.727	513.956.628	1.493.533.880
Balance Sheet Long Position	-	-	110.051.885	339.024.017	134.538.619	-	583.614.521
Balance Sheet Short Position	(251.911.820)	(73.793.155)	-	-	-	(257.909.546)	(583.614.521)
Off-Balance Sheet Long Position	7.299.963	2.263.522	-	10	-	-	9.563.495
Off-Balance Sheet Short Position	16.883	30.847	(331.774)	26.227	(1.015.345)	-	(1.273.162)
Total Position	(244.594.974)	(71.498.786)	109.720.111	339.050.254	133.523.274	(257.909.546)	8.290.333

(1) Balances without fixed maturity are shown in the “Non-Interest Bearing” columns

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

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

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

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

(6) Includes subordinated debt instruments.

(7) Includes lease receivables and factoring receivables.

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

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

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

	EUR	USD	JPY	TL
Current Period ⁽³⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,30	8,50	-	15,90
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Markets Receivables	-	-	-	17,35
Financial Assets at Fair Value Through Other	-	-	-	-
Comprehensive Income	3,72	4,89	-	20,46
Loans Given ⁽¹⁾	4,96	6,26	-	13,93
Financial Assets Measured at Amortized Cost	4,71	7,58	-	15,05
Liabilities				
Interbank Deposits	0,42	1,50	-	15,24
Other Deposits	0,58	1,94	-	15,22
Money Markets Borrowings	-	3,03	-	14,15
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽²⁾	5,08	5,01	-	16,99
Funds Provided from Other Financial Institutions	3,24	3,36	-	14,87

(1) Credit card loan balances are not included.

(2) Subordinated debt instruments are included.

(3) Foreign branches are excluded.

	EUR	USD	JPY	TL
Prior Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	8,50
Banks	4,30	-	-	17,63
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	17,31
Financial Assets at Fair Value Through Other	-	-	-	-
Comprehensive Income	3,72	4,83	-	14,70
Loans Given ⁽²⁾	4,74	5,68	6,00	13,42
Financial Assets Measured at Amortised Cost	4,76	7,47	-	14,33
Liabilities				
Interbank Deposits	0,22	0,25	-	14,14
Other Deposits	0,27	0,93	-	14,15
Money Market Borrowings	-	1,78	-	14,22
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽³⁾	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	1,69	2,38	-	15,67

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

(2) Credit card loan balances are not included.

(3) Subordinated debt instruments are included.

(4) Foreign branches are excluded.

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

IV. 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 share

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 ⁽¹⁾	412.946	412.946	-

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

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 ⁽¹⁾	379.440	379.440	-

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

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

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 412.946 and all of them are 100% risk weighted (31 December 2021: are amounted TL 379.440 and all of them are 100% risk weighted)

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

Portfolio	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss		
		Total	Included in Supplementary Capital	Total	Included in Supplementary Capital	Included in Contribution Capital
1. Private Capital Investments	-	-	-	-	-	-
2. Stocks Traded in the Stock Exchange	-	-	-	-	-	-
3. Other Stocks	-	71.296	71.296	-	-	-
4. Total	-	71.296	71.296	-	-	-

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**V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND
LIQUIDITY COVERAGE RATIO**

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

The 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 Parent 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 Parent Bank. In addition, the Bank-sector maturity structures and legal liquidity ratios are monitored in order to compare the Bank's liquidity risk level with the sector.

1. Liquidity Risk

Explanations related to the liquidity risk management including the 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 Parent Bank’s “Regulations of Risk Management, Stress Test Program and ICAAP Regulations” of the Parent Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the 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 subsidiaries of Bank

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

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

The 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 at the forefront.

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.

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

1. Liquidity Risk (Continued)

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

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

Explanation regarding the usage of the stress test

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the parent bank. These actions have been shared with key management of the Bank and all related units for the purpose of taking necessary precautions. Additionally, stress tests also taken into consideration on subjects like the 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.

General information on liquidity urgent and unexpected situation plan

The internal and external sources which can be used in an emergency case to satisfy the liquidity need are periodically monitored and the borrowing limits of the 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 by Board of Directors and within the frame of “Regulation on Risk Management, Stress Test Program and ICAAP Regulations”. In addition, matters related to liquidity and financial emergency management have been identified.

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Parent Bank calculates the liquidity coverage ratio and transmits to BRSA monthly on consolidated basis. Within the last 3 months the consolidated lowest ratios are as follows: April FC 338.69, TL + FC 218.44; May FC 344.59, TL + FC 220.91; June was realized as FC 311.71, TL + FC 189.35(31 December 2021: October FC 501.32, TL+FC 170.92; November FC 380.26, TL+FC 178.36; December FC 412.09, TL+FC 194.09).

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

2. Liquidity Coverage Ratio (Continued)

Current Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			492.419.238	289.584.900
CASH OUTFLOWS				
Retail and Small Business Customers, of which	825.029.926	485.455.200	74.354.580	48.543.221
Stable deposits	162.968.257	45.982	8.148.413	2.299
Less stable deposits	662.061.669	485.409.218	66.206.167	48.540.922
Unsecured wholesale funding, of which	429.421.633	198.388.322	207.450.085	100.759.662
Operational deposit	31.670.313	5.967.096	7.868.229	1.442.425
Non-operational deposits	321.403.157	158.579.769	137.600.293	65.932.449
Other unsecured funding	76.348.163	33.841.457	61.981.563	33.384.788
Secured funding			-	-
Other cash outflows, of which;	167.410.398	30.284.551	19.991.092	17.222.890
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	7.515.710	13.412.964	7.515.710	13.412.964
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	159.894.688	16.871.587	12.475.382	3.809.926
Other revocable off-balance sheet commitments and contractual obligations	24.310.288	24.310.288	1.215.514	1.215.514
Other irrevocable or conditionally revocable off-balance sheet obligations	154.127.215	113.148.145	8.551.510	5.657.406
TOTAL CASH OUTFLOWS			311.562.781	173.398.693
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	108.239.713	54.192.814	73.730.935	37.317.641
Other cash inflows	1.828.476	47.401.795	1.681.152	47.254.470
TOTAL CASH INFLOW	110.068.189	101.594.609	75.412.087	84.572.111
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			492.419.238	289.584.900
TOTAL NET CASH OUTFLOWS			236.150.694	88.826.582
LIQUIDITY COVERAGE RATIO (%)			208,52	326,01

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

Prior Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			322.965.247	218.841.464
CASH OUTFLOWS				
Retail and Small Business Customers, of which	623.380.047	365.198.371	55.387.908	36.516.645
Stable deposits	139.001.924	63.842	6.950.096	3.192
Less stable deposits	484.378.123	365.134.529	48.437.812	36.513.453
Unsecured wholesale funding, of which	307.755.422	144.545.013	143.765.782	68.741.940
Operational deposit	23.234.553	3.413.121	5.790.583	834.806
Non-operational deposits	228.893.514	126.380.404	101.843.105	53.562.568
Other unsecured funding	55.627.355	14.751.488	36.132.094	14.344.566
Secured funding			-	-
Other cash outflows, of which;	125.446.996	23.639.081	13.735.813	13.511.035
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.918.175	9.958.096	3.918.175	9.958.096
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	121.528.821	13.680.985	9.817.638	3.552.939
Other revocable off-balance sheet commitments and contractual obligations	15.827.184	15.827.184	791.359	791.359
Other irrevocable or conditionally revocable off-balance sheet obligations	100.068.408	71.449.597	5.525.433	3.572.480
TOTAL CASH OUTFLOWS			219.206.295	123.133.459
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	61.962.519	30.516.139	37.983.787	20.076.485
Other cash inflows	4.457.071	50.092.952	4.440.532	50.076.413
TOTAL CASH INFLOW	66.419.590	80.609.091	42.424.319	70.152.898
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			322.965.247	218.841.464
TOTAL NET CASH OUTFLOWS			176.781.976	52.980.561
LIQUIDITY COVERAGE RATIO (%)			182,69	413,06

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

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(Continued)**

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

3. Explanations on Liquidity Coverage Ratio

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

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

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

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

The content of high-quality liquid assets

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

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

A major part of the resources of funds in 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 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 Senior Management. These limits are followed in particular frequency. Besides, it is being reported to the relevant units and senior management. There is no excess regarding the limits during operating period.

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

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

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

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

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)	Total
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Türkiye	75.105.076	152.542.468	-	-	-	-	-	227.647.544
Banks ⁽⁵⁾	30.197.440	2.185.702	277.191	531.882	87.837	1.863	-	33.281.915
Financial Assets at Fair Value Through Profit and Loss	287.326	43.826	95.691	107.535	26.350.054	26.686	3.410.835	30.321.953
Money Markets Receivables	-	738.018	-	-	-	-	-	738.018
Financial Assets at Fair Value Through Other Comprehensive Income	-	31.178.443	34.745.859	37.583.015	168.507.958	84.511.500	384.820	356.911.595
Loans Given	-	37.995.195	106.862.939	409.850.824	394.839.429	176.370.902	4.362.037	1.130.281.326
Investments Held-to-Maturity	-	505.259	557.088	5.460.547	39.036.146	51.873.437	-	97.432.477
Other Assets	22.005.451	1.280.864	1.729.953	1.020.388	527.260	702.257	27.101.815	54.367.988
Total Assets⁽²⁾	127.595.293	226.469.775	144.268.721	454.554.191	629.348.684	313.486.645	35.259.507	1.930.982.816
Liabilities								
Interbank Deposits	8.975.181	38.125.065	6.118.198	14.759.237	2.139.386	-	-	70.117.067
Other Deposits	466.660.693	491.173.043	265.911.912	71.025.460	5.572.681	5.546.585	-	1.305.890.374
Funds Provided from Other Financial Institutions	-	1.596.901	8.619.649	38.933.962	32.876.881	7.384.931	-	89.412.324
Money Markets Borrowings	-	149.577.024	7.069.246	5.307.190	8.213.832	-	-	170.167.292
Issued Marketable Securities ⁽³⁾	-	1.370.186	2.468.533	1.135.050	46.605.503	-	-	51.579.272
Miscellaneous Payables	3.658.666	20.086.487	-	-	-	-	1.420.004	25.165.157
Other Liabilities ⁽⁴⁾	30.159.541	5.643.430	4.373.038	1.523.992	683.339	3.108.173	173.159.817	218.651.330
Total Liabilities	509.454.081	707.572.136	294.560.576	132.684.891	96.091.622	16.039.689	174.579.821	1.930.982.816
Liquidity Gap	(381.858.788)	(481.102.361)	(150.291.855)	321.869.300	533.257.062	297.446.956	(139.320.314)	-
Net Off-Balance Sheet Position	-	(3.520.584)	(119.169)	(873.318)	15	1.876.408	-	(2.636.648)
Financial Derivative Assets	-	171.058.831	31.991.084	24.986.799	2.115.441	2.891.753	-	233.043.908
Financial Derivative Liabilities	-	174.579.415	32.110.253	25.860.117	2.115.426	1.015.345	-	235.680.556
Non-cash Loans	123.583.021	20.519.383	39.921.900	145.531.743	55.132.836	12.879.931	-	397.568.814
Prior Period								
Total Assets	124.942.133	183.171.856	97.392.560	361.739.421	499.811.718	195.221.307	31.254.885	1.493.533.880
Total Liabilities ⁽⁵⁾	395.787.842	600.408.932	168.541.577	132.621.236	81.083.581	13.789.107	101.301.605	1.493.533.880
Liquidity Gap	(270.845.709)	(417.237.076)	(71.149.017)	229.118.185	418.728.137	181.432.200	(70.046.720)	-
Net Off-Balance Sheet Position	-	6.981.760	181.276	(400.762)	10	1.267.128	-	8.029.412
Financial Derivative Assets	-	148.640.930	34.588.934	23.872.474	1.558.882	2.282.473	-	210.943.693
Financial Derivative Liabilities	-	141.659.170	34.407.658	24.273.236	1.558.872	1.015.345	-	202.914.281
Non-cash Loans	84.421.912	13.045.014	36.067.565	98.489.814	51.648.354	8.632.545	-	292.305.204

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

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

(3) Includes subordinated debt instruments.

