

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI
ANONİM ŞİRKETİ**

**UNCONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES AS OF 31 MARCH 2022
WITH AUDITORS'S REVIEW REPORT**

**(CONVENIENCE TRANSLATION OF UNCONSOLIDATED
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 unconsolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi ("the Bank") at 31 March 2022 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-month period then ended. The Bank management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As explained in Section Five Part II. 9.3 of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 31 March 2022 include a free provision amounting to TL 5.310.000 thousand which consist of TL 3.710.000 thousand provided in prior periods and TL 1.600.000 thousand recognized in the current year by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.



Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Türkiye Cumhuriyeti Ziraat Bankası Anonim Şirketi at 31 March 2022 and the results of its unconsolidated operations and its unconsolidated cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

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

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

Didem Demer Kaya, SMMM
Partner

Istanbul, 13 May 2022



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

**THE UNCONSOLIDATED FINANCIAL AUDIT REPORT OF
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 31 MARCH 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 unconsolidated financial report for the three-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 BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND DISCLOSURES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

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

Burhaneddin TANYERİ
Chairman of the Board

Alpaslan ÇAKAR
Member of the Board,
CEO

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

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

Emrah GÜNDÜZ
Assistant General Manager for
Banking Operations and
Corporate Communications

Rehber BİRKAN
Senior Vice President of
Financial
Coordination and Reporting

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

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

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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2022**

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

The total share capital of the Bank is TL 34.900.000. This capital is divided into 34.900.000.000 registered share with a nominal value of TL each and is fully paid. The 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 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 PİŞMAF	Corporate Banking
Mehmet Şükrü TAŞCI	Credit Allocation and Management
Recep TÜRK	Credit Risk Monitoring and Liquidation
Yüksel CESUR	Retail Banking

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2022**

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

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

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

Name/Trade Name	Amount of Share	Percentage of Share (%)	Paid-in Shares	Unpaid Shares
Turkish Wealth Fund	34.900.000	100	34.900.000	-

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

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

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

As of 31 March 2022, the Parent Bank carries its activities with a grand total of 1.726 domestic branches including; 1.639 branches, 17 corporate branches, 61 commercial branches and 9 mobile branches (31 December 2021: 1.727 domestic branches including 1.639 branches, 17 corporate branches, 61 entrepreneurial branches, 10 mobile 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, Taşkınıköy, Karaoğlanoğlu and İskele branches in Turkish Republic of Northern Cyprus. The Bank also has 1 representative office in Tehran, Iran. As of 31 March 2022, the Bank's number of employee is 24.423. (31 December 2021: 24.607).

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

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

As Ziraat Teknoloji A.Ş. 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. Platform Ortak Karlı Sistemler A.Ş. and Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş. are non-financial associates of the Bank are not consolidated in the consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF
31 MARCH 2022**

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

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 BANK AND ITS SUBSIDIARIES

None.

SECTION TWO

Unconsolidated Financial Statements

- I. Balance Sheet (Statement of Financial Position) - Assets
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**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2022**

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ASSETS	Note (Section Five I)	Current Period 31 March 2022			Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		174.186.099	363.594.562	537.780.661	156.891.377	374.035.478	530.926.855
1.1 Cash and Cash Equivalents		12.753.373	172.230.816	184.984.189	24.359.462	197.701.960	222.061.422
1.1.1 Cash and Balances with Central Bank	(1)	9.012.215	161.419.764	170.431.979	23.319.411	185.466.575	208.785.986
1.1.2 Banks	(4)	3.231.457	10.811.802	14.043.259	761.150	12.236.212	12.997.362
1.1.3 Money Markets Receivables		512.543	-	512.543	281.931	-	281.931
1.1.4 Expected Loss Provision (-)		2.842	750	3.592	3.030	827	3.857
1.2 Financial Assets at Fair Value Through Profit or Loss	(2)	2.327.274	25.822.649	28.149.923	1.936.236	24.723.476	26.659.712
1.2.1 Government Debt Securities		122.277	24.732.300	24.854.577	131.441	23.766.048	23.897.489
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		2.204.997	1.090.349	3.295.346	1.804.795	957.428	2.762.223
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5),(6)	155.084.614	162.812.753	317.897.367	120.157.761	149.999.396	270.157.157
1.3.1 Government Debt Securities		154.249.543	162.056.115	316.305.658	119.331.986	149.301.458	268.633.444
1.3.2 Equity Instruments		305.588	51.813	357.401	301.892	46.511	348.403
1.3.3 Other Financial Assets		529.483	704.825	1.234.308	523.883	651.427	1.175.310
1.4 Derivative Financial Assets	(3)	4.020.838	2.728.344	6.749.182	10.437.918	1.610.646	12.048.564
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		4.020.838	2.728.344	6.749.182	10.437.918	1.610.646	12.048.564
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		598.176.662	312.139.749	910.316.411	522.895.453	271.013.864	793.909.317
2.1 Loans	(7)	587.431.898	278.288.169	865.720.067	537.517.822	240.886.067	778.403.889
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	(8)	42.018.394	33.960.372	75.978.766	14.359.307	30.224.509	44.583.816
2.4.1 Government Debt Securities		41.901.342	33.711.626	75.612.968	14.243.051	29.999.817	44.242.868
2.4.2 Other Financial Assets		117.052	248.746	365.798	116.256	224.692	340.948
2.5 Expected Credit Loss (-)		31.273.630	108.792	31.382.422	28.981.676	96.712	29.078.388
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS “HELD FOR SALE” AND “HELD FROM DISCONTINUED OPERATIONS” (Net)	(15)	4.927.571	-	4.927.571	5.118.932	-	5.118.932
3.1 Held for Sale Purpose		4.927.571	-	4.927.571	5.118.932	-	5.118.932
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		17.095.358	6.705.610	23.800.968	14.964.022	6.023.868	20.987.890
4.1 Investments in Associates (Net)	(9)	217.917	-	217.917	152.904	-	152.904
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		217.917	-	217.917	152.904	-	152.904
4.2 Subsidiaries (Net)	(10)	16.877.441	6.480.937	23.358.378	14.811.118	5.799.195	20.610.313
4.2.1 Unconsolidated Financial Subsidiaries		16.825.615	6.480.937	23.306.552	14.759.292	5.799.195	20.558.487
4.2.2 Unconsolidated Non-Financial Subsidiaries		51.826	-	51.826	51.826	-	51.826
4.3 Entities under Common Control (Joint Ventures) (Net)	(11)	-	224.673	224.673	-	224.673	224.673
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	224.673	224.673	-	224.673	224.673
V. PROPERTY AND EQUIPMENT (Net)	(16)	6.682.616	63.821	6.746.437	6.593.997	60.795	6.654.792
VI. INTANGIBLE ASSETS (Net)		1.445.817	45.511	1.491.328	1.328.388	36.707	1.365.095
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.445.817	45.511	1.491.328	1.328.388	36.707	1.365.095
VII. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET		4.151.966	-	4.151.966	1.519.079	-	1.519.079
X. OTHER ASSETS (Net)	(20)	10.891.848	3.029.686	13.921.534	8.116.674	2.291.634	10.408.308
TOTAL ASSETS		817.557.937	685.578.939	1.503.136.876	717.427.922	653.462.346	1.370.890.268

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2022**

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) LIABILITIES	Note (Section Five II)	Current Period 31 March 2022			Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	491.762.456	570.275.630	1.062.038.086	380.837.924	567.848.691	948.686.615
II. FUNDS BORROWED	(3)	362.523	64.383.226	64.745.749	394.280	58.922.381	59.316.661
III. MONEY MARKETS BORROWINGS	(4)	69.342.428	38.248.142	107.590.570	139.646.059	37.053.037	176.699.096
IV. SECURITIES ISSUED (Net)	(5)	1.010.690	28.952.582	29.963.272	1.010.690	25.151.351	26.162.041
4.1 Bills		-	726.000	726.000	-	97.988	97.988
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		1.010.690	28.226.582	29.237.272	1.010.690	25.053.363	26.064.053
V. FUNDS		36.921	-	36.921	31.956	-	31.956
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		36.921	-	36.921	31.956	-	31.956
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	1.411.480	4.016.158	5.427.638	1.202.899	2.388.020	3.590.919
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		1.411.480	4.016.158	5.427.638	1.202.899	2.388.020	3.590.919
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(7)	904.989	36.455	941.444	747.354	42.129	789.483
X. PROVISIONS	(9)	11.365.362	18.336	11.383.698	9.042.970	17.042	9.060.012
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		2.043.147	-	2.043.147	1.723.250	-	1.723.250
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		9.322.215	18.336	9.340.551	7.319.720	17.042	7.336.762
XI. CURRENT TAX LIABILITY	(10)	13.961.300	15.364	13.976.664	1.259.239	13.192	1.272.431
XII. DEFERRED TAX LIABILITY	(10)	-	-	-	-	-	-
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)	-	23.637.102	23.637.102	-	21.427.601	21.427.601
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	23.637.102	23.637.102	-	21.427.601	21.427.601
XV. OTHER LIABILITIES	(6)	27.923.333	5.517.604	33.440.937	22.674.910	4.078.784	26.753.694
XVI. SHAREHOLDERS' EQUITY	(13)	164.480.583	(14.525.788)	149.954.795	108.064.597	(10.964.838)	97.099.759
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		19.485.315	(2.032.772)	17.452.543	17.819.572	(1.966.165)	15.853.407
16.4 Accumulated Other Comprehensive Income or Expense Reclassified Through Profit or Loss		29.375.073	(12.493.016)	16.882.057	3.162.858	(8.998.673)	(5.835.815)
16.5 Profit Reserves		73.956.519	-	73.956.519	67.627.159	-	67.627.159
16.5.1 Legal Reserves		5.779.782	-	5.779.782	5.463.080	-	5.463.080
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		68.176.737	-	68.176.737	62.164.079	-	62.164.079
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		6.763.676	-	6.763.676	6.355.008	-	6.355.008
16.6.1 Prior Periods' Profit or (Loss)		34.890	-	34.890	63.699	-	63.699
16.6.2 Current Period Profit or (Loss)		6.728.786	-	6.728.786	6.291.309	-	6.291.309
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		782.562.065	720.574.811	1.503.136.876	664.912.878	705.977.390	1.370.890.268