(4) Includes lease and factoring receivables.

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

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

VI. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Group’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 7,62% (31 December 2021: 6,41%). The increase in the leverage ratio resulted from the increase in the Tier 1 capital amount. The regulation sentenced the minimum leverage ratio as 3%.

Balance sheet assets	Current Period ^(*)	Prior Period ^(*)
On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1.824.159.244	1.383.075.977
(Assets deducted in determining Tier 1 capital)	(20.149.967)	(8.358.335)
Total on-balance sheet risks (sum of lines 1 and 2)	1.804.009.277	1.374.717.642
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	6.026.873	10.782.578
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	3.211.263	2.703.788
Total risks of derivative financial instruments and credit derivatives	9.238.136	13.486.366
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets (Excluding the balance sheet)	23.509.649	18.983.986
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	23.509.649	18.983.986
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	603.980.601	409.632.556
(Adjustments for conversion to credit equivalent amounts)	(20.751.222)	(14.215.523)
Total risks of off-balance sheet items	583.229.379	395.417.033
Capital and total risks		
Tier 1 capital	184.364.136	114.811.438
Total risks	2.419.986.441	1.802.605.027
Leverage ratio		
Leverage ratio %	7,62	6,41

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

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

	Current Period ^(*)	Prior Period ^(*)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ^(**)	1.931.031.083	1.493.538.396
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”	48.267	4.516
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	534.048.764	458.963.706
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	139.860.287	131.178.567
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	20.751.222	14.215.523
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amount of such items	(157.343.064)	(139.379.975)
Total risk amount	2.419.986.441	1.802.605.027

^(*) 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 30 June 2022 of the nonfinancial subsidiaries.

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT

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

1. Explanations on Risk Management and Risk Weighted Amount

Overview of Risk Weighted Amounts

	Risk Weighted Amount		Minimum capital Requirement
	Current Period	Prior Period	Current Period
1 Credit Risk (excluding counterparty credit risk)	1.146.139.206	757.683.306	91.691.136
2 Standardised approach	1.146.139.206	757.683.306	91.691.136
3 Internal rating-based approach	-	-	-
4 Counterparty credit risk	11.857.430	11.589.174	948.594
5 Standardised approach for counterparty credit risk	11.857.430	11.589.174	948.594
6 Internal model method	-	-	-
7 Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8 Investments made in collective investment companies-look through approach	-	-	-
9 Investments made in collective investment companies-mandate-based approach	1.741.883	1.009.692	139.351
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	100.370.859	41.011.997	8.029.669
17 Standardised approach	100.370.859	41.011.997	8.029.669
18 Internal model approaches	-	-	-
19 Operational risk	61.756.259	51.284.583	4.940.501
20 Basic Indicator approach	61.756.259	51.284.583	4.940.501
21 Standard approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	1.321.865.637	862.578.752	105.749.251

2. Explanations on Credit Risk

Credit Quality of Assets

Current Period	Gross amount evaluated in accordance with TAS in the consolidated financial statements prepared according to legal consolidation		Provisions/Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans ^(*)	19.629.455	1.148.612.331	37.960.460	1.130.281.326
Debt securities	-	405.849.626	20.620.740	385.228.886
Off-balance sheet exposures	1.361.956	555.848.858	4.913.938	552.296.876
Total	20.991.411	2.110.310.815	63.495.138	2.067.807.088

Prior Period	Gross amount evaluated in accordance with TAS in the consolidated financial statements prepared according to legal consolidation		Provisions/Amortization and impairments	Net values
	Defaulted	Non-defaulted		
Loans ^(*)	20.206.200	854.230.540	32.924.817	841.511.923
Debt securities	-	267.214.776	8.515.635	258.699.141
Off-balance sheet exposures	1.251.695	431.337.006	3.401.185	429.187.516
Total	21.457.895	1.552.782.322	44.841.637	1.529.398.580

^(*) It also includes receivables from leasing transactions.

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(Continued)**

VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

2. Explanations on Credit Risk (Continued)

Credit Quality of Assets

Changes in the stock of defaulted receivables and debt instruments

	Current Period
1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period	20.206.200
2 Loans and debt securities that have defaulted since the last reporting period	3.460.416
3 Receivables that have not re-defaulted	681.388
4 Amounts written off assets	293.730
5 Other changes	(3.062.043)
6 The amount of defaulted loans and borrowing instruments at the end of the reporting period (1+2-3-4±5)	19.629.455

	Prior Period
1 The amount of defaulted loans and borrowing instruments at the end of the previous reporting period	16.681.214
2 Loans and debt securities that have defaulted since the last reporting period	9.186.707
3 Receivables that have not re-defaulted	1.095.890
4 Amounts written off assets	-
5 Other changes	(4.565.831)
6 The amount of defaulted loans and borrowing instruments at the end of the reporting period(1+2-3-4±5)	20.206.200

Credit risk mitigation techniques - Overview

	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
Current Period							
Loans (*)	902.869.187	175.792.290	40.343.261	165.020.818	36.181.621	-	-
Debt securities	330.106.861	-	-	-	-	-	-
Total	1.232.976.048	175.792.290	40.343.261	165.020.818	36.181.621	-	-
Defaulted	18.068.674	916.737	223.384	900.263	221.801	-	-

	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
Prior Period							
Loans (*)	600.788.105	158.090.580	55.895.930	148.872.376	52.164.610	-	-
Debt securities	212.202.463	-	-	-	-	-	-
Total	812.990.568	158.090.580	55.895.930	148.872.376	52.164.610	-	-
Defaulted	18.054.558	990.865	281.821	973.812	280.901	-	-

(*) It also includes receivables from leasing transactions.

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

2. Explanations on Credit Risk (Continued)

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

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	Risk Weighted Amount	Risk Weighted Amount Density
Receivables from central government or central banks	636.570.117	1.593.911	674.371.030	813.519	3.708.161	0,5%
Receivables from regional or local governments	352.931	178.100	362.209	121.474	208.890	43,2%
Receivables from administrative units and non-commercial enterprises	7.796.183	2.463.576	7.786.205	1.174.080	8.935.284	99,7%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	98.403.661	21.904.186	98.775.367	13.216.856	31.802.739	28,4%
Corporate receivables	519.567.964	325.573.412	507.193.406	184.970.846	684.335.399	98,9%
Retail receivables	290.460.150	129.921.164	265.319.727	17.626.146	211.283.404	74,7%
Receivables secured with real estate mortgage for residence	117.057.907	2.499.143	116.633.733	1.147.522	41.218.866	35,0%
Receivables secured by real estate mortgage	53.108.452	6.030.395	53.108.452	3.683.716	32.356.871	57,0%
Delayed receivables	4.056.634	-	3.834.838	-	2.387.969	62,3%
Receivables with high risk determined by the Board	56.224.228	11.097.284	56.216.020	2.441.468	99.583.550	169,8%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	1.743.360	126.165	1.740.600	63.031	1.741.883	96,6%
Other receivables	52.306.594	-	52.306.594	-	38.867.068	74,3%
Equity investments	906.870	-	906.870	-	906.870	100,0%
Total	1.838.555.051	501.387.336	1.838.555.051	225.258.658	1.157.336.954	56,1%

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

2. Explanations on Credit Risk (Continued)

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

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	Off-balance sheet amount	Risk Weighted Amount	Risk Weighted Amount Density
Receivables from central government or central banks	469.451.512	1.225.247	520.883.728	683.328	10.821.358	2,1%
Receivables from regional or local governments	405.809	154.555	439.398	104.750	243.982	44,8%
Receivables from administrative units and non-commercial enterprises	5.432.768	1.377.014	5.418.976	610.772	6.005.324	99,6%
Receivables from multilateral development banks	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-
Receivables from banks and intermediary institutions	78.203.836	16.888.879	78.825.239	9.817.327	18.829.698	21,2%
Corporate receivables	343.313.097	201.874.107	318.845.064	113.363.286	427.485.851	98,9%
Retail receivables	271.961.686	112.859.406	244.837.359	13.605.573	192.957.560	74,7%
Receivables secured with real estate mortgage for residence	70.571.961	1.214.451	70.376.138	503.243	24.805.633	35,0%
Receivables secured by real estate mortgage	33.025.808	3.729.848	33.025.808	2.288.216	20.360.465	57,7%
Delayed receivables	4.263.180	-	3.982.283	-	2.890.715	72,6%
Receivables with high risk determined by the Board	16.952.456	6.528.004	16.952.451	1.370.110	27.337.835	149,2%
Mortgage-backed securities	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	1.014.466	124.430	1.010.134	62.169	1.009.692	94,2%
Other receivables	39.978.557	-	39.978.554	-	30.941.735	77,4%
Equity investments	2.054.965	-	2.054.965	-	2.054.965	100,0%
Total	1.336.630.101	345.975.941	1.336.630.097	142.408.774	765.744.813	51,8%

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

2. Explanations on Credit Risk (Continued)

Receivables related with Risk Classes and Risk Weights

Current Period Risk Classes/ Risk Weight	0%	10%	20%	%25	35% secured by property mortgage	%50 secured by property mortgage	50% (*)	75%	100%	150%	250%	Other	Total risk amount (post- CCF and CRM)
Receivables from central government or central banks	671.364.318	-	19.151	-	-	-	193.497	-	3.607.583	-	-	-	675.184.549
Receivables from regional or local governments	58.044	-	24.081	-	-	-	394.968	-	6.590	-	-	-	483.683
Receivables from administrative units and non-commercial enterprises	24.838	-	204	-	-	-	-	-	8.935.243	-	-	-	8.960.285
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international intermediary institutions	43.295.077	-	16.676.362	-	-	-	47.098.905	-	4.912.828	3.382	-	5.669	111.992.223
Corporate receivables	3.765.008	-	1.927.339	-	-	-	3.756.237	2.575.423	680.140.245	-	-	-	692.164.252
Retail receivables	2.639.057	-	760.407	-	-	-	-	273.660.346	5.886.063	-	-	-	282.945.873
Receivables secured with real estate mortgage for residence	10.686	-	5.557	-	117.765.012	-	-	-	-	-	-	-	117.781.255
Receivables secured by real estate mortgage	-	-	-	-	-	48.870.594	-	-	7.921.574	-	-	-	56.792.168
Delayed receivables	619	-	1.066	-	-	-	2.890.795	-	942.358	-	-	-	3.834.838
Receivables with high risk determined by the Board	106.779	-	3.645	-	-	-	19.054	-	974	34.963.504	-	23.563.532	58.657.488
Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	61.748	-	-	-	-	-	-	-	1.741.883	-	-	-	1.803.631
Equity investments	-	-	-	-	-	-	-	-	906.870	-	-	-	906.870
Other receivables	13.437.635	-	2.364	-	-	-	-	-	38.866.595	-	-	-	52.306.594
Total	734.763.809	-	19.420.176	-	117.765.012	48.870.594	54.353.456	276.235.769	753.868.806	34.966.886	-	23.569.201	2.063.813.709

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

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

VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

2. Explanations on Credit Risk (Continued)

Receivables related with Risk Classes and Risk Weights (Continued)