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS AS OF
31 MARCH 2022**

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

III.	III. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period 31 March 2022			Prior Period 31 December 2021		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		279.084.252	714.383.957	993.468.209	237.933.561	657.847.925	895.781.486
I.	GUARANTEES AND WARRANTIES	(1)	70.235.185	242.129.895	312.365.080	56.163.538	206.409.718	262.573.256
1.1	Letters of Guarantee		62.924.680	146.955.104	209.879.784	53.164.164	131.292.450	184.456.614
1.1.1	Guarantees Subject to State Tender Law		2.097.831	26.682.785	28.780.616	1.725.374	24.260.049	25.985.423
1.1.2	Guarantees Given for Foreign Trade Operations		52.399.000	87.332.949	139.731.949	44.923.837	76.456.270	121.380.107
1.1.3	Other Letters of Guarantee		8.427.849	32.939.370	41.367.219	6.514.953	30.576.131	37.091.084
1.2	Bank Acceptances		770.408	14.068.121	14.838.529	211.032	11.723.519	11.934.551
1.2.1	Import Letter of Acceptance		770.408	14.063.086	14.833.494	211.032	11.720.128	11.931.160
1.2.2	Other Bank Acceptances		-	5.035	5.035	-	3.391	3.391
1.3	Letters of Credit		2.552.818	76.307.963	78.860.781	845.948	59.326.676	60.172.624
1.3.1	Documentary Letters of Credit		2.552.818	76.274.545	78.827.363	845.948	59.296.678	60.142.626
1.3.2	Other Letters of Credit		-	33.418	33.418	-	29.998	29.998
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		3.987.279	4.798.707	8.785.986	1.942.394	4.067.073	6.009.467
1.5.1	Endorsements to the Central Bank of Turkey		3.987.279	4.798.707	8.785.986	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		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS		136.559.868	24.373.941	160.933.809	112.493.520	25.614.771	138.108.291
2.1	Irrevocable Commitments	(1)	136.559.868	24.373.941	160.933.809	112.493.520	25.614.771	138.108.291
2.1.1	Asset Purchase and Sales Commitments		12.675.015	17.491.977	30.166.992	5.931.540	18.329.423	24.260.963
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		3.150	-	3.150	3.150	-	3.150
2.1.4	Loan Granting Commitments		28.535.378	21.320	28.556.698	22.868.861	19.212	22.888.073
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		9.082.840	-	9.082.840	6.609.633	-	6.609.633
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		68.846.981	-	68.846.981	61.707.772	-	61.707.772
2.1.10	Commitments for Credit Cards and Banking Services Promotions		110.116	-	110.116	101.762	-	101.762
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		17.306.388	6.860.644	24.167.032	15.270.802	7.266.136	22.536.938
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		72.289.199	447.880.121	520.169.320	69.276.503	425.823.436	495.099.939
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		72.289.199	447.880.121	520.169.320	69.276.503	425.823.436	495.099.939
3.2.1	Forward Foreign Currency Buy/Sell Transactions		5.372.191	7.772.111	13.144.302	4.835.428	7.257.118	12.092.546
3.2.1.1	Forward Foreign Currency Transactions-Buy		3.785.630	2.966.152	6.751.782	2.421.698	3.628.653	6.050.351
3.2.1.2	Forward Foreign Currency Transactions-Sell		1.586.561	4.805.959	6.392.520	2.413.730	3.628.465	6.042.195
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		64.761.651	428.530.555	493.292.206	64.441.075	408.569.888	473.010.963
3.2.2.1	Foreign Currency Swap-Buy		7.561.803	192.749.257	200.311.060	4.980.360	193.274.290	198.254.650
3.2.2.2	Foreign Currency Swap-Sell		56.919.848	142.678.068	199.597.916	59.090.715	131.020.654	190.111.369
3.2.2.3	Interest Rate Swap-Buy		140.000	46.551.615	46.691.615	185.000	42.137.472	42.322.472
3.2.2.4	Interest Rate Swap-Sell		140.000	46.551.615	46.691.615	185.000	42.137.472	42.322.472
3.2.3	Foreign Currency, Interest rate and Securities Options		-	9.749.644	9.749.644	-	9.996.430	9.996.430
3.2.3.1	Foreign Currency Options-Buy		-	4.860.893	4.860.893	-	4.998.463	4.998.463
3.2.3.2	Foreign Currency Options-Sell		-	4.888.751	4.888.751	-	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		2.155.357	1.827.811	3.983.168	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	1.827.811	1.827.811	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		2.155.357	-	2.155.357	-	-	-
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)		2.134.782.522	656.384.494	2.791.167.016	1.952.713.000	584.318.513	2.537.031.513
IV.	ITEMS HELD IN CUSTODY		329.834.138	156.183.759	486.017.897	263.653.975	121.563.137	385.217.112
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		17.334.254	59.242.386	76.576.640	14.933.991	53.322.559	68.256.550
4.3	Cheques Received for Collection		26.488.105	6.439.984	32.928.089	23.819.347	5.134.211	28.953.558
4.4	Commercial Notes Received for Collection		23.987.826	1.929.699	25.917.525	21.450.680	1.632.830	23.083.510
4.5	Other Assets Received for Collection		8.816	8.816	8.816	8.816	-	8.816
4.6	Assets Received for Public Offering		206.988.294	1.198.325	208.186.619	178.476.218	811.746	179.287.964
4.7	Other Items Under Custody		55.025.194	87.373.365	142.398.559	24.963.274	60.661.791	85.625.065
4.8	Custodians		1.649	1.649	1.649	1.649	-	1.649
V.	PLEDGES RECEIVED		1.803.167.553	491.002.651	2.294.170.204	1.687.499.546	454.506.906	2.142.006.452
5.1	Marketable Securities		2.821.604	3.007.905	5.829.509	2.699.422	2.790.764	5.490.186
5.2	Guarantee Notes		25.121.542	5.910.642	31.032.184	23.434.768	5.116.179	28.550.947
5.3	Commodity		919.910	226.655	1.146.565	919.910	205.378	1.125.288
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.463.783.373	302.886.572	1.766.669.945	1.362.885.844	281.957.707	1.644.843.551
5.6	Other Pledged Items		310.515.915	178.917.563	489.433.478	297.554.393	164.388.763	461.943.156
5.7	Pledged Items-Depository		5.209	53.314	58.523	5.209	48.115	53.324
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTS		1.780.831	9.198.084	10.978.915	1.559.479	8.248.470	9.807.949
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			2.413.866.774	1.370.768.451	3.784.635.225	2.190.646.561	1.242.166.438	3.432.812.999

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED
31 MARCH 2022**

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

IV. STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1 January- 31 March 2022	Prior Period 1 January- 31 March 2021
I. INTEREST INCOME	(1)	35.249.515	20.329.344
1.1 Interest on Loans		23.331.289	15.419.769
1.2 Interest on Reserve Requirements		368.517	182.437
1.3 Interest on Banks		50.473	33.825
1.4 Interest on Money Market Transactions		88	13
1.5 Interest on Marketable Securities Portfolio		11.347.212	4.614.737
1.5.1 Fair Value Through Profit or Loss		141.198	60.198
1.5.2 Fair Value Through Other Comprehensive Income		9.280.584	4.020.392
1.5.3 Measured at Amortised Cost		1.925.430	534.147
1.6 Financial Lease Interest Income		-	-
1.7 Other Interest Income		151.936	78.563
II. INTEREST EXPENSE (-)	(2)	17.757.996	13.940.331
2.1 Interest on Deposits		12.650.735	9.082.187
2.2 Interest on Funds Borrowed		418.791	234.136
2.3 Interest Expense on Money Market Transactions		3.446.144	4.026.972
2.4 Interest on Securities Issued		682.921	439.026
2.5 Interest on Leases		38.047	24.904
2.6 Other Interest Expenses		521.358	133.106
III. NET INTEREST INCOME/EXPENSE (I - II)		17.491.519	6.389.013
IV. NET FEES AND COMMISSIONS INCOME		2.244.156	1.043.159
4.1 Fees and Commissions Received		3.005.920	1.468.477
4.1.1 Non-cash Loans		470.119	274.481
4.1.2 Other		2.535.801	1.193.996
4.2 Fees and Commissions Paid (-)		761.764	425.318
4.2.1 Non-cash Loans		218	170
4.2.2 Other		761.546	425.148
V. DIVIDEND INCOME		805	1.973
VI. TRADING PROFIT/(LOSS) (Net)	(3)	163.963	(2.553.339)
6.1 Trading Gains / (Losses) on Securities		447.598	661
6.2 Gains / (Losses) on Derivative Financial Transactions		(1.807.278)	(2.758.506)
6.3 Foreign Exchange Gains / (Losses)		1.523.643	204.506
VII. OTHER OPERATING INCOME	(4)	1.698.339	1.178.186
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		21.598.782	6.058.992
IX. EXPECTED CREDIT LOSS (-)	(5)	3.851.647	1.501.226
X. OTHER PROVISION EXPENSES (-)	(5)	1.976.778	74.060
XI. PERSONNEL EXPENSE (-)		2.035.677	1.203.956
XII. OTHER OPERATING EXPENSES (-)	(6)	3.125.262	2.059.695
XIII. NET OPERATING PROFIT/(LOSS) (VIII-IX-X-XI-XII)		10.609.418	1.220.055
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV. PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI. PROFIT/(LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(7)	10.609.418	1.220.055
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(8)	(3.880.632)	(258.109)
18.1 Current Tax Provision		(12.584.667)	(769.649)
18.2 Deferred Tax Expense Effect (+)		(875.536)	(163.214)
18.3 Deferred Tax Income Effect (-)		9.579.571	674.754
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(9)	6.728.786	961.946
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 Joint Ventures		-	-
21.3 Expenses from Other Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
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)	6.728.786	961.946
Earnings/(Loss) per share (in TL full)		0,385	0,073

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022**

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

V. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Current Period	Prior Period
	1 January- 31 March 2022	1 January- 31 March 2021
I. PROFIT (LOSS)	6.728.786	961.946
II. OTHER COMPREHENSIVE INCOME	24.291.360	(7.796.184)
2.1 Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	1.573.488	10.200
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	(35.304)	(39.586)
2.1.2 Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	2.003.412	42.976
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(394.620)	6.810
2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss	22.717.872	(7.806.384)
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	28.394.401	(9.748.132)
2.2.3 Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
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	(5.676.529)	1.941.748
III. TOTAL COMPREHENSIVE INCOME (I+II)	31.020.146	(6.834.238)

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

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

(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 Reserves	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3 ^(*)	4	5	6				
					CURRENT PERIOD 31 March 2022									
I. Prior Period End Balance	13.100.000	-	-	-	4.760.771	203.462	10.889.174	-	(5.835.815)	-	67.627.159	6.355.008	-	97.099.759
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	13.100.000	-	-	-	4.760.771	203.462	10.889.174	-	(5.835.815)	-	67.627.159	6.355.008	-	97.099.759
IV. Total comprehensive income (loss)	-	-	-	-	(31.773)	-	1.605.261	-	22.717.872	-	-	-	6.728.786	31.020.146
V. Capital increase by cash	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	-	-	-	-	-	-	-	-	-	-	-	34.890	-	34.890
XI. Profit distribution	-	-	-	-	-	-	25.648	-	-	-	6.329.360	(6.355.008)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	6.291.309	(6.291.309)	-	-
11.3 Other	-	-	-	-	-	-	25.648	-	-	-	38.051	(63.699)	-	-
Balance at the end of the period (III+IV+.....+X+XI)	34.900.000	-	-	-	4.728.998	203.462	12.520.083	-	16.882.057	-	73.956.519	34.890	6.728.786	149.954.795