Prior Period Risk Classes/ Risk Weight	0%	10%	20%	%25	35% secured by property mortgage	%50 secured by property mortgage	50% ^(*)	75%	100%	150%	250%	Other	Total risk amount (post- CCF and CRM)
Receivables from central government or central banks	502.823.003	-	270.902	-	-	-	15.411.948	-	3.061.203	-	-	-	521.567.056
Receivables from regional or local governments	58.779	-	24.081	-	-	-	444.245	-	17.043	-	-	-	544.148
Receivables from administrative units and non-commercial enterprises	24.254	-	212	-	-	-	-	-	6.005.282	-	-	-	6.029.748
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	47.596.002	-	9.762.183	-	-	-	26.606.959	-	3.551.259	-	-	1.126.163	88.642.566
Corporate receivables	2.149.456	-	1.510.618	-	-	-	2.726.825	-	425.820.291	-	-	1.160	432.208.350
Retail receivables	1.775.236	-	815.558	-	-	-	3.772	252.223.212	3.625.154	-	-	-	258.442.932
Receivables secured with real estate mortgage for residence	5.075	-	2.495	-	70.871.811	-	-	-	-	-	-	-	70.879.381
Receivables secured by real estate mortgage	-	-	-	-	-	29.907.118	-	-	5.406.906	-	-	-	35.314.024
Delayed receivables	1.019	-	56	-	-	-	2.181.009	-	1.800.199	-	-	-	3.982.283
Receivables with high risk determined by the Board	78.736	-	3.482	-	-	-	23.120	-	511	18.216.712	-	-	18.322.561
Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in the nature of collective investment enterprise	62.611	-	-	-	-	-	-	-	1.009.692	-	-	-	1.072.303
Equity investments	-	-	-	-	-	-	-	-	2.054.965	-	-	-	2.054.965
Other receivables	9.036.799	-	25	-	-	-	-	-	30.941.730	-	-	-	39.978.554
Total	563.610.970	-	12.389.612	-	70.871.811	29.907.118	47.397.878	252.223.212	483.294.235	18.216.712	-	1.127.323	1.479.038.871

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

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

VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk

Evaluation of Counterparty Credit Risk in Accordance with the Measurement Methods

		Replacement cost	Potential Future exposure	Effective Expected Positive Exposure (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Current Period						
	Valuation Method according to fair value - CCR (for derivatives)	2.617.030	2.611.480			5.228.510	2.189.205
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					137.355.070	4.708.018
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)					19.232.137	2.558.529
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						
6	Total						9.455.752

(*) Effective expected positive exposure

		Replacement cost	Potential Future exposure	Effective Expected Positive Exposure (*)	Alpha used for computing regulatory EAD	Exposure at default post CRM	RWA
	Prior Period						
	Valuation Method according to fair value - CCR (for derivatives)	7.543.403	1.978.589			9.521.992	2.302.875
1	Standardised approach - CCR (for derivatives)	-	-		1,4	-	-
2	Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3	Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)					124.090.635	3.558.087
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)					21.150.098	1.168.307
5	Commodity lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						
6	Total						7.029.269

(*) Effective expected positive exposure

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk (Continued)

Capital Requirement for Loan Valuation Adjustments

	Current Period	Exposure at default post-CRM	RWA
	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 Standardized CVA capital charge	5.228.510	2.387.196
4	Total subject to the CVA capital charge	5.228.510	2.387.196

	Prior Period	Exposure at default post-CRM	RWA
	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 Standardized CVA capital charge	9.521.992	4.517.675
4	Total subject to the CVA capital charge	9.521.992	4.517.675

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk (Continued)

Standardised approach - CCR exposures by risk class and risk weights

Current Period Risk Weight/Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk⁽¹⁾
Receivables from central government or central banks	106.429.648	-	-	-	-	-	-	-	106.429.648
Receivables from regional or local governments	2.291	-	-	-	-	-	-	-	2.291
Receivables from administrative units and non-commercial enterprises	8.201	-	-	-	-	-	-	-	8.201
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	31.791.081	-	10.136.477	11.847.246	-	362.733	-	5.669	54.143.206
Corporate receivables	306.602	-	-	-	-	483.705	-	-	790.307
Retail receivables	8.570	-	-	-	466	-	-	-	9.036
Other receivables (**)	-	-	-	-	-	-	438.697	-	438.697
Total	138.546.393	-	10.136.477	11.847.246	466	846.438	438.697	5.669	161.821.386

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

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

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

4. Counterparty Credit Risk (Continued)

Standardised approach - CCR exposures by risk class and risk weights (Continued)

Prior Period Risk Weight/Risk Classes	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk ⁽¹⁾
Receivables from central government or central banks	101.134.282	-	-	3.538	-	249.063	-	-	101.386.883
Receivables from regional or local governments	3.736	-	-	215	-	-	-	-	3.951
Receivables from administrative units and non-commercial enterprises	6.272	-	-	-	-	393	-	-	6.665
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	36.001.997	-	8.263.826	6.353.929	-	285.012	-	1.126.163	52.030.927
Corporate receivables	778.467	-	-	-	-	1.653.624	-	1.160	2.433.251
Retail receivables	15.817	-	-	-	12.347	-	-	-	28.164
Other receivables (**)	-	-	-	-	-	-	206	-	206
Total	137.940.571	-	8.263.826	6.357.682	12.347	2.188.092	206	1.127.323	155.890.047

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

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

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk (Continued)

Collaterals used for counterparty credit risk

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	-	-	-	-	1.898.762	-
Cash-foreign currency	-	-	-	-	45.381.025	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	47.279.787	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	16.681.835	-
Cash-foreign currency	-	-	-	-	34.393.015	-
Domestic sovereign debts	-	-	-	-	538.955	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate Debts	-	-	-	-	-	-
Equity Securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	51.613.805	-

Credit Derivatives

None. (31 December 2021: None.)

Risks Related with Central Counterparty

	Current Period	Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)	724.144	14.483
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i)OTC Derivatives	5.669	113
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	-	-
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	718.475	14.370
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	-	-

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VII. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk (Continued)

Risks Related with Central Counterparty (Continued)

	Prior Period	Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)	2.111.507	42.230
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	5.122	102
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	1.122.201	22.444
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	984.184	19.684
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	-	-

4. Explanations on Market Risk

	Standard approach	RWA	
		Current Period	Prior Period
	Outright products		
1	Interest rate risk (general and specific)	79.101.987	31.222.830
2	Equity risk (general and specific)	7.053.698	4.312.614
3	Foreign exchange risk	14.095.421	5.456.779
4	Commodity risk	119.753	19.774
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	100.370.859	41.011.997

The following tables that should be given in quarterly and six-month periods in accordance with the footnotes and related explanations prepared in accordance with the “Communiqué on Public Disclosures by the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 by the BRSA and entered into force as of 31 March 2016. As of 30 June 2022, since the standard approach is used in the calculation of the market risk of the Bank:

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

Internal model approach for trading account

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

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

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

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.

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 Parent 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
FC Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(2.913.201)	2.913.201	-

IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS

Organizational and internal reporting structure of the Group is determined in line with TFRS 8 "Operating Segments".

The Group has operations in retail banking, corporate and commercial banking, specialized banking, investment banking and international banking areas.

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

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

IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

In the context of corporate and commercial banking, the Group 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 Parent Bank is the main financial institution that meets the financing needs of agricultural sector in Türkiye, it extends agricultural working capital and investment loans from its own sources for crop and animal production, fishery products and agricultural mechanization directly to producers and The Central Union of Turkish Agricultural 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 Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Parent 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 Parent 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 another portfolio management companies. It also provides custody service for these financial instruments and besides, long term financing from banks and international financial institutions, issuing bonds in local and international markets, managing relationship with correspondent banks and relations with international investors so as to diversify its funding base are among the responsibilities of the department.

Besides, the 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 30 June 2022, explanations on segment reporting as shown on the following page are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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

IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

1. Table for Segment Reporting

Current Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/EXPENSE						
Interest Income	12.217.402	30.365.258	9.709.539	42.553.776	463.747	95.309.722
Interest Expenses	17.682.263	12.091.559	-	12.245.356	1.325.926	43.345.104
Net Interest Income/Expense	(5.464.861)	18.273.699	9.709.539	30.308.420	(862.179)	51.964.618
Net Fees and Commission Income/Expense	3.850.639	2.901.016	196.578	(2.022.575)	1.005.760	5.931.418
Dividend Income	-	-	-	21.344	-	21.344
Trading Profit / Loss (Net)	-	-	-	(184.865)	182.156	(2.709)
Other Operating Income	28.955	1.494.334	52.719	4.035	3.169.985	4.750.028
Provision for Expected Loss (-)	1.498.063	6.086.350	1.156.060	4.352.626	10.976.232	24.069.331
Other Expenses	2.421.978	315.575	112.692	-	8.749.609	11.599.854
Net Operating Profit / Loss	(5.505.308)	16.267.124	8.690.084	23.773.733	(16.230.119)	26.995.514
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	62.007	12.699	74.706
Tax Provision	-	-	-	-	(8.786.086)	(8.786.086)
Net Profit / Loss	(5.505.308)	16.267.124	8.690.084	23.835.740	(25.003.506)	18.284.134
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	30.321.953	-	30.321.953
Banks and Receivables from Money Markets	-	-	-	34.019.933	-	34.019.933
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	356.911.595	-	356.911.595
Loans	204.576.509	712.600.239	156.632.734	56.471.844	-	1.130.281.326
Financial Assets Measured at Amortized Cost (Net)	-	-	-	97.432.477	-	97.432.477
Derivative Financial Assets	-	-	-	4.632.917	-	4.632.917
Associates, Subsidiaries and Entities under Common Control	-	-	-	1.668.649	-	1.668.649
Other Assets	5.263	4.954.496	86.135	195.273.737	75.394.335	275.713.966
Total Segment Assets	204.581.772	717.554.735	156.718.869	776.733.105	75.394.335	1.930.982.816
SEGMENT LIABILITIES						
Deposits	913.168.233	314.224.291	-	68.649.107	79.965.810	1.376.007.441
Derivative Financial Liabilities Held for Trading	-	-	-	7.008.988	-	7.008.988
Funds Borrowed	-	-	-	89.412.324	-	89.412.324
Money Markets Borrowing	10.909	107.969.860	-	62.186.523	-	170.167.292
Securities Issued (Net)	-	-	-	27.195.079	-	27.195.079
Provisions	7.471	4.754.194	-	1.874	17.714.452	22.477.991
Other Liabilities	-	-	-	-	79.320.686	79.320.686
Shareholders' Equity	-	-	-	-	159.393.015	159.393.015
Total Segment Liabilities	913.186.613	426.948.345	-	254.453.895	336.393.963	1.930.982.816

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

IX. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS (Continued)

2. Table for Segment Reporting (Continued)

Prior Period	Retail Banking	Corporate/ Commercial banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
OPERATING INCOME/EXPENSE						
Interest Income	9.795.820	16.261.411	5.562.316	14.810.656	421.688	46.851.891
Interest Expenses	12.096.463	6.818.940	-	12.951.328	310.336	32.177.067
Net Interest Income/Expense	(2.300.643)	9.442.471	5.562.316	1.859.328	111.352	14.674.824
Net Fees and Commission Income/Expense	1.499.317	1.436.937	86.124	(822.352)	427.308	2.627.334
Dividend Income	-	-	-	8.248	-	8.248
Trading Profit / Loss (Net)	-	-	-	(4.960.267)	18.820	(4.941.447)
Other Operating Income	14.203	325.058	23.586	3.076	2.356.650	2.722.573
Provision for Expected Loss (-)	917.816	2.733.315	554.365	108.234	85.041	4.398.771
Other Expenses	1.830.172	142.614	51.818	-	5.384.480	7.409.084
Net Operating Profit / Loss	(3.535.111)	8.328.537	5.065.843	(4.020.201)	(2.555.391)	3.283.677
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	29.967	11.060	41.027
Tax Provision	-	-	-	-	(954.722)	(954.722)
Net Profit / Loss	(3.535.111)	8.328.537	5.065.843	(3.990.234)	(3.499.053)	2.369.982
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	28.551.122	-	28.551.122
Banks and Receivables from Money Markets	-	-	-	18.772.877	-	18.772.877
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	279.778.054	-	279.778.054
Loans	172.972.249	535.676.379	116.362.035	16.501.260	-	841.511.923
Financial Assets Measured at Amortized Cost (Net)	-	-	-	46.328.891	-	46.328.891
Derivative Financial Assets	-	-	-	12.067.535	-	12.067.535
Associates, Subsidiaries and Entities under Common Control	-	-	-	1.740.099	-	1.740.099
Other Assets	7.334	6.743.213	121.636	201.554.947	56.356.249	264.783.379
Total Segment Assets	172.979.583	542.419.592	116.483.671	605.294.785	56.356.249	1.493.533.880
SEGMENT LIABILITIES						
Deposits	750.686.340	178.215.323	-	56.488.596	66.470.442	1.051.860.701
Derivative Financial Liabilities Held for Trading	-	-	-	3.702.077	-	3.702.077
Funds Borrowed	-	-	-	60.940.831	-	60.940.831
Money Markets Borrowing	13.812	120.192.120	-	60.277.809	-	180.483.741
Securities Issued (Net)	-	-	-	30.309.580	-	30.309.580
Provisions	2.792	3.295.851	-	-	6.492.365	9.791.008
Other Liabilities	-	-	-	-	55.302.823	55.302.823
Shareholders' Equity	-	-	-	-	101.143.119	101.143.119
Total Segment Liabilities	750.702.944	301.703.294	-	211.718.893	229.408.749	1.493.533.880