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

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

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

4. Exchange Differences on Translation

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

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

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

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

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

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

VII. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Net Profit/(Loss)	Current Period Net Profit/(loss)	Total Equity
					1	2	3 ^(*)	4	5	6				
					PRIOR PERIOD 31 March 2021									
I. Prior Period End Balance	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	13.100.000	-	-	(17.745)	4.849.771	(12.616)	4.769.008	-	848.310	-	58.398.544	11.342.988	-	93.278.260
IV. Total comprehensive income	-	-	-	-	(35.538)	-	45.738	-	(7.806.384)	-	-	-	961.946	(6.834.238)
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	-	-	-	(1.956)	-	-	-	-	-	-	-	24.802	-	22.846
XI. Profit distribution	-	-	-	-	-	-	2.114.374	-	-	-	9.228.615	(11.342.989)	-	-
11.1 Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	8.577.454	(8.577.454)	-	-	-
11.3 Other	-	-	-	-	-	-	2.114.374	-	-	651.161	(2.765.535)	-	-	-
Balance at the end of the period (III+IV+.....+X+XI)	13.100.000	-	-	(19.701)	4.814.233	(12.616)	6.929.120	-	(6.958.074)	-	67.627.159	24.801	961.946	86.466.868

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

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

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

4. Exchange Differences on Translation

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

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

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022**

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

	Note	Current Period 1 January- 31 March 2022	Prior Period 1 January- 31 March 2021
VII. STATEMENT OF CASH FLOWS			
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1		9.387.478	546.957
1.1.1		29.837.482	19.955.000
1.1.2		(15.439.201)	(12.804.545)
1.1.3		805	1.973
1.1.4		4.122.847	1.482.289
1.1.5		1.055.895	267.896
1.1.6		1.176.965	694.985
1.1.7		(2.857.025)	(1.372.472)
1.1.8		(98.917)	(926.554)
1.1.9		(8.411.373)	(6.751.615)
1.2		(54.218.218)	5.670.623
1.2.1		(967.008)	(3.019.060)
1.2.2		(12.080.771)	(4.994.749)
1.2.3		(59.870.655)	(12.489.500)
1.2.4		(3.369.765)	410.508
1.2.5		(2.467.981)	3.331.974
1.2.6		85.982.178	(3.334.160)
1.2.7		-	-
1.2.8		1.973.849	(1.257.104)
1.2.9		-	-
1.2.10		(63.418.065)	27.022.714
I.		(44.830.740)	6.217.580
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from Investing Activities			
2.1		(436.857)	(142.509)
2.2		-	-
2.3		(201.973)	(203.591)
2.4		827.877	204.972
2.5		(9.936.997)	(19.704.511)
2.6		7.868.752	7.926.283
2.7		(26.839.405)	(9.341)
2.8		370.180	2.529.719
2.9		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities			
3.1		1.105.108	4.533.474
3.2		(97.820)	-
3.3		21.800.000	-
3.4		-	-
3.5		(85.495)	(68.206)
3.6		-	-
IV.		617.501	3.104.181
V.		(49.839.869)	4.388.051
VI.		100.775.019	34.847.422
VII.		50.935.150	39.235.473

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2022**

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” (“Regulation”) related with Banking Law numbered 5411 published in the Official Gazette No. 26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency (“BRSA”) and circulars and interpretations published by BRSA (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards 34 (“TAS 34”) 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 unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” published in the Official Gazette No. 28337, dated 28 June 2012 and “Communiqué on Public Disclosures on Risk Management”, published in the Official Gazette No. 29511, dated 23 October 2015 and amendments to these Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared 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 31 March 2022, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements. Fair value measurements are revised within the scope of TFRS 13 Fair Value Measurement standard, with the expected credit loss provisions reflected in the financial statements and the assumptions and judgments used in estimating these losses.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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TURKISH**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 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 31 March 2022, due to the adverse effects of the COVID-19 pandemic, the Bank reviewed the valuation of financial assets whose fair value difference was reflected to other comprehensive income and whose fair value difference was reflected to profit or loss and as of the reporting date, corrections have been taken into account. The fair values were determined and accounted for as of the valuation date with the valuation reports prepared for the entity under common control monitored with their fair values, the entity under common control and the securities representing a share in the capital. On the other hand, the Bank evaluated the effects of the COVID-19 pandemic with regard to the financial instruments whose fair value hierarchy was determined as Level 3 due to the fact that it involves significant estimates and judgments and there are no changes that require any correction as of the reporting date. As of 31 March 2022, the Bank does not have any assets or liabilities in the fair value hierarchy that would require any adjustment due to COVID-19.

The Bank reflected the estimates and judgments into the calculation of expected credit losses with the maximum effort and the best estimation method. The Bank has revised its macroeconomic expectations and has reflected to the financial statement as of 31 March 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 January 20 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 March 31, 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 March 31, 2022.

The 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 to keep open the credit channels provided to the real sector. 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 Bank's operations. Developments that may occur on a global scale, their possible repercussions on the global and regional economy, and their effects on the Bank's operations are closely monitored and considered with the best estimation approach in the preparation of financial statements.

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

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.

b. Explanation for convenience translation to English:

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

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

Main activity of the Bank comprises of banking services, such as launching all kinds of cash and non-cash loans denominated in Turkish Lira and foreign currencies, performing transactions in local, international money and capital markets, supporting agricultural sector financially and collecting deposits denominated in Turkish Lira and foreign currencies. The Bank’s main funding sources are deposits, repurchase agreements, issued securities and shareholders’ equity. The Bank directs these funds to assets with high return and low risk that include predominantly domestic government bonds and loans. The Bank’s liquidity structure is considered the financing of all liabilities at due date. Although most of the sources in the Bank’s balance sheet are with fixed interest rate, some of the securities in assets return have floating interest rate. Since the remaining time to re-pricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts higher return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its activity. Letter of guarantees, bank loans, 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 Bank’s total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as Borsa Istanbul (“BİST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from liquidity risk since the Bank is a public bank with an extensive branch network.

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

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

USD-denominated capital amounts and valuation differences sent to partnerships operating abroad are converted into Turkish currency at the exchange rate valid as of the valuation date and presented in the financial statements. For the exchange risk arising from foreign currency conversion of Ziraat Bank International AG, Ziraat Bank BH dd and Ziraat Bank Montenegro AD, the Bank’s subsidiaries to which capital was paid in Euro amounts, Euro deposits are used for hedging purposes. Information on fair value hedge accounting applied in order to hedge the said total capital amount of EUR 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 Bank are converted into Turkish Lira with the Bank’s prevailing counter currency buying rates at the balance sheet date.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2022**

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENT

The Bank’s derivative transactions include cross currency swaps, interest rate swaps, currency and precious metal swaps, long-term financing transactions, full indemnity options and forward foreign currency buy/sell transactions. The Bank has no embedded derivative instruments separated from the articles of association.

Derivative financial instruments of the Bank are classified under “TFRS 9 Financial Instruments Standard” (“TFRS 9”), “Derivative Financial Assets Measured at Fair Value Through Profit or Loss”.

Derivative financial instruments are initially recognized at fair value. Derivative transactions, depending on the fair value being positive or negative is shown as derivative financial assets at fair value through profit or loss or derivative financial liabilities measured at fair value through profit or loss in the following periods of the recording. 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 taking into account the market values or by applying the cash flow model discounted with market rates.

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

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

Interest income from financial assets 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 Bank has started to calculate rediscount as of 1 January 2018 for its non-performing loans. Rediscount is calculated over the net book value (Gross Book Value - Expected Credit Losses) of the non-performing loans.

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

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2022**

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Bank if the Bank is a legal party to these instruments.

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

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

Classification and Measurement Within the Scope of TFRS 9

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

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

Financial Assets at Fair Value Through Profit or Loss

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

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

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 Turkey, 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

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.

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

The Bank also updates the estimated inflation rate used throughout the year in case of necessity. In this context, as of March 31, 2022, the valuation of the assets was made according to the annual 35% 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 TL129.8 million as of 31 March 2022, while a 1% decrease will decrease it by TL 137.1 million.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

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.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

Explanations on Expected Loss Provisions

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

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

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

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 reserved 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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

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

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

12 Month Expected Credit Losses (Stage 1)

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

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

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 Bank 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

Impairment (Continued)

Credit-Impaired Losses (Stage 3) (Continued)

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

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

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

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

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

Probability of Default (PD)

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

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

Exposure at Default (EAD)

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

Loss Given Default (LGD)

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

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (Continued)

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.

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.

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

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, and depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. In order to have a high probability of sales, a plan for the sale of the asset (or group of assets to be disposed of) must have been prepared by an appropriate management team and an active program has been initiated to identify buyers and complete the plan. 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 Bank 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 Bank does not have any discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

Other intangible assets are based on their initial acquisition amounts and other direct costs required to make the asset available. Other intangible assets were 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 Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software's initial costs and amortized over 3 years considering the useful lives. The Bank has determined estimated useful lives of the intangible assets between 3 and 15 years and it applies depreciation rates between 33,3% to 6,7%.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Property and equipment are measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (Continued)

As of 31 January 2014, the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. Valuation differences arising as a result of the valuation made by independent expertise firms for real estates are accounted under the tangible and intangible fixed asset revaluation differences account under equity.

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

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

Leases in TFRS 16

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

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

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

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

Leases in TFRS 16 (Continued)

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

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

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

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

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 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”.

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

XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

**XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES
(Continued)**

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

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Employment Termination and Vacation Benefits

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

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

The Bank uses independent actuaries in determining liability, and also makes assumptions about issues such as discount rate and inflation. As of 31 March 2022, retirement benefit obligation is TL 1.503.859 (31 December 2021: TL 1.355.145).

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

Communiqué on “Turkish Accounting Standard (“TAS19”) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (“POA”) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial gain amounting to TL 203.462 was classified under shareholders’ equity in the financials. (31 December 2021: TL 203.462 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 Bank is not employing its personnel by means of limited-period contracts.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees' Pension Fund (“Fund”) which was established by 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 Turkey (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force

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

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

Based on the Council of Ministers’ decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. 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)

that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 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 Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

XVII. EXPLANATIONS ON TAXATION

Current Tax

The corporate tax rate of 20% was designated in Corporate Tax Law No. 5520 which was taken into effect on 1 January 2006 after being published in the Official Gazette dated 21 June 2006 numbered 26205 for corporate earnings. The Corporate Tax rate, which is 20%, will be applied as %25 for the corporate earnings of the period 2021, as %23 for the corporate earnings of the period 2022 in accordance with Article 11 of the Law on the Procedure of Collection of Public Receivables and the Law on the Amendment of Certain Laws, published in the Official Gazette on 22 April 2021. As of 31 March 2022 the valid corporate tax ratio is %23 in Turkey.

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, and the Law No. With the paragraph added to the temporary article 13 of the Corporate Tax Law, it has been determined that the Corporate Tax rate will be rearranged for the corporate earnings of the 2022 taxation period and will be applied as for the banks 25%. With this amendment, 25% rate will be valid for the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of July 1, 2022.

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 Turkey or to resident corporations are not subject to withholding tax. While dividends paid to individuals and corporations are subject to withholding tax at the rate of 15%, 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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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

Taxes which 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 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings. 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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XVII. EXPLANATIONS ON TAXATION (Continued)

Deferred Tax

The 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 April 22, 2021. and accounting.

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 Bank has 31 As of March 2022, deferred tax calculations were made based on rates varying between 20% and 23% on assets and liabilities. 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.

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

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

XVIII. EXPLANATIONS ON BORROWING

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

If required, the Bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods. The Bank has issued no convertible bonds to shares and has no instruments representing its own borrowings.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES

There are no issued shares by The Bank.

XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT GRANTS

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

XXII. CASH AND CASH EQUIVALENTS

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

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

XXIII. EXPLANATIONS ON SEGMENT REPORTING

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

XXIV. EXPLANATIONS ON OTHER MATTERS

Profit Distribution

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 42.376 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
OF THE BANK**

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY

Shareholders 'equity and capital adequacy ratio were calculated within the framework of “Regulation on Banks' Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the following regulations of the BRSA.

- In accordance with the Decision of the Banking Regulation and Supervision Agency dated 21 December 2021 and numbered 9996, the application for using the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days before the calculation date while calculating the valued amounts in foreign currency in the calculation of the amount subject to credit risk; It has been changed by using the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days as of 31 December 2021, in the aforementioned calculation.
- 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 31 March 2022.

As of 31 March 2022, Bank’s total regulatory capital has been calculated as TL 180.699.909 (31 December 2021: TL 131.051.873), capital adequacy ratio is 20,67% (31 December 2021: 16,52%). This ratio is well above the minimum ratio required by the legislation.

1. Information Related to The Components of Shareholders' Equity

	Current Period 31 March 2022	Amount as per the regulation before 01/01/2014*
COMMON EQUITY TIER I CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	34.900.000	-
Share issue premiums	-	-
Reserves	73.956.519	-
Gains recognized in equity as per TAS	48.883.801	-
Profit	6.763.676	-
Current Period Profit	6.728.786	-
Prior Period Profit	34.890	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	151.365	-
Common Equity Tier I Capital Before Deductions	164.655.361	-
Deductions from Common Equity Tier I 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	14.700.567	-
Improvement costs for operating leasing	10.630	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.491.329	1.491.329
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	-	-

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

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

	Current Period 31 March 2022	Amount as per the regulation before 01/01/2014*
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
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	16.202.526	-
Total Common Equity Tier I Capital	148.452.835	-
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	22.568.700	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	22.568.700	-
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 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	22.568.700	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	171.021.535	-
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)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	9.689.637	-
Tier II Capital Before Deductions	9.689.637	-
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	9.689.637	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	180.711.172	-

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

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

	Current Period 31 March 2022	Amount as per the regulation before 01/01/2014*
Total Capital (The sum of Tier I Capital and Tier II Capital)	180.711.172	-
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	11.263	-
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)	180.699.909	-
Total Risk Weighted Assets	874.390.427	-
CAPITAL ADEQUACY RATIOS		
CET I Capital Ratio (%)	16,98	-
Tier I Capital Ratio (%)	19,56	-
Capital Adequacy Ratio (%)	20,67	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,536	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,036	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	12,48	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	270.543	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	106.031	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	4.151.966	-
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)	21.747.972	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	9.689.637	-
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.

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

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I. EXPLANATIONS ON THE COMPONENTS OF 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	67.627.159	-
Gains recognized in equity as per TAS	21.005.831	-
Profit	6.355.008	-
Current Period Profit	6.291.309	-
Prior Period Profit	63.699	-
Shares acquired free of charge from subsidiaries, affiliates and entities under common control and cannot be recognized within profit for the period	138.703	-
Common Equity Tier 1 Capital Before Deductions	108.226.701	-
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	5.329.097	-
Improvement costs for operating leasing	10.219	-
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.365.095	1.365.095
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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I. EXPLANATIONS ON THE COMPONENTS OF 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 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	6.704.411	-
Total Common Equity Tier I Capital	101.522.290	-
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	20.710.200	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	20.710.200	-
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 deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	20.710.200	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	122.232.490	-
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)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	8.833.639	-
Tier II Capital Before Deductions	8.833.639	-
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	8.833.639	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	131.066.129	-

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I. EXPLANATIONS ON THE COMPONENTS OF 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)	131.066.129	-
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 (-)	14.256	-
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)	131.051.873	-
Total Risk Weighted Assets	793.370.100	-
CAPITAL ADEQUACY RATIOS		
CET 1 Capital Ratio (%)	12,80	-
Tier I Capital Ratio (%)	15,41	-
Capital Adequacy Ratio (%)	16,52	-
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	2,538	-
a) Capital conservation buffer requirement (%)	2,50	-
b) Bank specific countercyclical buffer requirement (%)	0,038	-
c) Higher bank buffer requirement ratio (%) (**)	-	-
Additional CET 1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	8,30	-
Amounts Lower than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	255.802	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	95.387	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	1.519.079	-
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)	18.998.909	-
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	8.833.639	-
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 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 provision.

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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I. EXPLANATIONS ON THE COMPONENTS OF 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 etc.)	XS1984644739
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Additional Capital Bond Issuance (Tier 1 Capital)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	22.569
Nominal value of instrument (TL million)	22.569
Accounting classification of the instrument	347001-Subordinated Debts
Original date of issuance	24 April 2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Issue date of the instrument	24 April 2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	Subject to the approval of the BRSA, a repayment option is available at the end of each 5-year period from the date of issue.
Subsequent call dates, if applicable	24 April 2024
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 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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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS’ EQUITY (Continued)

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

	Current Period	Prior Period
Balance Sheet - Equity	149.954.795	97.099.759
Operational Leasing Development Costs	(10.630)	(10.219)
Goodwill and Other Intangible Assets and Related Deferred Taxes Liabilities	(1.491.329)	(1.365.095)
TIER 2 Capital (Provisions)	9.689.637	8.833.639
Debt Instruments and the Related Issuance Premiums Defined by the BRSA TIER 2 Capital (Provisions)	22.568.700	20.710.200
Other deductions from common equity	(11.264)	(14.256)
Other regulations	-	5.797.845
Amount recognized in regulatory capital	180.699.909	131.051.873

II. EXPLANATIONS ON THE CURRENCY RISK

**1. Whether the Bank is Exposed to Foreign Currency Risk, Whether The Effects of This Matter
are Estimated, Whether Limits for The Daily Followed Positions are Determined by The
Board of Director**

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

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

None.

3. Management Policy for Foreign Currency Risk

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

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

II. EXPLANATIONS ON THE CURRENCY RISK (Continued)

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.03.2022	14,6797	16,1359	11,0421	2,1696	1,5627	15,7626	11,7278	1,6986	19,3596	3,9135	12,0365
25.03.2022	14,6983	16,1916	11,0472	2,1765	1,5658	15,8233	11,7511	1,7054	19,4120	3,9184	12,0468
28.03.2022	14,6844	16,1073	10,9751	2,1656	1,5409	15,7069	11,6710	1,6802	19,2102	3,9148	11,8950
29.03.2022	14,5010	16,0903	10,8714	2,1633	1,5594	15,5607	11,5869	1,6722	19,0442	3,8644	11,8260
30.03.2022	14,5000	16,1849	10,9127	2,1763	1,5681	15,7216	11,6457	1,6916	19,1009	3,8650	11,8911
31.03.2022	14,5295	16,1205	10,8986	2,1674	1,5577	15,7741	11,6255	1,6590	19,1034	3,8731	11,9614

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

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
14,4807	15,9440	10,6893	2,1433	1,5136	15,5834	11,4463	1,6406	19,0714	3,8600	12,2210

6. Information on The Foreign Currency Risk of The Bank

	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 Turkey	67.256.990	66.145.723	28.017.049	161.419.762
Banks ⁽⁶⁾	3.663.631	5.285.883	1.861.540	10.811.054
Financial Assets at Fair Value Through Profit and Loss	38.024	1.105.399	24.679.226	25.822.649
Money Markets Receivables	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	11.596.147	150.992.041	224.565	162.812.753
Loans ⁽¹⁾	116.571.613	161.281.933	367.717	278.221.263
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures)	3.891.979	2.813.631	-	6.705.610
Financial Assets Measured at Amortised Cost	26.126.072	7.774.799	59.501	33.960.372
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	28.246	5.131	30.444	63.821
Intangible Assets	11.854	7.419	26.238	45.511
Other Assets ⁽³⁾	1.024.822	4.389.970	333.775	5.748.567
Total Assets ⁽⁴⁾	230.209.378	399.801.929	55.600.055	685.611.362
Liabilities				
Interbank Deposits	24.985.832	4.194.969	416.753	29.597.554
Foreign Currency Deposits	246.437.261	206.363.522	87.877.293	540.678.076
Money Market Borrowings	-	38.248.142	-	38.248.142
Funds Provided from Other Financial Institutions	20.093.736	43.135.312	1.154.178	64.383.226
Issued Marketable Securities ⁽⁵⁾	23.637.102	27.953.504	999.078	52.589.684
Miscellaneous Payables	1.749.996	1.206.164	29.697	2.985.857
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	1.380.058	4.910.494	327.508	6.618.060
Total Liabilities	318.283.985	326.012.107	90.804.507	735.100.599
Net Balance Sheet Position	(88.074.607)	73.789.822	(35.204.452)	(49.489.237)
Net Off-Balance Sheet Position ⁽²⁾	88.710.817	(73.958.510)	35.279.028	50.031.335
Financial Derivative Assets	105.793.696	102.537.152	40.624.880	248.955.728
Financial Derivative Liabilities	17.082.879	176.495.662	5.345.852	198.924.393
Non-Cash Loans	79.705.901	143.579.119	18.844.875	242.129.895
Prior Period				
Total Assets	216.317.019	384.673.468	52.500.557	653.491.044
Total Liabilities	314.860.776	319.056.472	83.024.980	716.942.228
Net Balance Sheet Position	(98.543.757)	65.616.996	(30.524.423)	(63.451.184)
Net Off-Balance Sheet Position ⁽²⁾	100.143.416	(69.826.336)	31.937.240	62.254.320
Financial Derivative Assets	113.697.053	92.098.223	38.243.602	244.038.878
Financial Derivative Liabilities	13.553.637	161.924.559	6.306.362	181.784.558
Non-Cash Loans	71.771.602	118.836.410	15.801.706	206.409.718

(1) TL 27.862 (31 December 2021: TL26.812) equivalent of loans granted is USD and TL 14.024 (31 December 2021: TL 13.291) 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 9.463 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 the guarantees given for derivative and repo transactions with foreign banks.

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II. EXPLANATIONS ON THE CURRENCY RISK (Continued)

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

Analysis of Sensitivity to Currency Risk

The effect of 10% depreciation of TL against the USD, Euro and other currencies on the equity and profit or loss statement (excluding tax effects) for the three-month accounting periods ending on 31 March 2022 and 31 March 2021 is shown in the table below.

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

	Current Period - 31 March 2022		Prior Period - 31 March 2021	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	(312.065)	(593.428)	(625.309)	(755.497)
EUR	(45.636)	(434.834)	(3.634)	(230.621)
Other currencies	6.137	6.137	(12.400)	(12.400)
Total (Net) (**)	(351.564)	(1.022.125)	(641.343)	(998.518)

(*) Equity effect also includes the effect of the profit or loss to occur due to the 10% depreciation of the 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 three-month accounting periods ending on 31 March 2022 and 31 March 2021 is shown in the table below:

	Current Period - 31 March 2022		Prior Period - 31 March 2021	
	Profit/Loss Statement	Equity (*)	Profit/Loss Statement	Equity (*)
USD	312.065	593.428	625.309	755.497
EUR	45.636	434.834	3.634	230.621
Other currencies	(6.137)	(6.137)	12.400	12.400
Total (Net) (**)	351.564	1.022.125	641.343	998.518

(*) 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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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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III. EXPLANATIONS ON THE INTEREST RATE RISK

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

(Based on days to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	7.145.365	-	-	-	-	163.284.785	170.430.150
Banks ⁽⁷⁾	4.335.222	-	186.072	-	-	9.520.202	14.041.496
Financial Assets at Fair Value Through Profit and Loss	96.641	3.611.464	44.313	21.087.300	14.859	3.295.346	28.149.923
Money Markets Receivables	512.543	-	-	-	-	-	512.543
Financial Assets at Fair Value Through Other Comprehensive Income	11.678.609	49.143.494	98.504.257	97.140.779	59.493.188	1.937.040	317.897.367
Loans Given ⁽³⁾	261.836.300	97.467.104	146.945.671	259.264.585	66.047.157	2.787.085	834.347.902
Financial Assets Measured at Amortised Cost	1.663.056	1.155.472	13.299.727	29.418.590	30.431.664	-	75.968.509
Other Assets ⁽²⁾	1.798.391	4.019.302	665.555	373.182	466.730	54.465.826	61.788.986
Total Assets ⁽¹⁾⁽⁵⁾	289.066.127	155.396.836	259.645.595	407.284.436	156.453.598	235.290.284	1.503.136.876
Liabilities							
Interbank Deposits	27.022.832	12.765.845	10.619.063	-	-	3.547.510	53.955.250
Other Deposits	364.197.448	149.922.595	119.468.653	2.137.620	10.183	372.346.337	1.008.082.836
Money Market Borrowings	86.662.545	8.978.954	1.381.952	10.567.119	-	-	107.590.570
Miscellaneous Payables	-	-	-	-	-	21.883.993	21.883.993
Issued Marketable Securities ⁽⁶⁾	1.068.402	9.525.896	586.277	42.419.799	-	-	53.600.374
Funds Provided from Other Financial Institutions	31.774.075	13.290.759	9.195.016	9.990.005	495.894	-	64.745.749
Other Liabilities ⁽⁴⁾	1.390.156	2.736.652	890.449	770.156	618.590	186.872.101	193.278.104
Total Liabilities ⁽¹⁾	512.115.458	197.220.701	142.141.410	65.884.699	1.124.667	584.649.941	1.503.136.876
Balance Sheet Long Position	-	-	117.504.185	341.399.737	155.328.931	-	614.232.853
Balance Sheet Short Position	(223.049.331)	(41.823.865)	-	-	-	(349.359.657)	(614.232.853)
Off-Balance Sheet Long Position	766.257	1.541.044	-	11	-	-	2.307.312
Off-Balance Sheet Short Position	-	-	(395.332)	-	(1.015.345)	-	(1.410.677)
Total Position	(222.283.074)	(40.282.821)	117.108.853	341.399.748	154.313.586	(349.359.657)	896.635

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

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

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

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

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

(6) Includes subordinated debt instruments.

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

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

III. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)

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

(Based on days to repricing dates)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	20.747.759	-	-	-	-	188.035.974	208.783.733
Banks	3.304.258	66.892	197.651	26.674	-	9.400.283	12.995.758
Financial Assets at Fair Value Through Profit and Loss	52.804	6.091.471	3.044.935	14.694.397	13.883	2.762.222	26.659.712
Money Markets Receivables	281.931	-	-	-	-	-	281.931
Financial Assets at Fair Value Through Other Comprehensive Income	42.215.186	18.916.429	58.076.657	89.769.490	60.482.373	697.022	270.157.157
Loans Given ⁽³⁾	250.585.887	76.865.425	146.926.458	213.152.913	58.808.968	2.991.869	749.331.520
Financial Assets Measured at Amortised Cost	813.083	1.110.034	10.183.161	26.068.356	6.403.163	-	44.577.797
Other Assets ⁽²⁾	4.467.502	4.321.012	2.853.665	563.769	357.272	45.539.440	58.102.660
Total Assets ⁽¹⁾⁽⁵⁾	322.468.410	107.371.263	221.282.527	344.275.599	126.065.659	249.426.810	1.370.890.268
Liabilities							
Interbank Deposits	30.528.589	5.066.998	16.050.940	-	-	3.708.562	55.355.089
Other Deposits	367.327.135	116.204.261	70.541.419	2.277.210	1.804	336.979.697	893.331.526
Money Market Borrowings	149.756.072	21.374.101	2.553.454	3.015.469	-	-	176.699.096
Miscellaneous Payables	-	-	-	-	-	17.351.965	17.351.965
Issued Marketable Securities ⁽⁶⁾	97.988	231.881	8.629.634	38.630.139	-	-	47.589.642
Funds Provided from Other Financial Institutions	2.548.228	21.139.126	24.584.477	10.468.740	576.090	-	59.316.661
Other Liabilities ⁽⁴⁾	338.368	804.943	1.964.271	668.174	636.602	116.833.931	121.246.289
Total Liabilities ⁽¹⁾	550.596.380	164.821.310	124.324.195	55.059.732	1.214.496	474.874.155	1.370.890.268
Balance Sheet Long Position	-	-	96.958.332	289.215.867	124.851.163	-	511.025.362
Balance Sheet Short Position	(228.127.970)	(57.450.047)	-	-	-	(225.447.345)	(511.025.362)
Off-Balance Sheet Long Position	7.299.963	2.263.522	-	10	-	-	9.563.495
Off-Balance Sheet Short Position	-	-	(408.869)	-	(1.015.345)	-	(1.424.214)
Total Position	(220.828.007)	(55.186.525)	96.549.463	289.215.877	123.835.818	(225.447.345)	8.139.281

⁽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.

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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III. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)

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

	EUR	USD	JPY	TL
Current Period ⁽⁴⁾				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	8,50
Banks	4,30	-	-	14,08
Financial Assets at Fair Value Through Profit or Loss	-	5,36	-	-
Money Market Receivables	-	-	-	15,46
Financial Assets at Fair Value Through Other	-	-	-	-
Comprehensive Income	3,72	4,85	-	18,21
Loans Given ⁽²⁾	4,94	5,92	-	13,58
Financial Assets Measured at Amortised Cost	4,73	7,58	-	12,28
Liabilities				
Interbank Deposits	0,22	0,50	-	12,75
Other Deposits	0,31	1,13	-	15,01
Money Market Borrowings	-	2,15	-	14,16
Miscellaneous Payables	-	-	-	-
Issued Marketable Securities ⁽³⁾	5,08	5,05	-	16,99
Funds Provided from Other Financial Institutions	1,71	2,53	-	15,79

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

(2) Credit card loan balances are not included.

(3) Subordinated debt instruments are included.

(4) 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 Turkey ⁽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.

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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IV. EXPLANATIONS ON THE POSITION RISK OF EQUITY INSTRUMENTS

1. Equity Instruments Position Risk Derived from Banking Books

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

Investments in Equity Instruments - Current Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	2.124.215	2.124.215	2.124.215
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	9.191.317	9.191.317	9.191.317
Traded on Stock Exchange	9.191.317	9.191.317	9.191.317
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽⁹⁾	357.401	357.401	-

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

Investments in Equity Instruments - Prior Period	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Investment in Equity Instruments Group A	1.742.260	1.742.260	1.742.260
Traded on Stock Exchange	-	-	-
2. Investment in Equity Instruments Group B	7.538.625	7.538.625	7.538.625
Traded on Stock Exchange	7.538.625	7.538.625	7.538.625
3. Investment in Equity Instruments Group C	-	-	-
Traded on Stock Exchange	-	-	-
4. Investment in Equity Instruments Group Other	-	-	-
Other ⁽⁹⁾	347.431	347.431	-

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

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

The investments in equity instruments, partaking in banking accounts according to the credit risk standard method, are amounted TL 357.401 and all of them are 100% risk weighted (31 December 2021: are amounted TL 347.431 and all of them are 100% risk weighted)

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

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

Portfolio	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss		
		Total	Included in Supplementary Capital	Total	Included in Supplementary Capital	Included in Contribution Capital
1. Private Capital Investments	-	-	-	-	-	-
2. Publicly Traded Stocks	-	7.052.042	7.052.042	-	-	-
3. Other Stocks	-	87.570	87.570	-	-	-
Total	-	7.139.612	7.139.612	-	-	-

V. EXPLANATIONS ON THE 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 Bank conducts the remaining maturity analysis in order to observe the maturity structure of its balance sheet, liquidity gap and structural liquidity gap analysis to monitor the liquidity need by periods, and Liquidity Stress Test in order to evaluate the liquidity need of the Bank in the worst possible situation. Core deposit analysis is carried out to determine the stable part of the deposit, which is the most important fund resource of the Bank. 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 Bank's risk capacity, responsibilities and structure of liquidity risk management, reporting of liquidity risk in internal banking, the strategy of liquidity risk and how to provide the communication of policies and implementations with board of directors and business lines

The Bank's risk capacity, risk appetite, responsibilities and tasks of liquidity risk management and sharing of issues related to liquidity risk management with the bank network are explained in Bank's "Regulations of Risk Management, Stress Test Program and ICAAP Regulations" of the Bank. In this context, liquidity risk strategies, policies and implementations are shared within the Bank on a weekly, monthly, quarterly and annual basis with all relevant departments and the Bank's senior management. The analysis and reports made within this scope are handled at the Asset-Liability Committee meetings and the Board of Directors is informed through the Audit Committee.

Liquidity management and the degree of centralization of fund strategies, the information about the procedure between Bank and the subsidiaries of Bank

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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**V. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

1. Liquidity Risk (Continued)

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

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

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

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

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

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

Explanation regarding the usage of the stress test

In the presence of unexpected negative circumstances, periodical stress tests being done in order to test the endurance of the bank. These actions have been shared with 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 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 Bank from organized market and other banks are on the level where they meet the structural liquidity deficits on different maturity segments. The Bank lines off its exposition to liquidity risk by limits that are approved by Board of Directors and within the frame of “Regulation on Risk Management, Stress Test Program and ICAAP Regulations”. In addition, matters related to liquidity and financial emergency management have been identified.

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

2. Liquidity Coverage Ratio

Within the framework of "Regulation on Calculation of Liquidity Covered Rate of Banks" published in the Official Gazette dated 21 March 2014 and numbered 28948 by the BRSA, the Bank calculates the liquidity coverage ratio and transmits unconsolidated on weekly and consolidated on monthly basis to the BRSA. Within the last 3 months the unconsolidated lowest ratios are as follows: For FC 324,6 in the week of 25 March 2022; and for the total 180,78 in the week of 11 February 2022. The highest ratios that took place were for FC as 638,25 in the week of 7 January 2022 and for the total as 234,01 in the week of 18 March 2021 (31 December 2021: Within the last 3 months the unconsolidated lowest ratios are as follows: For FC as 360,79 in the week of 19 November 2021; and for the total 164,49 in the week of 5 November 2021. As for the highest ratios that took place were for FC as 590,73 in the week of 15 October 2021 and for the total as 211,97 in the week of 17 December 2021.)