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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 Türkiye (the “CBRT”)

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	2.200.903	13.290.795	2.688.076	8.674.065
Central Bank of the Republic of Türkiye	21.892.318	188.960.700	23.698.821	191.052.534
Other	1.725	1.314.213	24	1.435.839
Total	24.094.946	203.565.708	26.386.921	201.162.438

Explanation on reserve requirements

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

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

Required reserve rates vary according to the maturity structure of the liabilities and are applied between 3%-8% for TL deposits and other liabilities, 5%-26% for FX deposits and for other FC liabilities.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	16.479.514	39.955.430	23.091.176	43.412.219
Unrestricted Time Deposit	-	-	-	18.403.250
Restricted Time Deposit	-	584	-	682
Other ⁽¹⁾	5.412.804	149.004.686	607.645	129.236.383
Total	21.892.318	188.960.700	23.698.821	191.052.534

⁽¹⁾ Includes required reserves and CBRT restricted electronic money funds amounting to TL 22.257. Required reserve of branches abroad amounting to TL 475.601 is presented in this line. TL 5.095.470 of the current period’s FC required reserve is the part of the required reserves that are held in FC (31 December 2021: Includes required reserves and CBRT restricted electronic money funds amounting to TL 16.046. Required reserve of branches abroad amounting to TL 399.329 is presented in this line. TL 4.103.676 of the current period’s FC required reserve is the part of the required reserves that are held in FC).

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	1.890.860	1.894.329
Assets Blocked/Given as Collateral	24.605.675	23.897.387
Total	26.496.535	25.791.716

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

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	270.120	11.323	818.332	8.596
Swap Transactions	3.225.804	937.319	9.632.350	1.535.695
Futures Transactions	969	-	-	-
Options	-	186.413	-	72.562
Other	712	257	-	-
Total	3.497.605	1.135.312	10.450.682	1.616.853

4. Information on Bank Account and Foreign Banks

4.1. Information on Bank Balances

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	2.318	1.675.020	4.302	414.080
Foreign Banks (*)	134.278	31.492.991	761.144	16.356.115
Foreign Head Office and Branches	-	-	-	-
Total	136.596	33.168.011	765.446	16.770.195

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	134.073.206	173.441.580
Assets Blocked/Given as Collateral	108.090.260	53.977.913
Total	242.163.466	227.419.493

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

	Current Period	Prior Period
Debt Securities	385.736.946	293.409.533
Quoted in Stock Exchange	384.893.453	292.769.022
Not Quoted in Stock Exchange	843.493	640.511
Share Certificates	453.828	420.414
Quoted in Stock Exchange	2.764	2.740
Not Quoted in Stock Exchange	451.064	417.674
Provision for Impairment (-)	29.279.179	14.051.893
Total	356.911.595	279.778.054

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

7. Information Related to Loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ⁽¹⁾⁽²⁾	1.089.857	-	764.199	-
Total	1.089.857	-	764.199	-

⁽¹⁾ Interest rediscount and interest accrual amounting TL 10.317, are not included (31 December 2021: Interest rediscount and interest accrual amounting TL 6.342 are not included).

⁽²⁾ Since the balance of overdraft accounts related to employees amounting TL 33.453, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above (31 December 2021: Since the balance of overdraft accounts related to employees amounting TL 33.441, is showed under Table 7.3. as overdraft accounts (real person), it is not included to the table above).

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

Current Period		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans under restructuring	
			Loans with revised contract terms	Refinancing
Cash Loans ⁽³⁾	Standard Loans			
Non-Specialized Loans	887.099.505	18.535.442	1.563.789	56.374.447
Commercial Loans	571.614.316	13.159.620	1.370.439	56.263.138
Export Loans	57.356.875	217.371	20.847	-
Import Loans	1.783.381	46.442	-	-
Loans Given to Financial Sector	10.868.107	-	-	-
Consumer Loans	176.931.223	2.726.678	171.666	105.700
Credit Cards	46.628.822	1.214.597	-	1.347
Other	21.916.781	1.170.734	837	4.262
Specialized Lending ⁽¹⁾	143.343.576	2.420.962	34.044	1.151.351
Other Receivables	-	-	-	-
Interest Income Accruals	21.356.330	484.062	42.074	3.706.413
Total	1.051.799.411	21.440.466	1.639.907	61.232.211

⁽¹⁾ Agricultural loans to support farmers are shown in specialized loans.

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans under restructuring	
			Loans with revised contract terms	Refinancing
Cash Loans	Standard Loans			
Non-Specialized Loans	641.613.947	24.918.925	1.355.461	47.648.327
Commercial Loans	422.801.254	15.437.647	1.135.800	47.492.680
Export Loans	15.001.635	214.053	-	-
Import Loans	1.135.986	41.924	-	-
Loans Given to Financial Sector	6.334.659	-	-	-
Consumer Loans	146.945.300	5.359.270	218.295	150.676
Credit Cards	31.481.786	2.372.525	-	1.174
Other	17.913.327	1.493.506	1.366	3.797
Specialized Lending ⁽¹⁾	104.062.560	3.789.550	38.766	1.269.130
Other Receivables	-	-	-	-
Interest Income Accruals	14.280.794	888.668	50.298	4.729.304
Total	759.957.301	29.597.143	1.444.525	53.646.761

⁽¹⁾ Agricultural loans to support farmers are shown in specialized loans.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Expected Credit Loss of Stage 1 and Stage 2				
12 Month Expected Credit Losses	4.522.275	-	2.660.108	-
Significant Increase in Credit Risk	-	18.170.767	-	14.991.813

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

7. Information Related to Loans (Continued)

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

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	1.993.916	171.864.823	173.858.739
Mortgage Loans	25.278	114.146.683	114.171.961
Automotive Loans	36.348	3.442.739	3.479.087
Consumer Loans	1.932.290	54.275.401	56.207.691
Other	-	-	-
Consumer Loans- Indexed to FC	365	433.517	433.882
Mortgage Loans	-	74.496	74.496
Automotive Loans	-	3.216	3.216
Consumer Loans	-	24.960	24.960
Other	365	330.845	331.210
Consumer Loans-FC	28.313	2.113.299	2.141.612
Mortgage Loans	446	459.933	460.379
Automotive Loans	24	18.343	18.367
Consumer Loans	19.646	233.420	253.066
Other	8.197	1.401.603	1.409.800
Retail Credit Cards- TL	21.233.731	287.018	21.520.749
With Installment	5.890.748	254.871	6.145.619
Without Installment	15.342.983	32.147	15.375.130
Retail Credit Cards-FC	102.948	986	103.934
With Installment	101.406	-	101.406
Without Installment	1.542	986	2.528
Personnel Loans- TL	31.343	692.527	723.870
Mortgage Loans	-	7.271	7.271
Automotive Loans	-	1.930	1.930
Consumer Loans	31.343	683.326	714.669
Other	-	-	-
Personnel Loans-Indexed to FC	-	6.966	6.966
Mortgage Loans	-	4.080	4.080
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	2.886	2.886
Personnel Loans-FC	3.130	54.060	57.190
Mortgage Loans	-	26.634	26.634
Automotive Loans	-	263	263
Consumer Loans	2.829	3.590	6.419
Other	301	23.573	23.874
Personnel Credit Cards- TL	291.052	8.133	299.185
With Installment	92.622	7.228	99.850
Without Installment	198.430	905	199.335
Personnel Credit Cards-FC	2.646	-	2.646
With Installment	-	-	-
Without Installment	2.646	-	2.646
Overdraft Accounts- TL (Real Person)	2.712.939	-	2.712.939
Overdraft Accounts-FC (Real Person)	69	-	69
Total ⁽¹⁾	26.400.452	175.461.329	201.861.781

⁽¹⁾ TL 1.607.134 amounting of interest income rediscount and accrual is not included.

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(Continued)**

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

7. Information Related to Loans (Continued)

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

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	1.173.135	146.481.934	147.655.069
Mortgage Loans	14.062	90.688.507	90.702.569
Automotive Loans	9.358	809.089	818.447
Consumer Loans	1.149.715	54.984.338	56.134.053
Other	-	-	-
Consumer Loans- Indexed to FC	977	422.317	423.294
Mortgage Loans	-	69.982	69.982
Automotive Loans	-	3.167	3.167
Consumer Loans	-	21.511	21.511
Other	977	327.657	328.634
Consumer Loans-FC	13.036	1.668.736	1.681.772
Mortgage Loans	270	368.305	368.575
Automotive Loans	40	16.974	17.014
Consumer Loans	8.224	224.825	233.049
Other	4.502	1.058.632	1.063.134
Retail Credit Cards- TL	17.057.839	219.892	17.277.731
With Installment	4.848.028	196.462	5.044.490
Without Installment	12.209.811	23.430	12.233.241
Retail Credit Cards-FC	87.809	1.479	89.288
With Installment	86.371	-	86.371
Without Installment	1.438	1.479	2.917
Personnel Loans- TL	20.983	435.875	456.858
Mortgage Loans	-	2.772	2.772
Automotive Loans	-	128	128
Consumer Loans	20.983	432.975	453.958
Other	-	-	-
Personnel Loans-Indexed to FC	-	14.275	14.275
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	14.275	14.275
Personnel Loans-FC	2.658	52.375	55.033
Mortgage Loans	-	8.261	8.261
Automotive Loans	-	400	400
Consumer Loans	2.492	1.955	4.447
Other	166	41.759	41.925
Personnel Credit Cards- TL	228.633	7.223	235.856
With Installment	61.491	6.538	68.029
Without Installment	167.142	685	167.827
Personnel Credit Cards-FC	2.177	-	2.177
With Installment	2.137	-	2.137
Without Installment	40	-	40
Overdraft Accounts- TL (Real Person)	2.387.151	-	2.387.151
Overdraft Accounts-FC (Real Person)	89	-	89
Total ⁽¹⁾	20.974.487	149.304.106	170.278.593

⁽¹⁾ TL 1.309.768 amounting of interest income rediscount and accrual is not included.