Current Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			369.701.372	243.669.809
CASH OUTFLOWS				
Retail and Small Business Customers, of which;	667.232.123	401.269.835	59.859.153	40.126.984
Stable deposits	137.281.194	-	6.864.060	-
Less stable deposits	529.950.929	401.269.835	52.995.093	40.126.984
Unsecured wholesale funding, of which;	316.964.084	143.467.144	150.210.769	71.044.046
Operational deposit	22.003.809	1.252.417	5.500.952	313.104
Non-operational deposits	243.920.148	125.037.407	108.925.824	53.659.471
Other unsecured funding	51.040.127	17.177.320	35.783.993	17.071.471
Secured funding			-	-
Other cash outflows, of which;	234.478.040	93.814.253	19.899.980	14.572.727
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.897.167	7.578.749	3.897.167	7.578.749
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off-balance sheet obligations	135.977.115	14.114.106	10.596.327	3.387.908
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	94.603.758	72.121.398	5.406.486	3.606.070
TOTAL CASH OUTFLOWS			229.969.902	125.743.757
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	69.426.465	31.956.485	42.574.632	20.038.279
Other cash inflows	2.497.956	51.208.151	2.497.956	51.208.151
TOTAL CASH INFLOW	71.924.421	83.164.636	45.072.588	71.246.430
			Upper Limit Applied Amounts	
TOTAL HQLA STOCK			369.701.372	243.669.809
TOTAL NET CASH OUTFLOWS			184.897.314	54.506.944
LIQUIDITY COVERAGE RATIO (%)			199,95	447,04

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

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

2. Liquidity Coverage Ratio (Continued)

Prior Period	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			300.736.856	200.714.763
CASH OUTFLOWS				
Retail and Small Business Customers, of which:	581.812.451	332.382.725	51.406.715	33.238.272
Stable deposits	135.490.601	-	6.774.530	-
Less stable deposits	446.321.850	332.382.725	44.632.185	33.238.272
Unsecured wholesale funding , of which;	282.060.859	128.934.723	131.806.306	63.046.713
Operational deposit	21.302.776	1.054.124	5.325.694	263.531
Non-operational deposits	211.440.349	115.759.087	96.058.640	50.798.731
Other unsecured funding	49.317.734	12.121.512	30.421.972	11.984.451
Secured funding			-	-
Other cash outflows, of which;	122.992.761	21.838.758	12.973.546	12.897.830
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	3.394.483	9.552.971	3.394.483	9.552.971
Obligations related to structured financial products	-	-	-	-
Commitments related to debts to financial markets and other off- balance sheet obligations	119.598.278	12.285.787	9.579.063	3.344.859
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	72.709.422	52.737.203	4.156.946	2.636.860
TOTAL CASH OUTFLOWS			200.343.513	111.819.675
CASH INFLOWS				
Secured lending	-	-	-	-
Unsecured lending	53.225.618	24.182.269	32.425.321	15.797.790
Other cash inflows	3.807.508	50.122.404	3.807.508	50.122.404
TOTAL CASH INFLOW	57.033.126	74.304.673	36.232.829	65.920.194
TOTAL HQLA STOCK			300.736.856	200.714.763
TOTAL NET CASH OUTFLOWS			164.110.684	45.960.150
LIQUIDITY COVERAGE RATIO (%)			183,25	436,71

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

3. Explanations on Liquidity Coverage Ratio

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

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).

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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**V. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY
COVERAGE RATIO (Continued)**

3. Explanations on Liquidity Coverage Ratio (Continued)

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

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

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

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

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

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

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

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

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

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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**V. EXPLANATIONS ON THE LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE
RATIO (Continued)**

4 Presentation of Assets and Liabilities According to Their Remaining Maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed ⁽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 Turkey	49.733.061	120.697.089	-	-	-	-	-	170.430.150
Banks ⁽⁴⁾	9.520.202	4.335.222	-	186.072	-	-	-	14.041.496
Financial Assets at Fair Value Through Profit and Loss	-	96.641	3.611.464	44.313	21.087.300	14.859	3.295.346	28.149.923
Money Market Receivables	-	512.543	-	-	-	-	-	512.543
Financial Assets at Fair Value Through Other Comprehensive Income	-	3.268.015	20.570.841	61.074.866	146.705.258	85.920.986	357.401	317.897.367
Loans Given	-	39.791.184	80.619.185	313.366.146	316.851.727	80.932.575	2.787.085	834.347.902
Investments Held-to-Maturity	-	341.824	86.208	472.831	31.320.221	43.747.425	-	75.968.509
Other Assets	8.960.962	1.782.852	3.808.678	668.797	373.182	689.651	45.504.864	61.788.986
Total Assets⁽²⁾	68.214.225	170.825.370	108.696.376	375.813.025	516.337.688	211.305.496	51.944.696	1.503.136.876
Liabilities								
Interbank Deposits	3.547.510	27.022.832	12.765.845	10.619.063	-	-	-	53.955.250
Other Deposits	372.346.337	364.191.205	149.910.066	119.377.002	2.244.036	14.190	-	1.008.082.836
Funds Provided from Other Financial Institutions	-	21.171.556	1.658.610	11.158.519	24.360.179	6.396.885	-	64.745.749
Money Market Borrowings	-	86.662.545	8.978.954	1.381.952	10.567.119	-	-	107.590.570
Issued Marketable Securities ⁽³⁾	-	1.068.402	9.525.896	586.277	42.419.799	-	-	53.600.374
Miscellaneous Payables	5.133.444	16.750.549	-	-	-	-	-	21.883.993
Other Liabilities	10.480.315	2.703.376	15.554.964	967.654	770.156	2.429.662	160.371.977	193.278.104
Total Liabilities	391.507.606	519.570.465	198.394.335	144.090.467	80.361.289	8.840.737	160.371.977	1.503.136.876
Liquidity Gap	(323.293.381)	(348.745.095)	(89.697.959)	231.722.558	435.976.399	202.464.759	(108.427.281)	-
Net Off-Balance Sheet Position	-	223.386	(638.381)	(395.332)	11	1.527.318	-	717.002
Financial Derivative Assets	-	156.069.631	35.195.405	19.035.824	908.023	2.542.663	-	213.751.546
Financial Derivative Liabilities	-	155.846.245	35.833.786	19.431.156	908.012	1.015.345	-	213.034.544
Non-cash Loans	104.059.167	14.801.608	40.085.377	100.106.056	42.814.476	10.498.396	-	312.365.080
Prior Period								
Total Assets	104.286.501	170.059.967	90.191.450	339.918.709	441.096.517	180.142.146	45.194.978	1.370.890.268
Total Liabilities	353.078.824	563.576.406	144.996.297	123.985.350	72.064.557	8.260.880	104.927.954	1.370.890.268
Liquidity Gap	(248.792.323)	(393.516.439)	(54.804.847)	215.933.359	369.031.960	171.881.266	(59.732.976)	-
Net Off-Balance Sheet Position	-	6.986.546	307.117	(408.868)	10	1.267.128	-	8.151.933
Financial Derivative Assets	-	148.284.721	33.587.880	23.589.508	1.558.882	2.282.473	-	209.303.464
Financial Derivative Liabilities	-	141.298.175	33.280.763	23.998.376	1.558.872	1.015.345	-	201.151.531
Non-cash Loans	80.872.752	10.955.329	32.527.108	83.606.042	46.844.385	7.767.640	-	262.573.256

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

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**EXPLANATIONS RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT
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VI. EXPLANATIONS ON LEVERAGE RATIO

1. Explanations on Issues that Cause Differences Between Leverage Ratios

The Bank’s leverage calculated by force of the regulation “Regulation on Measurement and Assessment of Leverage Ratios of Banks” is 7,55% (31 December 2021: 6,70%). The increase in the leverage ratio resulted from the increase in the Tier 1 capital amount. The regulation stipulates 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)	1.423.683.204	1.270.737.165
(Assets deducted in determining Tier 1 capital)	(15.378.000)	(10.259.737)
Total on-balance sheet risks (sum of lines 1 and 2)	1.408.305.204	1.260.477.428
Derivative financial instruments and credit derivatives		
Replacement cost associated with all derivative financial instruments and credit derivatives	5.757.458	10.774.720
Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	2.799.789	2.681.655
Total risks of derivative financial instruments and credit derivatives	8.557.247	13.456.375
Securities or commodity financing transactions (SCFT)		
Risks from SCFT assets(Excluding the balance sheet)	19.181.767	18.956.230
Risks from brokerage activities related exposures	-	-
Total risks related with securities or commodity financing transactions	19.181.767	18.956.230
Other off-balance sheet transactions		
Gross notional amounts of off-balance sheet transactions	444.979.239	364.362.353
(Adjustments for conversion to credit equivalent amounts)	-	-
Total risks of off-balance sheet items	444.979.239	364.362.353
Capital and total risks		
Tier 1 capital	142.598.723	110.958.241
Total risks	1.881.023.457	1.657.252.386
Leverage ratio		
Leverage ratio %	7,55	6,70

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

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VII. EXPLANATIONS ON RISK MANAGEMENT

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

1. Explanations on Risk Management and Risk Weighted Amount

Overview of Risk Weighted Amounts

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit Risk (excluding counterparty credit risk)	752.540.561	684.077.782	60.203.245
2	Standardised approach	752.540.561	684.077.782	60.203.245
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	9.155.591	11.260.224	732.447
5	Standardised approach for counterparty credit risk	9.155.591	11.260.224	732.447
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	13.474.832	11.353.137	1.077.987
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	43.238.234	39.765.354	3.459.059
17	Standardised approach	43.238.234	39.765.354	3.459.059
18	Internal model approaches	-	-	-
19	Operational risk	55.981.209	46.913.603	4.478.497
20	Basic Indicator approach	55.981.209	46.913.603	4.478.497
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)	874.390.427	793.370.100	69.951.235

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VIII. EXPLANATION ON HEDGE ACCOUNTING

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

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

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

Hedging instrument	Hedged Item	Risk Exposure	Fair Value Difference of Hedging Instrument	Fair Value Difference of Hedged Items	Ineffective Portion
FX Deposit (EUR)	EUR Capital Amounts Allocated to Foreign Partnerships	Foreign exchange rate risk	(2.580.979)	2.580.979	-

IX. EXPLANATIONS ON OPERATING SEGMENTS

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 “Operating Segments”.

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

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

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

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IX. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

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

Treasury transactions and international banking activities are conducted by the Treasury Management and International Banking Group and, spot and forward TL, foreign currency, precious metal, securities, derivative transactions are executed in local and international organized and over the counter money and capital markets. Also, the Bank's liquidity and securities portfolio management, deposit and non-deposit funding management activities are being executed. Additionally, the distribution of treasury products to branches and other channels for marketing purposes and the intermediation to the customers' trade finance are other responsibilities. The Bank acts as an intermediary for sale and purchase of securities, for public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of mutual funds founded by Ziraat Portföy Yönetimi A.Ş. and 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 so as to diversify its funding base are among the responsibilities of the department.

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

As of 31 March 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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IX. EXPLANATIONS ON 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	5.579.220	11.108.234	4.496.726	13.913.399	151.936	35.249.515
Interest Expenses	7.492.490	4.097.942	-	5.608.159	559.405	17.757.996
Net Interest Income/Expense	(1.913.270)	7.010.292	4.496.726	8.305.240	(407.469)	17.491.519
Net Fees and Commission Income/Expense	1.454.466	1.165.783	79.695	(678.456)	222.668	2.244.156
Dividend Income	-	-	-	805	-	805
Trading Profit / Loss (Net)	-	-	-	163.963	-	163.963
Other Operating Income	13.848	242.015	22.338	1.946	1.418.192	1.698.339
Provision for Expected Loss (-)	772.402	2.507.547	571.698	367.440	1.609.338	5.828.425
Other Expenses	1.206.866	39.382	47.155	-	3.867.536	5.160.939
Net Operating Profit / Loss	(2.424.224)	5.871.161	3.979.906	7.426.058	(4.243.483)	10.609.418
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(3.880.632)	(3.880.632)
Net Profit / Loss	(2.424.224)	5.871.161	3.979.906	7.426.058	(8.124.115)	6.728.786
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	28.149.923	-	28.149.923
Banks and Receivables from Money Markets	-	-	-	14.554.039	-	14.554.039
Financial Assets at Fair Value Through Other	-	-	-	317.897.367	-	317.897.367
Comprehensive Income (Net)	-	-	-	-	-	-
Loans	170.945.938	513.022.218	127.331.141	23.048.605	-	834.347.902
Financial Assets Measured at Amortized Cost (Net)	-	-	-	75.968.509	-	75.968.509
Derivative Financial Assets	-	-	-	6.749.182	-	6.749.182
Associates, Subsidiaries and Entities under Common Control	-	-	-	23.800.968	-	23.800.968
Other Assets	7.628	4.376.792	105.709	162.968.071	34.210.786	201.668.986
Total Segment Assets	170.953.566	517.399.010	127.436.850	653.136.664	34.210.786	1.503.136.876
SEGMENT LIABILITIES						
Deposits	733.383.402	201.005.704	-	53.955.250	73.693.730	1.062.038.086
Derivative Financial Liabilities Held for Trading	-	-	-	5.427.638	-	5.427.638
Funds Borrowed	-	-	-	64.745.749	-	64.745.749
Money Markets Borrowing	12.760	69.180.699	-	38.397.111	-	107.590.570
Securities Issued (Net)	-	-	-	29.963.272	-	29.963.272
Provisions	-	3.671.577	-	-	7.712.121	11.383.698
Other Liabilities	-	-	-	-	72.033.068	72.033.068
Shareholders' Equity	-	-	-	-	149.954.795	149.954.795
Total Segment Liabilities	733.396.162	273.857.980	-	192.489.020	303.393.714	1.503.136.876

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IX. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

1. Table for Segment Reporting (Continued)

	Retail Banking	Corporate/ Commercial Banking	Specialized Banking	Treasury/ Investment Banking	Other	Total
Prior Period						
OPERATING INCOME/EXPENSE						
Interest Income	4.722.828	6.662.866	2.537.815	6.327.272	78.563	20.329.344
Interest Expenses	5.246.381	2.921.345	-	5.614.595	158.010	13.940.331
Net Interest Income/Expense	(523.553)	3.741.521	2.537.815	712.677	(79.447)	6.389.013
Net Fees and Commission Income/Expense	683.674	625.607	44.940	(373.987)	62.925	1.043.159
Dividend Income	-	-	-	1.973	-	1.973
Trading Profit / Loss (Net)	-	-	-	(2.553.339)	-	(2.553.339)
Other Operating Income	6.384	45.538	12.883	1.458	1.111.923	1.178.186
Provision for Expected Loss (-)	408.990	866.498	225.738	70.061	3.999	1.575.286
Other Expenses	879.609	19.580	25.432	-	2.339.030	3.263.651
Net Operating Profit / Loss	(1.122.094)	3.526.588	2.344.468	(2.281.279)	(1.247.628)	1.220.055
Profit/Loss on Equity Method Applied Subsidiaries	-	-	-	-	-	-
Tax Provision	-	-	-	-	(258.109)	(258.109)
Net Profit / Loss	(1.122.094)	3.526.588	2.344.468	(2.281.279)	(1.505.737)	961.946
SEGMENT ASSETS						
Financial Assets at Fair Value Through Profit or Loss (Net)	-	-	-	26.659.712	-	26.659.712
Banks and Receivables from Money Markets	-	-	-	13.277.689	-	13.277.689
Financial Assets at Fair Value Through Other Comprehensive Income (Net)	-	-	-	270.157.157	-	270.157.157
Loans	165.351.499	452.349.808	116.303.978	15.326.235	-	749.331.520
Financial Assets Measured at Amortized Cost (Net)	-	-	-	44.577.797	-	44.577.797
Derivative Financial Assets	-	-	-	12.048.564	-	12,048,564
Associates, Subsidiaries and Entities under Common Control	-	-	-	20.987.890	-	20,987,890
Other Assets	7.334	4.806.870	121.636	200.444.597	28.469.502	233,849,939
Total Segment Assets	165.358.833	457.156.678	116.425.614	603.479.641	28.469.502	1.370.890.268
SEGMENT LIABILITIES						
Deposits	697.033.528	129.831.454	-	55.355.089	66.466.544	948.686.615
Derivative Financial Liabilities Held for Trading	-	-	-	3.590.919	-	3,590,919
Funds Borrowed	-	-	-	59.316.661	-	59,316,661
Money Markets Borrowing	13.812	120.192.120	-	56.493.164	-	176,699,096
Securities Issued (Net)	-	-	-	26.162.041	-	26,162,041
Provisions	-	3.285.225	-	-	5.774.787	9,060,012
Other Liabilities	-	-	-	-	50.275.165	50,275,165
Shareholders' Equity	-	-	-	-	97.099.759	97,099,759
Total Segment Liabilities	697.047.340	253.308.799	-	200.917.874	219.616.255	1.370.890.268

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SECTION FIVE

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

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1.953.051	5.676.435	2.631.639	5.664.428
Central Bank of the Republic of Turkey	7.059.164	155.493.329	20.687.772	179.575.342
Other	-	250.000	-	226.805
Total	9.012.215	161.419.764	23.319.411	185.466.575

Explanation on reserve requirements

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

Banks are required to maintain reserves with Central Bank of the Republic of Turkey for their TL and FC liabilities that are specified in the aforementioned Communiqué. Required reserves are calculated every two weeks 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. Within the scope of the “Communiqué No. 2021/14 on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts”, the conversion rate from foreign currency deposit accounts in USD, EUR and GBP and participation fund accounts in foreign currency to time deposits and participation funds in TL as of the obligation date of 15 April 2022 It has been decided not to apply an annual commission of 1.5% to the banks that have reached the 10% level and the 20% level end of 2022. As of September 2, 2022, the rate of commission to be collected from banks whose conversion rate cannot reach 10% separately for real and legal persons, will be 3%.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	6.528.563	35.304.247	20.125.127	41.371.285
Unrestricted Time Deposit	-	-	-	18.403.250
Restricted Time Deposit	-	548	-	682
Other ⁽¹⁾	530.601	120.188.534	562.645	119.800.125
Total	7.059.164	155.493.329	20.687.772	179.575.342

⁽¹⁾ Includes required reserves and CBRT restricted electronic money funds amounting to TL 20.217. Required reserve of branches abroad amounting to TL 475.612 is presented in this line. TL 3.844.842 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 3.731.084 of the current period’s FC required reserve is the part of the required reserves that are held in FC).

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(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

	Current Period		Prior Period	
Assets Subject to Repurchase Agreements	-	-	-	-
Assets Blocked/Given as Collateral	24.816.378		23.897.387	
Total	24.816.378		23.897.387	

3. Positive Differences Statement Regarding Trading Derivative Financial Asset

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	858.179	16.393	805.568	6.458
Swap Transactions	3.162.659	2.581.349	9.632.350	1.531.626
Futures Transactions	-	-	-	-
Options	-	130.602	-	72.562
Other	-	-	-	-
Total	4.020.838	2.728.344	10.437.918	1.610.646

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	2.508.271	172.691	-	156.451
Foreign Banks	723.186	10.639.111	761.150	12.079.761
Foreign Head Office and Branches	-	-	-	-
Total	3.231.457	10.811.802	761.150	12.236.212

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	109.677.619	170.822.248
Assets Blocked/Given as Collateral	54.887.785	52.938.310
Total	164.565.404	223.760.558

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

	Current Period	Prior Period
Debt Securities	335.777.525	283.683.100
Quoted in Stock Exchange	335.141.285	283.103.217
Not Quoted in Stock Exchange	636.240	579.883
Share Certificates	418.232	403.034
Quoted in Stock Exchange	1.130	1.130
Not Quoted in Stock Exchange	417.102	401.904
Provision for Impairment (-)	18.298.390	13.928.977
Total	317.897.367	270.157.157

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Granted loans to Legal Entity partners	-	-	-	-
Granted loans to Individual partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees ^{(1) (2)}	869.154	-	680.721	-
Total	869.154	-	680.721	-

⁽¹⁾ Interest rediscount and interest accrual amounting TL 8.072, are not included (31 December 2021: Interest rediscount and interest accrual amounting TL 6.094 are not included).

⁽²⁾ Since the balance of overdraft accounts related to employees amounting TL 14.705, 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 32.334, 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 ⁽²⁾		
		Standard Loans	Not Under the Scope of Restructuring	Loans under restructuring
				Loans with revised contract terms
Cash Loans				
Non-Specialized Loans	641.777.906	14.811.950	1.112.498	51.361.319
Commercial Loans	433.600.788	9.772.704	904.684	51.233.911
Export Loans	12.605.423	177.165	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	10.266.017	-	-	-
Consumer Loans	145.678.350	3.412.172	207.814	126.066
Credit Cards	36.932.832	1.438.734	-	1.342
Other	2.694.496	11.175	-	-
Specialized Lending ⁽¹⁾	115.716.521	2.388.666	42.166	1.244.165
Other Receivables	-	-	-	-
Interest Income Accruals	15.825.134	615.798	28.017	5.942.696
Total	773.319.561	17.816.414	1.182.681	58.548.180

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

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(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

Prior Period		Loans Under Close Monitoring ⁽³⁾			
		Standard Loans	Not Under the Scope of Restructuring	Loans under restructuring	
				Loans with revised contract terms	Refinancing
Cash Loans					
Non-Specialized Loans	566.176.396	21.827.316	1.060.894	46.423.145	
Commercial Loans	377.447.969	13.878.516	843.686	46.271.295	
Export Loans	8.496.269	181.335	-	-	
Import Loans	-	-	-	-	
Loans Given to Financial Sector	6.648.631	-	-	-	
Consumer Loans	139.705.521	5.242.855	217.208	150.676	
Credit Cards	31.310.393	2.369.584	-	1.174	
Other	2.567.613	155.026	-	-	
Specialized Lending ⁽¹⁾⁽²⁾	104.062.560	3.789.550	38.766	1.269.130	
Other Receivables	-	-	-	-	
Interest Income Accruals	13.081.851	816.949	38.443	4.678.258	
Total	683.320.807	26.433.815	1.138.103	52.370.533	

⁽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	2.667.168	-	2.159.100	-
Significant Increase in Credit Risk	-	16.638.851	-	14.764.508

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	1.385.602	144.798.107	146.183.709
Mortgage Loans	16.153	91.026.881	91.043.034
Automotive Loans	13.859	1.077.277	1.091.136
Consumer Loans	1.355.590	52.693.949	54.049.539
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	1.784	123.116	124.900
Mortgage Loans	-	12.434	12.434
Automotive Loans	-	-	-
Consumer Loans	1.784	110.682	112.466
Other	-	-	-
Retail Credit Cards-TL	18.555.105	246.320	18.801.425
With Installment	5.025.247	219.766	5.245.013
Without Installment	13.529.858	26.554	13.556.412
Retail Credit Cards-FC	1.458	-	1.458
With Installment	-	-	-
Without Installment	1.458	-	1.458
Personnel Loans-TL	28.857	610.883	639.740
Mortgage Loans	-	134	134
Automotive Loans	-	-	-
Consumer Loans	28.857	610.749	639.606
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	221.818	7.517	229.335
With Installment	71.842	6.795	78.637
Without Installment	149.976	722	150.698
Personnel Credit Cards-FC	79	-	79
With Installment	-	-	-
Without Installment	79	-	79
Overdraft Accounts-TL (Real Person)	2.476.053	-	2.476.053
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	22.670.756	145.785.943	168.456.699

⁽¹⁾ TL 1.292.534 amounting of interest income rediscount and accrual is not included.