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

7. Information Related to Loans (Continued)

7.4 Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	8.146.589	86.850.078	94.996.667
Mortgage Loans	24.978	2.421.524	2.446.502
Automotive Loans	513.268	5.209.694	5.722.962
Consumer Loans	7.608.343	79.218.860	86.827.203
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	892.873	805.871	1.698.744
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	4.347	-	4.347
Other	888.526	805.871	1.694.397
Installment Based Commercial Loans - FC	2.102.308	88.157.275	90.259.583
Mortgage Loans	23.497	678.962	702.459
Automotive Loans	579	65.555	66.134
Consumer Loans	1.528.539	85.445.123	86.973.662
Other	549.693	1.967.635	2.517.328
Corporate Credit Cards- TL	25.224.229	616.373	25.840.602
With Installment	11.172.219	615.373	11.787.592
Without Installment	14.052.010	1.000	14.053.010
Corporate Credit Cards-FC	77.650	-	77.650
With Installment	75.618	-	75.618
Without Installment	2.032	-	2.032
Overdraft Account- TL (Legal Entity)	2.405.296	-	2.405.296
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	38.848.945	176.429.597	215.278.542

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

Prior Period	Short Term	Medium and Long Term	Total
Installment Based Commercial Loans- TL	3.763.212	90.134.805	93.898.017
Mortgage Loans	7.154	1.696.440	1.703.594
Automotive Loans	251.321	3.415.447	3.666.768
Consumer Loans	3.504.737	85.022.918	88.527.655
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	1.050.065	657.659	1.707.724
Mortgage Loans	-	-	-
Automotive Loans	-	20	20
Consumer Loans	25.436	598.659	624.095
Other	1.024.629	58.980	1.083.609
Installment Based Commercial Loans - FC	2.182.877	73.871.304	76.054.181
Mortgage Loans	178.060	475.530	653.590
Automotive Loans	91	54.056	54.147
Consumer Loans	1.661.146	72.292.426	73.953.572
Other	343.580	1.049.292	1.392.872
Corporate Credit Cards- TL	15.944.209	247.639	16.191.848
With Installment	7.042.609	247.539	7.290.148
Without Installment	8.901.600	100	8.901.700
Corporate Credit Cards-FC	58.585	-	58.585
With Installment	56.752	-	56.752
Without Installment	1.833	-	1.833
Overdraft Account- TL (Legal Entity)	1.463.188	-	1.463.188
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	24.462.136	164.911.407	189.373.543

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

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

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

7. Information Related to Loans (Continued)

7.5. Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	1.083.368.341	802.846.934
Foreign Loans	27.154.775	21.849.732
Interest Income Accruals of Loans	25.588.879	19.949.064
Total	1.136.111.995	844.645.730

7.6. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	1.672.862	1.522.167
Indirect loans granted to subsidiaries and associates	-	-
Total	1.672.862	1.522.167

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

	Current Period	Prior Period
Loans and other receivables with limited collectability	1.768.413	1.651.518
Loans and other receivables with doubtful collectability	883.670	1.127.454
Uncollectible loans and other receivables	12.615.335	12.493.924
Total	15.267.418	15.272.896

7.8. Information on Non-performing Loans (Net)

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period			
Gross amounts before the provisions	310.896	351.931	1.448.289
Restructured loans	310.896	351.931	1.448.289
Prior Period			
Gross amounts before the provisions	609.360	289.568	1.650.130
Restructured loans	609.360	289.568	1.650.130

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

7. Information Related to Loans (Continued)

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

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

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Prior Period Ending Balance	3.628.643	2.206.727	14.370.830
Additions (+)	2.537.883	212.150	710.383
Transfers from Other Categories of Loans under Follow-Up (+)	-	1.939.994	2.140.284
Transfers to Other Categories of Loans under Follow-Up (-)	1.939.994	2.140.284	-
Collections (-) ⁽¹⁾	751.945	515.038	2.476.448
Write-offs (-) ⁽²⁾	-	-	274.714
Sold (-) ⁽³⁾	-	-	19.016
Corporate and Commercial Loans	-	-	19.016
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	3.474.587	1.703.549	14.451.319
Provision (-)	1.768.413	883.670	12.615.335
Net Balance on Balance Sheet	1.706.174	819.879	1.835.984

⁽¹⁾ Includes transfers to first and second group loans amounting to TL 681.388

⁽²⁾ As of 30 June 2022, there is a write-offs loan amounting to TL 274.714 (31 December 2021: None). When the calculation is made by taking into account the loans write-offs, the effect of the Group on the NPL and NPL ratio is 2 basis points.

⁽³⁾ The amount that has been transferred and removed from the financial statements, while being followed in non-performing receivables accounts of Ziraat Katılım Bankası A.Ş., based on the transfer of receivables agreements.

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

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period:			
Period Ending Balance	2.844.662	181.521	4.046.860
Provision (-)	1.525.317	110.499	3.773.597
Net Balance on Balance Sheet	1.319.345	71.022	273.263
Prior Period:			
Period Ending Balance	2.591.923	149.615	1.122.002
Provision (-)	1.282.982	131.027	800.680
Net Balance on Balance Sheet	1.308.941	18.588	321.322

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(Continued)**

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

7. Information Related to Loans (Continued)

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

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

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period (Net)	1.706.174	819.879	1.835.984
Loans to Real Persons and Legal Entities (Gross)	3.474.587	1.703.549	14.286.070
Provisions (-)	1.768.413	883.670	12.450.086
Loans to Real Persons and Legal Entities (Net)	1.706.174	819.879	1.835.984
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	165.249
Provisions (-)	-	-	165.249
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	1.977.125	1.079.273	1.876.906
Loans to Real Persons and Legal Entities (Gross)	3.628.643	2.206.727	14.214.115
Provisions (-)	1.651.518	1.127.454	12.337.209
Loans to Real Persons and Legal Entities (Net)	1.977.125	1.079.273	1.876.906
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	156.715
Provisions (-)	-	-	156.715
Other Loans and Receivables (Net)	-	-	-

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

	Group III	Group IV	Group V
	Loans with limited collectibility	Loans with doubtful collectibility	Uncollectible loans
Current Period (Net)	106.493	22.419	101.648
Interest Accruals and Valuation Differences	199.536	148.858	862.358
Provisions (-)	93.043	126.439	760.710
Prior Period (Net)	99.409	53.083	105.201
Interest Accruals and Valuation Differences	179.747	215.297	824.897
Provisions (-)	80.338	162.214	719.696

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(Continued)**

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

8. Other Financial Assets Measured at Amortized Cost

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

Financial Assets Measured at Amortized Cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	20.881.493	3.855.234	1.390.806	3.209.928
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	20.881.493	3.855.234	1.390.806	3.209.928

Financial Assets Measured at Amortized Cost given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	969.321	-	-	-
Bonds and Similar Investment Securities	25.883.157	30.738.994	607.105	25.626.356
Other	-	-	-	332.803
Total	26.852.478	30.738.994	607.105	25.959.159

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	95.523.027	45.620.065
Treasury Bills	1.085.160	87.599
Other Public Sector Debt Securities	397.275	290.413
Total	97.005.462	45.998.077

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt securities	97.458.589	46.339.321
Quoted at Stock Exchange	94.200.004	44.293.342
Unquoted at Stock Exchange	3.258.585	2.045.979
Provision for Impairment (-)	5.315	296
Total	97.453.274	46.339.025

8.4. The Movements of Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Beginning Balance	46.339.025	30.620.481
Foreign Currency Differences on Monetary Assets	6.062.946	11.313.351
Purchases During the Year ⁽¹⁾	45.948.818	7.195.320
Disposals through Sales and Redemptions	(892.200)	(2.789.831)
Provision for Impairment (-)	5.315	296
Period End Balance	97.453.274	46.339.025

⁽¹⁾ Accruals are shown in “Purchases During the Year”.

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(Continued)**

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

9. Information on Associates Accounts (Net)

9.1. Information on Unconsolidated Associates

	Description	Address (City/ Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	İstanbul/Türkiye	33,34	33,34

	Total Assets (1)	Shareholders’ Equity (1)	Total Non- Current Assets (1)(2)	Interest Income (1)	Income from Marketable Securities (1)	Current Period Profit / Loss (1)	Prior Period Profit / Loss (1)	Fair Value
1	422.893	356.678	107.868	16.621	-	11.012	11.230	-

(1) The current period financial statement information of the subsidiary is taken from the unaudited financial statements as of 30 June 2022, and the profit/loss figure for the previous period is taken from the audited financial statements as of 30 June 2021.

(2) Total fixed assets include tangible and intangible assets.

(3) The share transfer agreement for the sale of the Bank’s shares in Platform Ortak Kartlı Sistemler A.Ş., which was previously a subsidiary, to Türkiye Halk Bankası A.Ş. was signed on 21 June 2022 and all of the participation shares were transferred to Türkiye Halk Bankası A.Ş.

9.2. Consolidated Subsidiaries

	Description	Address (City/Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/ Türkiye	15,43	15,43

	Total Assets (1)	Shareholders’ Equity (1)	Total Non- Current Assets (1)	Interest Income (1)	Income from Marketable Securities (1)	Current Period Profit / Loss (1)	Prior Period Profit / Loss (1)	Fair Value
1	12.042.579	1.432.768	222.670	314.356	108.044	103.361	81.798	-

(1) The current period financial statement information of Arap Türk Bankası A.Ş. is taken from the unaudited financial statements as of 30 June 2022, and the profit/loss figures for the previous period are obtained from the reviewed financial statements of 30 June 2021.

9.3. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	205.959	177.879
Movement During the Period	12.249	28.080
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	17.137	24.740
Transfer	-	-
Sales/Liquidation	-	-
Revaluation Increase	4.888	3.340
Revaluation/Impairment (-)	-	-
Balance at the End of the Period	218.208	205.959
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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(Continued)**

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

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

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

	Current Period	Prior Period
Banks	218.208	205.959
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	-	-

9.5. Subsidiaries Quoted to a Stock Exchange

None (31 December 2021: 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 / Türkiye	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
1	143.597	28.441	9.108	915	21	8.884	70	51.826

⁽¹⁾ There is no fair value since subsidiaries are not traded in the stock exchange.

⁽²⁾ The current period financial statement information of the subsidiary is taken from the unaudited financial statements dated as of 30 June 2022, and the profit/loss figure for the previous period is taken from the audited financial statements dated as of 30 June 2021.

10.2. Information on Consolidated Subsidiaries

	Description	Address (City/ Country)	The Parent Bank’s Share Percentage-if different Voting Percentage (%)	The Parent Bank’s Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / Türkiye	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Türkiye	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Türkiye	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Türkiye	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul / Türkiye	100,00	100,00
6	Ziraat 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	100,00
9	Kazakhstan Ziraat Int. Bank	Almaty / Kazakhstan	99,83	99,83
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

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

10. Information on Subsidiaries (Net) (Continued)

10.2. Information on Consolidated Subsidiaries (Continued)

	Total Assets	Shareholder's 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	1.256.160	691.534	4.445	85.459	-	190.214	201.313	1.415.705	-
2	253.551	231.460	5.923	10.926	-	48.880	30.523	268.123	-
3	151.597.581	8.168.125	673.519	8.587.342	2.808.436	2.111.581	187.350	3.668.158	-
4	9.227.506	8.560.886	8.267.932	24.985	-	159.690	72.594	12.083.504	-
5	1.098.516	1.097.215	686	17.329	-	19.466	21.882	1.095.967	-
6	16.598.947	4.235.858	54.523	231.658	1.639	(204.770)	105.319	3.389.282	-
7	11.080.876	1.440.908	73.899	104.008	-	28.140	33.272	509.196	-
8	3.340.438	1.264.690	52.173	88.454	515	48.294	21.184	674.735	-
9	4.971.718	1.340.600	424.135	118.088	-	(152.734)	36.015	1.025.043	-
10	4.243.197	925.452	233.635	97.481	8.182	3.786	14.348	535.517	-
11	1.277.080	284.302	13.549	17.036	3.455	(1.366)	1.243	184.221	-
12	974.089	354.809	32.972	23.984	339	14.815	2.156	216.604	-
13	2.827.093	584.784	34.896	71.377	1.339	49.034	(6.637)	215.812	-

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

(2) Current period financial statement information, Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş. and Ziraat Katılım Bankası A.Ş. as of 30 June 2022, and the financial statements of other subsidiaries, which have not been reviewed, and profit/loss figures for the previous period are obtained from the reviewed financial statements of 30 June 2021.

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Balance at the Beginning of the Period	20.558.487	13.901.878
Movements During the Period	4.723.378	6.656.609
Additions to Scope of Consolidation	-	-
Purchases	1.275.375	767.894
Bonus Shares Obtained	28.088	99.967
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase ⁽¹⁾	3.419.915	7.476.690
Impairment Provision (-)	-	1.687.942
Transfer (-)	-	-
Balance at the End of the Period	25.281.865	20.558.487
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

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

(2) Non-financial subsidiaries are not included.

10.3. Sectoral Information on Subsidiaries and the Related Carrying Amounts

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Banks	10.418.567	8.567.353
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	14.863.298	11.991.134

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

10. Information on Subsidiaries (Net) (Continued)

10.4. Subsidiaries Quoted to a Stock Exchange

(Represents the values of the Parent Bank)

	Current Period	Prior Period
Quoted at domestic stock exchanges	12.083.504	9.280.885
Quoted at international stock exchanges	-	-

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

Investments on entities under common control are monitored at fair value in the unconsolidated financial statements within the scope of "Separate Financial Statements Türkiye Accounting Standard 27 (TAS 27)" according to TFRS 9 Financial Instruments Standard. 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)⁽¹⁾	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	11.940.606	47.491	13.591	251.640	105.769

⁽¹⁾ Information on entity under joint control is provided from the unaudited financial statements as of 30 June 2022.

12. Information on Lease Receivables

Information on receivables from financial leasing transactions.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	61.745	60.049	449.965	431.939
1-5 Years	7.201.145	6.348.786	8.194.720	7.153.214
More than 5 Years	7.187.899	6.091.501	2.363.504	1.981.453
Total	14.450.789	12.500.336	11.008.189	9.566.606

13. Information on Derivative Financial Assets for Hedging Purposes

The Group does not have any derivative financial assets for hedging purposes.

14. Information on Investment Property

The Group's investment properties are TL 1.307.531 (31 December 2021: TL 1.268.500).

15. Information on Assets Held for Sale and Tangibles Corresponding Discontinuing 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 use exists by the Parent Bank. Those immovables considered for sales are announced at the web site of the Parent Bank.

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

**15. Information on Assets Held for Sale and Tangibles Corresponding Discontinuing Operations
(Continued)**

The total of the partnership shares acquired by the Group due to the aforementioned receivables is TL 415.578 (31 December 2021: TL 181.483). The Group’s immovables acquired amount to TL 5.320.879 (31 December 2021: TL 5.243.721) consisting of TL 5.263 (31 December 2021: TL 7.334) due to consumer loans, TL 5.229.481 (31 December 2021: TL 5.114.751) on its commercial loans and TL 86.135 (31 December 2021: TL 121.636) on its agricultural loans. Also, the sum of movables acquired from consumer loans amounts to TL 48.915 (31 December 2021: TL 25.083). The net book value of the Group’s fixed assets held for sale acquired through fiduciary rights is TL 2.344.278 (31 December 2021: TL 1.798.324).

16. Explanations on Tangible Assets

	Immovables	Immovables with Right of Use	Movables	Movables with Right of Use	Leasing Development Costs	Other Tangibles	Total
Prior Period End							
Cost	12.568.138	1.172.709	2.157.480	262.652	388.425	-	16.549.404
Accumulated Depreciation (-)	921.289	262.106	1.393.865	156.841	312.247	-	3.046.348
Impairment (-)	2.323	-	618	-	-	-	2.941
Net Book Value	11.644.526	910.603	762.997	105.811	76.178	-	13.500.115
Current Period End							
Net Book Value at the Beginning of the Period	11.644.526	910.603	762.997	105.811	76.178	-	13.500.115
Change During the Period (Net)	1.050.945	195.760	11.315	90.305	25.531	-	1.373.856
Cost	1.062.212	185.695	165.245	85.322	24.980	-	1.523.454
Depreciation – Net (-)	11.267	(10.065)	153.930	(4.983)	(551)	-	149.598
Impairment (-)	-	-	-	-	-	-	-
Net Currency Translation from Foreign Subsidiaries	103.563	18.643	16.502	1.458	8.336	-	148.502
Cost at Period End	13.733.913	1.377.047	2.339.227	349.432	421.741	-	18.221.360
Accumulated Depreciation at Period End (-)	932.556	252.041	1.547.795	151.858	311.696	-	3.195.946
Impairment (-)	2.323	-	618	-	-	-	2.941
Closing Net Book Value	12.799.034	1.125.006	790.814	197.574	110.045	-	15.022.473

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

None.

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

None.

19. Information on Expected Credit Loss for Financial Assets

	Current Period	Prior Period
Cash and Balances at Central Bank	13.110	8.729
Banks and Receivables from Money Markets	22.745	12.532
Financial Assets Measured at Amortized Cost	20.797	10.134
Other assets	101.642	60.574
Total	158.294	91.969

20. Information on Other Assets

As of 30 June 2022, other assets do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

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	92.025.679	-	13.617.172	169.120.504	33.223.097	5.878.691	13.143.520	162.388	327.171.051
Foreign Currency Deposits	237.521.501	-	66.979.784	158.353.538	39.128.801	19.195.047	65.329.060	14.383	586.522.114
Residents in Türkiye	190.619.799	-	65.494.686	134.898.041	29.178.366	9.311.695	26.261.690	11.085	455.775.362
Residents Abroad	46.901.702	-	1.485.098	23.455.497	9.950.435	9.883.352	39.067.370	3.298	130.746.752
Public Sector Deposits	20.758.685	-	50.239.988	10.757.234	3.068.354	377.236	992.354	-	86.193.851
Commercial Deposits	42.802.117	-	39.679.805	52.422.558	29.616.383	28.186.119	969.938	-	193.676.920
Other Institutions Deposits	4.953.659	-	3.683.504	14.796.497	2.418.707	1.308.699	495.285	-	27.656.351
Precious Metals Deposit	68.599.052	-	1.574.395	12.258.227	1.198.650	493.129	546.634	-	84.670.087
Interbank Deposits	8.975.182	-	32.263.742	7.146.401	82.983	11.477.422	10.171.337	-	70.117.067
The CBRT	1.518.716	-	-	-	-	-	-	-	1.518.716
Domestic Banks	705.288	-	31.994.226	533.320	-	67.665	3.460.849	-	36.761.348
Foreign Banks	6.522.660	-	269.516	5.940.126	82.983	11.409.757	6.710.488	-	30.935.530
Participation Banks	228.518	-	-	672.955	-	-	-	-	901.473
Other	-	-	-	-	-	-	-	-	-
Total	475.635.875	-	208.038.390	424.854.959	108.736.975	66.916.343	91.648.128	176.771	1.376.007.441

(*) As of 30 June 2022, the balance of savings deposits includes TL 84.433.718 Treasury Currency Protected Deposits and TL 88.728.722 CBRT Currency Protected Deposits.

Prior Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	70.203.865	-	13.030.976	112.837.748	24.125.159	2.977.746	7.890.123	181.935	231.247.552
Foreign Currency Deposits	190.377.004	-	49.794.596	170.108.911	26.535.508	18.382.592	68.957.900	15.469	524.171.980
Residents in Türkiye	157.004.194	-	48.397.670	148.443.080	17.906.947	8.254.009	32.105.695	13.806	412.125.401
Residents Abroad	33.372.810	-	1.396.926	21.665.831	8.628.561	10.128.583	36.852.205	1.663	112.046.579
Public Sector Deposits	14.149.540	-	9.547.190	8.721.258	912.677	501.108	12.929	-	33.844.702
Commercial Deposits	29.300.264	-	33.098.860	32.960.078	1.363.882	2.729.921	4.532.757	-	103.985.762
Other Institutions Deposits	3.818.724	-	8.104.480	12.507.489	1.509.098	770.022	536.828	-	27.246.641
Precious Metals Deposit	56.314.128	-	1.279.645	11.840.063	781.965	508.828	496.696	-	71.221.325
Interbank Deposits	6.995.086	-	28.867.166	6.149.726	92.113	9.753.095	8.285.553	-	60.142.739
The CBRT	364.127	-	-	-	-	-	-	-	364.127
Domestic Banks	343.628	-	28.744.473	833.275	-	971	2.663.800	-	32.586.147
Foreign Banks	6.195.958	-	122.693	5.316.451	92.113	9.752.124	5.621.753	-	27.101.092
Participation Banks	91.373	-	-	-	-	-	-	-	91.373
Other	-	-	-	-	-	-	-	-	-
Total	371.158.611	-	143.722.913	355.125.273	55.320.402	35.623.312	90.712.786	197.404	1.051.860.701

(*) As of 31 December 2021, the balance of savings deposits includes TL 13.970.133 Treasury Currency Protected Deposits and TL 2.804.414 CBRT Currency Protected Deposits.

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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits ⁽¹⁾	185.960.859	140.238.589	139.570.708	89.913.174
Foreign Currency Saving Deposits ⁽¹⁾	154.515.500	123.294.124	313.330.990	275.115.788
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under the Guarantees of Foreign Authority Insurance ⁽²⁾	3.996.543	3.353.517	1.774.377	1.629.055
Off-Shore Banking Regions' under Foreign Authorities' Insurance	-	-	-	-

⁽¹⁾ Related deposit balances do not include foreign branches.

⁽²⁾ 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 1.587.374 and TL 42.830 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2021: TL 1.208.852 and TL 34.311).

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

1. Information on Deposits/Funds Collected (Continued)

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

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL 445 (31 December 2021: TL 479) of demand deposits is not included in the above calculation, since the Parent 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 200 attributable to a real person is covered by the insurance, TL 4.663.772 (31 December 2021: TL 2.114.087) 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 25 September 2019 and numbered 30899.

1.3. Information on Saving Deposits/Real Persons’ Private Current and Accession Accounts Not Related to Commercial Transactions in a Turkish Branch of the Parent 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 Türkiye.

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	98.413	12.236
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	38.628	30.687
Deposits Obtained through Illegal Acts Defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated 26 September 2004	-	-
Saving Deposits in Banks Established in Türkiye Exclusively for Off-Shore Banking Activities	-	-

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	159.554	11.094	798.079	6.271
Swap Transactions	1.842.562	4.801.959	475.473	2.350.376
Futures Transactions	8.020	-	-	-
Options	-	185.799	-	71.878
Other	-	-	-	-
Total	2.010.136	4.998.852	1.273.552	2.428.525

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

3. Information on Banks and Other Financial Institutions

3.1. General Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
From Domestic Banks and Institutions	834.908	12.524.410	490.338	10.174.565
From Foreign Banks, Institutions and Funds	5.154	76.047.852	10.568	50.265.360
Total	840.062	88.572.262	500.906	60.439.925

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	822.887	3.726.469	488.941	4.160.282
Medium and Long-Term	17.175	84.845.793	11.965	56.279.643
Total	840.062	88.572.262	500.906	60.439.925

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

71,26% of the Group’s total liabilities and shareholders’ equity 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

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	131.249.680	-	143.430.704	-
Financial Institutions and Organizations	131.121.717	-	143.258.075	-
Other Institutions and Organizations	117.056	-	158.819	-
Real Person	10.907	-	13.810	-
From Overseas Operations	-	38.917.612	-	37.053.037
Financial Institutions and Organizations	-	38.917.612	-	37.053.037
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	131.249.680	38.917.612	143.430.704	37.053.037

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	124.507	-	97.988
Asset-Backed Securities	3.891.890	-	4.156.876	-
Treasury Bonds	949.161	22.229.521	1.000.982	25.053.734
Total	4.841.051	22.354.028	5.157.858	25.151.722

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

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

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

7. Information on Lease Liabilities

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	179.308	119.880	88.525	49.499
Between 1-4 Years	617.808	508.582	487.584	415.605
More than 4 Years	1.489.871	761.452	1.088.930	597.423
Total	2.286.987	1.389.914	1.665.039	1.062.527

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities of Group.

9. Information on Provisions

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

There are no foreign exchange loss provisions on foreign currency indexed loans and financial lease receivables (31 December 2021: None).

9.2. Liabilities on Employee Benefits Provision

9.2.1. Termination Benefit and Unused Vacation Rights

The Group, accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 30 June 2022, unpaid vacation liability amounted to TL 603.348 and employment termination amounted to TL 1.708.103 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2021 unpaid vacation liability amounted to TL 384.562, and employment termination amounted to TL 1.393.410 are presented under the “Employee Benefits Provision” in the financial statements)

9.3. Information on Other Provision

Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 14.119.000, of which TL 3.730.000 has been reserved in previous periods and TL 10.389.000 has been set to be in the current year. (31 December 2021: Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Group's management has free provisions amounting to TL 3.730.000 thousand, of which TL 3.505.000 thousand has been reserved in previous periods, TL 250.000 has been reserved in the current period, and TL 25.000 has been canceled in the current period.)

Expected loss provisions for non-cash loans are TL 4.913.938 (December 31, 2021: Expected loss provisions for non-cash loans are TL 3.401.185). Regarding the lawsuit files of the Group, a provision of TL 162.917 (31 December 2021: TL 147.924) has been provided in the financial statements for the lawsuits filed against the Group, which are likely to result but are not yet finalized against the Group. In addition, there is other provision amount to TL 970.185 (December 31, 2021: Other provisions amounting to TL 733.427.)

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

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 30 June 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 4.326.989 (As of 31 December 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 397.162).

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	4.326.989	397.162
Taxation on Income From Securities	512.164	436.229
Property Tax	5.336	4.191
Banking Insurance Transactions Tax (BITT)	643.729	463.810
Foreign Exchange Transactions Tax	43.298	119.822
Value Added Tax Payable	59.157	63.871
Other	150.542	133.007
Total	5.741.215	1.618.092

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	143	83
Social Security Premiums - Employer	177	98
Bank Social Aid Pension Fund Premium - Employee	31.702	22.904
Bank Social Aid Pension Fund Premium - Employer	46.473	33.563
Pension Fund Membership Fees and Provisions - Employee	10	4
Pension Fund Membership Fees and Provisions - Employer	58	15
Unemployment Insurance - Employee	2.527	1.807
Unemployment Insurance - Employer	5.053	3.615
Other	-	-
Total	86.143	62.089

10.2. Information on Deferred Tax Liabilities If Any

The Group has TL 21.443 deferred tax liability (31 December 2021: TL 21.837).

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 December 2021: None).

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

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	26.588.584	-	22.741.964
Subordinated loans	-	2.204.391	-	1.314.363
Subordinated debt instruments	-	24.384.193	-	21.427.601
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	-	26.588.584	-	22.741.964

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

13. Information on Shareholders’ Equity

13.1. Presentation of Paid-In Capital

	Current Period	Prior Period
Common stock	34.900.000	13.100.000
Preferred stock	-	-

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

The 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 Share

The decision to increase the capital to TL 34.900.000 was approved at the Extraordinary General Assembly meeting of the Parent Bank held on March 9, 2022. The capital increase and the related amendment made in the relevant article of the Articles of Association were registered on March 14, 2022, and dated March 14, 2022. It was announced in the Trade Registry Gazette numbered 10536. The accounting for the said capital increase was carried out on 14 March 2022 based on the permission obtained from the BRSA.

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
14 March 2022	21.800.000	21.800.000	-	-

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

There is no share capital amount included in capital.

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

The Parent Bank has no capital commitments.

13.6. The Effects of Anticipations Based on the Financial Figures for Prior Periods Regarding the Group’s Income, Profitability and Liquidity, and Possible Effects of These Future Assumptions on the Group’s Equity due to 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.

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

13. Information on Shareholders’ Equity (Continued)

13.7. 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)	40.670	(25.912)	41.654	(25.912)
Valuation Difference	46.492.488	(27.117.926)	9.691.095	(9.023.318)
Foreign Currency Differences	4.203.683	1.747	4.167.614	3.271
Total	50.736.841	(27.142.091)	13.900.363	(9.045.959)

III. EXPLANATIONS AND NOTES TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

1. Explanations on Liabilities in Off-balance Sheet Accounts

1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Sale Commitments	24.316.644	24.817.588
Subsidiaries and Associates Capital Contribution Commitments	-	3.150
Loan Granting Commitments	35.898.192	22.929.479
Commitments for Cheque Payments	9.949.288	7.058.166
Commitments for Credit Card Expenditure Limits	64.412.588	61.914.689
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	131.980	102.027
Tax and Fund Liabilities from Export Commitments	45.327	22.637
Other Irrevocable Commitments	24.887.981	23.435.761
Total	159.642.000	140.283.497

1.2. A 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 4.913.938 for expected credit losses arising from the off-balance sheet items in the current period. (31 December 2021: TL 3.401.185).

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

	Current Period	Prior Period
Letters of Guarantee	280.032.739	206.713.656
Letters of Credit	88.930.278	65.176.324
Bank Acceptances	15.241.007	11.968.706
Endorsements	10.960.889	6.009.467
Other Guarantees	2.386.901	2.433.706
Other Collateral	17.000	3.345
Total	397.568.814	292.305.204

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

1. Explanations on Liabilities in Off-balance Sheet Accounts (Continued)

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

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

	Current Period	Prior Period
Letters of Certain Guarantees	168.704.675	122.155.860
Letters of Advance Guarantees	37.858.109	32.445.562
Letters of Temporary Guarantees	8.911.182	5.056.575
Letters of Guarantees Given to Customs Offices	3.369.157	2.002.466
Other Letters of Guarantees	61.189.616	45.053.193
Total	280.032.739	206.713.656

1.3. Explanations on Non-Cash Loans

1.3.1. Total Non-Cash Loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	51.727.851	39.535.612
With Original Maturity of One Year or Less	29.231.271	19.970.315
With Original Maturity of More than One Year	22.496.580	19.565.297
Other Non-Cash Loans	345.840.963	252.769.592
Total	397.568.814	292.305.204

**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
Interest on Loans ⁽¹⁾	47.394.041	9.788.389	29.767.465	5.024.514
Short Term Loans	16.957.763	1.266.351	7.545.158	509.386
Medium and Long-Term Loans	29.521.732	8.465.802	21.674.374	4.506.528
Interest on Loans Under Follow-Up	914.546	56.236	547.933	8.600
Premiums Received from the Resource Utilization Support Fund	-	-	-	-

⁽¹⁾ 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 Türkiye	-	-	-	-
From Domestic Banks	141.676	35.467	25.280	20.046
From Foreign Banks	60.042	96.096	17.668	28.819
From Headquarters and Branches Abroad	-	-	-	-
Total	201.718	131.563	42.948	48.865

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(Continued)**

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

1. Interest Income (Continued)

1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	284.148	22.757	141.631	5.787
Financial Assets at Fair Value Through Other Comprehensive Income	23.991.404	4.625.932	7.160.436	2.384.952
Financial Assets Measured at Amortized Cost	6.514.492	998.704	737.604	525.092
Total	30.790.044	5.647.393	8.039.671	2.915.831

^(*) As stated in Note VII of Section Three, the Group's securities portfolios, whose fair value difference is reflected in other comprehensive income and measured at amortized cost, include consumer price (“CPI”) indexed bonds. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The Group determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. In this context, as of 30 June 2022, the valuation of the said assets was made according to the annual 50% inflation forecast. A 1% increase in the CPI forecast will increase the profit before tax by TL 261.3 million as of 30 June 2022, while a 1% decrease will decrease it by TL 211.4 million.

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	103.046	94.459

2. Interest Expense

2.1. Information of Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	251.526	919.755	54.630	467.311
Central Bank of the Republic of Türkiye	205	-	-	-
Domestic Banks	215.365	181.780	9.853	96.067
Foreign Banks	35.956	737.975	44.777	371.244
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	76.876	24.502	31.662
Total	251.526	996.631	79.132	498.973

⁽¹⁾ Includes fees and commissions expenses on cash loans.

2.2. Information on Interest Expense Given to Associates and Subsidiaries

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	23.364	18.906

2.3. Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	434.467	1.263.608	394.341	814.986

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

2. Interest Expense (Continued)

2.4. Maturity Structure of the Interest Expense on Deposits

Current Period	Time Deposits							
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	2.169.619	26.862	-	-	-	-	2.196.481
Saving Deposit	-	816.392	10.550.459	2.258.872	399.457	2.100.497	7.805	16.133.482
Public Sector Deposit	49	1.871.400	735.260	70.623	30.504	837	-	2.708.673
Commercial Deposit	62	2.290.263	2.166.770	1.697.149	1.691.602	62.490	-	7.908.336
Other Deposit	-	256.083	995.801	90.234	33.617	23.704	-	1.399.439
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	111	7.403.757	14.475.152	4.116.878	2.155.180	2.187.528	7.805	30.346.411
FC								
Foreign Currency Deposit	34.139	276.050	832.395	157.134	54.748	216.451	1	1.570.918
Bank Deposit	84	6.355	22.516	-	47.621	28.089	-	104.665
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	8.175	22.709	2.006	1.097	1.167	-	35.154
Total	34.223	290.580	877.620	159.140	103.466	245.707	1	1.710.737
Grand Total	34.334	7.694.337	15.352.772	4.276.018	2.258.646	2.433.235	7.806	32.057.148

Prior Period	Time Deposits							
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More Than 1 year	Cumulative Deposit	Total
TL								
Bank Deposit	-	1.895.680	13.988	-	-	-	-	1.909.668
Saving Deposit	-	725.758	7.822.841	1.706.368	219.110	484.017	5.749	10.963.843
Public Sector Deposit	570	731.086	533.316	48.095	15.351	4.614	-	1.333.032
Commercial Deposit	71	1.718.831	2.116.210	50.940	294.192	17.401	-	4.197.645
Other Deposit	-	173.982	942.001	72.284	50.453	16.275	-	1.254.995
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Total	641	5.245.337	11.428.356	1.877.687	579.106	522.307	5.749	19.659.183
FC								
Foreign Currency Deposit	1.336	125.879	661.998	66.130	76.731	209.726	2	1.141.802
Bank Deposit	29	1.569	26.794	1.404	8.084	21.115	-	58.995
Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	1.917	18.965	1.725	1.033	795	-	24.435
Total	1.365	129.365	707.757	69.259	85.848	231.636	2	1.225.232
Grand Total	2.006	5.374.702	12.136.113	1.946.946	664.954	753.943	5.751	20.884.415

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

3. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
Profit	226.646.668	132.785.397
Trading Gains on Securities	595.945	179.271
Gains on Derivative Financial Transactions	7.393.673	5.287.205
Foreign Exchange Profits	218.657.050	127.318.921
Loss (-)	226.649.377	137.726.844
Trading Losses on Securities	144.246	103.034
Losses on Derivative Financial Instruments	11.173.865	10.910.909
Foreign Exchange Loss	215.331.266	126.712.901

4. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 3.032.100 and income from sales of assets amounting to TL 399.057 (30 June 2021: Significant proportion of other operating income consists of reversals from prior period provisions amounting TL 2.015.861 and income from sales of assets amounting to TL 163.677).

5. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provisions	9.197.117	4.235.406
12 Month Expected Credit Loss (Stage 1)	2.107.634	283.836
Significant Increase in Credit Risk (Stage 2)	4.357.579	1.733.105
Non-Performing Loans (Stage 3)	2.731.904	2.218.465
Marketable Securities Impairment Expense	4.353.495	108.337
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.353.495	108.337
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other (*)	10.518.719	55.028
Total	24.069.331	4.398.771

(*) Includes free provision expense amounting to TL 10.389.000 (30 June 2021: None.)

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

6. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	311.973	226.197
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	100	-
Depreciation Expenses of Tangible Assets	348.293	290.959
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	118.559	75.454
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	3.214.370	2.310.205
Leasing Expenses Related to TFRS 16 Exceptions	51.951	41.763
Maintenance Expenses	151.351	115.017
Advertisement Expenses	181.911	156.840
Other Expenses	2.829.157	1.996.585
Loss on Sales of Assets	1.761	1.448
Other ⁽¹⁾	3.031.047	1.719.995
Total	7.026.103	4.624.258

⁽¹⁾ TL 1.150.082 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 1.110.105 consists of taxes, duties and charges expense (30 June 2021: TL 769.130 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 528.299 consists of taxes, duties and charges expense.).

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

The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	51.964.618	14.674.824
Net Fees and Commissions Income	5.931.418	2.627.334
Other Operating Income	4.750.028	2.722.573
Dividend Income	21.344	8.248
Trading Profit/Loss (Net)	(2.709)	(4.941.447)
Personnel Expenses (-)	4.573.751	2.784.826
Expected Credit Loss (-)	9.197.117	4.235.406
Other Provision Expenses (-)	14.872.214	163.365
Other Operating Expenses (-)	7.026.103	4.624.258
Profit/Loss from Investments in Subsidiaries Consolidated based on Equity Method	74.706	41.027
Current Period Profit/Loss from Continuing Operations	27.070.220	3.324.704

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. Information on Tax Provision for Continued and Discontinued Operations

As of 30 June 2022, TL 8.786.086 of the Group’s total tax provision expense amounting to TL 17.661.709 consists of current tax expense while remaining balances amounting to TL 8.875.623 consists of deferred tax income (As of 30 June 2021, TL 954.722 of the Group’s total tax provision expense amounting to TL 2.044.504 consists of current tax expense while remaining balances amounting to TL 1.089.782 consists of deferred tax income).

9. Explanation on Current Period Net Profit and Loss of Continued and Discontinued Operations

The Group's net profit from continuing operations is TL 18.284.134 (30 June 2021: Group's net profit from continuing operations is TL 2.369.982).

10. Information on Net Profit/Loss

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

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

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

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

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

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

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

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

1.1 Information on Loans of the Bank’s Risk Group

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Current Period						
Loans						
Beginning Balance	1.522.167	10.407	-	-	-	-
Ending Balance	1.672.862	12.300	-	-	-	-
Interest and Commissions Income	103.046	76	-	-	-	-

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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**V. EXPLANATIONS AND NOTES RELATED TO RISK GROUP THAT THE PARENT BANK
BELONGS TO (Continued)**

**1. Information on the Volume of Transactions Relating to the Parent Bank’s Risk Group,
Outstanding Loan and Deposit Transactions and Profit and Loss of the Period (Continued)**

1.1 Information on Loans of the Bank’s Risk Group (Continued)

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Beginning Balance	1.138.436	27.516	-	-	-	-
Ending Balance	1.522.167	10.407	-	-	-	-
Interest and Commissions Income	94.459	570	-	-	-	-

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 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	261.948	283.286	-	-	-	-
Ending Balance	158.338	261.948	-	-	-	-
Interest Expense on Deposits	23.364	18.906	-	-	-	-

1.3. Information on Forward and Option Agreements and Other Similar Agreements made with the Parent Bank’s Risk Group

None (31 December 2021: None).

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

Fees paid to the Group’s key management amount to TL 48.592 (30 June 2021: TL 27.388).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDIT REPORT

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

The consolidated financial statements prepared as of 30 June 2022 and for the fiscal period ending on the same date have been prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is subject to audit by the independent auditors' report dated 12 August 2022 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

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SECTION SEVEN

EXPLANATION ON INTERIM ACTIVITY REPORT

I. CHAIRMAN'S ASSESSMENT

While the post-pandemic global economy is following the normalization process, the geopolitical risks which emerged with the Ukraine-Russia war; started to cause downward movement in the global growth outlook in the second quarter of 2022. High inflation, which became more resilient as a result of the rise in commodity prices, forced the central banks to tighten their monetary policies faster than anticipated in this period.

Global supply chain problems also caused inflation to deepen due to the increase in risks and concerns regarding energy supply security in Europe. In the light of these developments, leading developed country central banks strengthened their hawk stance in order to prevent the persistence of inflation. In this environment, where the tightening in financial conditions has strengthened, the possibility of global recession has become a topic of discussion. The IMF revised its global growth forecast downwards for the third time this year and announced the 2022 growth forecast of the global economy, which grew by 6,1% in 2021, as 3,2%.

The US Federal Reserve (Fed) has increased its interest rates by a total of 225 basis points since March. While concerns about energy supply security in Europe and political uncertainty in Italy continued, the European Central Bank (ECB) increased its interest rates by 50 basis points in July to control inflation. China and Japan, which have different conditions of their own, maintained their expansionary stances in their monetary policies.

In the second quarter, in which the reflections on global growth and inflation concerns were observed, the Turkish economy continued its strong growth path with the contribution of external and domestic demand, and accordingly, a significant improvement was observed in unemployment rates. In the first half of the year, with the support of both the economic activity and the inflationary environment, the budget posted a significant surplus with the strong increase in revenues, and the 12-month cumulative budget deficit/GDP ratio fell to its lowest level since 2016. In addition to the positive developments, the second quarter was a period in which some difficulties were also observed. High inflation maintained its course especially due to the price increases in the energy and food sectors. Having an important role in reaching a healthy growth composition of the economy, exports continued to increase periodically and the capacity utilization rate was above the historical average, indicating that the investment appetite continues. Despite the strong course in exports and the ongoing recovery in the tourism sector, the current account deficit widened in the second quarter due to rising energy imports.

Ziraat Bank, as it has done always, has continued to increase its support for our country's economy in the recent period, when global economic developments have followed a volatile course and continued to direct its funds to more efficient, productive and value-added areas by making loans mainly to the real sector, with a selective policy.

Burhaneddin TANYERİ
Chairman of the Board

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

II. ASSESSMENT OF GENERAL MANAGER

We witness difficulty for the year 2022 with the impact of the war in our nearby geography, supply problems especially in the fields of food and energy, rising inflation all over the world, tighter monetary policies implemented, and recession concerns.

Although the extraordinary developments experienced had negative effects on our country's economy as well as on the global economy, our Banking Sector continued to increase its support for areas in need of financing.

Ziraat Bank, the leading bank of the Turkish banking sector, continued its loan-based growth with its selective policy in this period. The loans provided are mainly aimed at supporting exports, employment, investment and production. In this context, our total assets increased by 28% to TL 1.8 trillion in the first half of the year, while our cash loans increased by 33% to reach TL 1 trillion in the first half of the year.

While 70% of our cash loans consist of loans in Turkish Lira, the share of corporate loans in total cash loans was 81%. This distribution is a result of our priority strategies based on the principle of meeting the financing needs of the real sector with Turkish Lira loans.

Our Bank considers agriculture as the sector with the highest priority among the sectors financed. In recent years, the pressure created by meteorological conditions such as drought due to climate change, irregular and extraordinary weather events on agricultural activities has increased the effect of food inflation, lastly, the problems caused by the war in our nearby geography in the supply of food products showed that more importance should be given to agriculture in all countries.

Our agricultural loan portfolio reached TL 150 billion, with favorable interest rates and mostly interest-subsidised. We continue to increase the added value of agriculture with products and practices aimed at plant and animal production, modern irrigation systems, agricultural mechanization, development of the agricultural industry for domestic production of food products, and increasing the use of renewable energy. We consider agricultural activities within the framework of an ecosystem, and we support women and young farmers in this ecosystem, sustainability in agriculture, agricultural production based on the principle of joint business, with products specific to these areas. From the smallest scaled farmers to agro-industrial companies, we are a pioneer in the solution of agricultural problems, as well as financing in all areas of agriculture.

We attach great importance to credit processes and credit quality management in order to bring the funds we acquire in Turkish Lira and foreign currency including deposit, which is our main source of financing, into the economy in the most efficient way. We continue to keep our NPL ratio, which is an indicator of our effectiveness in credit quality management, below the sector average. On the other hand, the provisions we set aside for non-performing loans stood at 82%.

In the first half of this year, our balance sheet was financed growth mainly with deposits, which is our main funding source. We aim to contribute to the development of our country's savings balance and to reduce the savings gap by preserving the widespread and granular structure of our deposits.

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

II. ASSESSMENT OF GENERAL MANAGER (Continued)

We continue to diversify funding with non-deposit funds. In the first half of the year, we renewed the syndicated loan amounting to USD 1,2 billion with the same amount. In this period, the outstanding amount of external funds we obtained from abroad is over USD 10 billion.

As the bank with the most extensive service network of Türkiye with 1.727 domestic branches and over 7.200 ATMs in the country, we continue to invest and develop in digital banking practices. In addition, we continue our development in the areas of accessibility and digital banking through our mobile and digital branches.

Ziraat Bank, in addition to its responsibility to be the leading bank of our country, continues its activities as more than a bank, continues to support areas that will provide added value and to meet the financial needs of its customers in the most rational way, while continuing to renew and develop itself in accordance with these basic principles.

Alpaslan ÇAKAR
Member of the Board and CEO

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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

EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

III. CORPORATE PROFILE

Since its establishment in 1863, Ziraat Bank has provided funds to all segments of the economy with its main mission of financing agriculture, and has been among the greatest promoters of the development of the country.

The Bank, which produces effective financial solutions to meet all financial needs of the traders, businesspeople, industrialist, entrepreneurs, pensioners and employees, and particularly the farmers, increases its competitive power with its ability to provide end-to-end financial services. Ziraat Bank uses its competitive power for the domestic economy and financial solutions that offer value to its customers from all segments.

Ziraat Bank has a broad domestic and international subsidiaries portfolio in banking, investment services, portfolio management, venture capital, real estate investment trust and financial technologies.

In line with the strategy of the Ziraat Finance Group, it produces integrated solutions with domestic and foreign subsidiary banks, branches and financial companies in order to meet the financial needs of the Ziraat Bank customers as a whole and offers these solutions to its customers in the most efficient way by taking advantage of the economies of scale provided by the benefit of being a finance group.

IV. SHAREHOLDING STRUCTURE

The paid in capital of T.C. Ziraat Bank is TL 34.900.000.000. The Bank's sole shareholder is Turkish Wealth Fund.

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

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

IV. MAIN CONSOLIDATED FINANCIAL INDICATORS

ASSETS (TL Million)	30.06.2022	31.12.2021
Cash and Cash Equivalents	261.667	246.314
Securities Portfolio	484.687	354.668
Cash Loans	1.155.741	864.852
Other Assets	28.888	27.700
Total Assets	1.930.983	1.493.534
LIABILITIES (TL Million)	30.06.2022	31.12.2021
Deposits	1.376.007	1.051.861
Non-deposits Funds	313.363	294.476
Other Liabilities	82.220	46.054
Shareholders' Equity	159.393	101.143
Total Liabilities	1.930.983	1.493.534
SUMMARY OF PROFIT OR LOSS TABLE (TL Million)	30.06.2022	30.06.2021
Net Interest Income	51.965	14.675
Net Fees and Commission Income	5.931	2.627
Other Operating Income	4.750	2.723
Other Operating Expense	7.026	4.624
Allowance for Expected Credit Losses	9.197	4.235
Net Profit/Losses	18.284	2.370
RATIOS (%)	30.06.2022	31.12.2021
Capital Adequacy Ratio	14,85	15,66
Equity / Total Assets	8,3	6,8
Cash Loans (Gross) / Total Assets	59,9	57,9
Loans under follow-up (Gross) / Total Loans	1,7	2,3
Liquid Assets / Total Assets	13,6	16,5

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