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	1.160.323	141.206.544	142.366.867
Mortgage Loans	11.624	85.779.706	85.791.330
Automotive Loans	7.212	666.168	673.380
Consumer Loans	1.141.487	54.760.670	55.902.157
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	2.044	113.465	115.509
Mortgage Loans	-	11.511	11.511
Automotive Loans	-	-	-
Consumer Loans	2.044	101.954	103.998
Other	-	-	-
Retail Credit Cards-TL	17.032.219	219.848	17.252.067
With Installment	4.840.781	196.427	5.037.208
Without Installment	12.191.438	23.421	12.214.859
Retail Credit Cards-FC	1.415	-	1.415
With Installment	-	-	-
Without Installment	1.415	-	1,415
Personnel Loans-TL	20.826	425.907	446.733
Mortgage Loans	-	74	74
Automotive Loans	-	-	-
Consumer Loans	20.826	425.833	446.659
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	226.732	7.216	233.948
With Installment	61.138	6.537	67.675
Without Installment	165.594	679	166.273
Personnel Credit Cards-FC	40	-	40
With Installment	-	-	-
Without Installment	40	-	40
Overdraft Accounts-TL (Real Person)	2.387.151	-	2.387.151
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	20.830.750	141.972.980	162.803.730

⁽¹⁾ TL 1.202.131 amounting of interest income rediscount and accrual is not included.

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.4. Information on Commercial Installment Loans and Corporate Credit Cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment Based Commercial Loans-TL	3.838.956	84.508.807	88.347.763
Mortgage Loans	4.553	907.333	911.886
Automotive Loans	155.050	2.834.600	2.989.650
Consumer Loans	3.679.353	80.766.874	84.446.227
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	138.857	79.490.262	79.629.119
Mortgage Loans	-	6.654	6.654
Automotive Loans	-	2.593	2.593
Consumer Loans	138.857	79.481.015	79.619.872
Other	-	-	-
Corporate Credit Cards-TL	18.997.452	341.214	19.338.666
With Installment	8.443.618	341.204	8.784.822
Without Installment	10.553.834	10	10.553.844
Corporate Credit Cards-FC	1.945	-	1.945
With Installment	-	-	-
Without Installment	1.945	-	1.945
Overdraft Account-TL (Legal Entity)	1.733.391	-	1.733.391
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	24.710.601	164.340.283	189.050.884

⁽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	3.636.789	88.457.130	92.093.919
Mortgage Loans	3.577	812.938	816.515
Automotive Loans	128.475	2.621.274	2.749.749
Consumer Loans	3.504.737	85.022.918	88.527.655
Other	-	-	-
Installment Based Commercial Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Installment Based Commercial Loans - FC	126.647	70.121.314	70.247.961
Mortgage Loans	-	6.864	6.864
Automotive Loan	-	1.582	1.582
Consumer Loans	126.647	70.112.868	70.239.515
Other	-	-	-
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	1.833	-	1.833
With Installment	-	-	-
Without Installment	1.833	-	1.833
Overdraft Account-TL (Legal Entity)	1.463.188	-	1.463.188
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	21.172.666	158.826.083	179.998.749

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

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

7.5 Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	819.544.891	736.873.161
Foreign Loans	8.910.300	7.774.596
Interest Income Accruals of Loans	22.411.645	18.615.501
Total	850.866.836	763.263.258

7.6. Loans Granted to Investments in Associates and Subsidiaries

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	4.291.734	4.147.452
Indirect loans granted to subsidiaries and associates	-	-
Total	4.291.734	4.147.452

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

	Current Period	Prior Period
Loans and other receivables with limited collectability	272.673	352.969
Loans and other receivables with doubtful collectability	927.304	758.849
Uncollectible loans and other receivables	10.866.169	11.036.943
Total	12.066.146	12.148.761

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 and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current Period			
Gross amounts before the provisions	104.796	426.466	1.550.619
Restructured loans	104.796	426.466	1.550.619
Prior Period			
Gross amounts before the provisions	176.132	282.169	1.629.295
Restructured loans	176.132	282.169	1.629.295

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period Ending Balance	997.656	1.688.208	12.454.767
Additions (+)	972.262	113.849	62.441
Transfers from Other Categories of Loans under Follow-Up (+)	-	885.246	651.877
Transfers to Other Categories of Loans under Follow-Up (-)	885.246	651.877	-
Collections (-) ⁽¹⁾	316.721	254.904	864.327
Write-offs (-)	-	-	-
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	767.951	1.780.522	12.304.758
Provision (-)	272.673	927.304	10.866.169
Net Balance on Balance Sheet	495.278	853.218	1.438.589

⁽¹⁾ Includes transfers to first and second group loans amounting to TL 258.987

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

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	1.977	22.615	3.030.725
Provision (-)	691	15.426	2.968.095
Net Balance on Balance Sheet	1.286	7.189	62.630
Prior Period:			
Period Ending Balance	11.725	17.074	3.105.191
Provision (-)	4.494	10.376	3.027.593
Net Balance on Balance Sheet	7.231	6.698	77.598

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(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

7. Information Related to Loans (Continued)

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

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

	Group III	Group IV	Group V
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	495.278	853.218	1.438.589
Loans to Real Persons and Legal Entities (Gross)	767.951	1.780.522	12.143.470
Provisions (-)	272.673	927.304	10.704.881
Loans to Real Persons and Legal Entities (Net)	495.278	853.218	1.438.589
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	161.288
Provisions (-)	-	-	161.288
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	644.687	929.359	1.417.824
Loans to Real Persons and Legal Entities (Gross)	997.656	1.688.208	12.298.052
Provisions (-)	352.969	758.849	10.880.228
Loans to Real Persons and Legal Entities (Net)	644.687	929.359	1.417.824
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 and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	18.602	30.591	68.739
Interest Accruals and Valuation Differences	30.655	68.104	628.312
Provisions (-)	12.053	37.513	559.573
Prior Period (Net)	24.345	41.925	71.583
Interest Accruals and Valuation Differences	41.171	81.810	660.824
Provisions (-)	16.826	39.885	589.241

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I. EXPLANATIONS AND NOTES RELATED TO 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	8.950.880	3.499.834	1.390.806	3.209.928
Treasury Bills	-	-	-	-
Other Government Debts	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8.950.880	3.499.834	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	-	-	-	-
Bonds and Similar Investment Securities	759.715	28.217.695	607.105	25.626.356
Other	-	-	-	-
Total	759.715	28.217.695	607.105	25.626.356

8.2. Information on Government Debt Securities at Amortized Cost

	Current Period	Prior Period
Government Bonds	75.297.704	43.952.455
Treasury Bills	-	-
Other Public Sector Debt Securities	315.264	290.413
Total	75.612.968	44.242.868

8.3. Information on Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Debt securities	75.978.766	44.583.816
Quoted at Stock Exchange	75.612.968	44.242.868
Unquoted at Stock Exchange	365.798	340.948
Provision for Impairment (-)	-	-
Total	75.978.766	44.583.816

8.4. The Movements of Financial Assets Measured at Amortized Cost

	Current Period	Prior Period
Beginning Balance	44.583.816	29.686.696
Foreign Currency Differences on Monetary Assets	3.245.113	10.816.560
Purchases During the Year ⁽¹⁾	28.520.017	6.870.391
Disposals through Sales and Redemptions	(370.180)	(2.789.831)
Provision for Impairment (-)	-	-
Period End Balance	75.978.766	44.583.816

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

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

9. Information on Investments in Associates (Net)

9.1. Information about Investment in Associates

	Description	Address (City/ Country)	The Bank’s Share Percentage, if Different, Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	Istanbul / Turkey	15,43	15,43
2	Platform Ortak Kartlı Sistemler A.Ş.	Istanbul / Turkey	20,00	20,00
3	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Istanbul / Turkey	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	10.487.932	1.387.534	210.827	80.718	51.839	47.595	40.600	-
2	5.747	5.730	35	166	-	156	(8)	-
3	411.623	350.335	101.731	7.214	-	4.697	2.768	-

⁽¹⁾ Current period financial information has been provided from unaudited financial statements as of 31 March 2022. Prior period profit/loss information has been provided from audited financial statements as of 31 March 2021.

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

9.2. Information on Financial Associates

	Current Period	Prior Period
Balance at the Beginning of the Period	88.846	88.846
Movement During the Period	-	-
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer (-)	-	-
Sales	-	-
Revaluation Increase	-	-
Revaluation/Impairment	-	-
Balance at the End of the Period	88.846	88.846
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

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

	Current Period	Prior Period
Banks	88.846	88.846
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

9.4. Subsidiaries Quoted to the Stock Exchange

None (31 December 2021: None).

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(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

10. Information on Subsidiaries (Net)

10.1. Information on Subsidiaries

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

	Description	Address (City/ Country)	The Bank's Share Percentage-if different Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / Turkey	99,60	99,60
2	Ziraat Portföy Yönetimi A.Ş.	İstanbul / Turkey	74,90	99,80
3	Ziraat Katılım Bankası A.Ş.	İstanbul / Turkey	100,00	100,00
4	Ziraat Gayrimenkul Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	81,06	81,06
5	Ziraat Girişim Sermayesi Yatırım Ortaklığı A.Ş.	İstanbul / Turkey	100,00	100,00
6	Ziraat Teknoloji A.Ş.	İstanbul / Turkey	100,00	100,00
7	Ziraat Bank International A.G.	Frankfurt / Germany	100,00	100,00
8	Ziraat Bank BH d.d.	Sarajevo / Bosnia Herzegovina	100,00	100,00
9	Ziraat Bank (Moscow) JSC	Moscow / Russia	99,91	100,00
10	Kazakhstan Ziraat Int. Bank	Almaty / Kazakhstan	99,83	99,83
11	Ziraat Bank Azerbaycan ASC	Baku / Azerbaijan	99,98	100,00
12	Ziraat Bank Montenegro AD	Podgorica / Montenegro	100,00	100,00
13	JSC Ziraat Bank Georgia	Tbilisi / Georgia	100,00	100,00
14	Ziraat Bank Uzbekistan JSC	Tashkent / Uzbekistan	100,00	100,00

	Total Assets	Shareholders' Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value	Shareholder's equity amount needed
1	1.182.557	812.387	4.821	66.945	-	111.067	121.896	1.415.705	-
2	253.642	238.581	5.547	5.470	-	34.742	14.810	240.035	-
3	121.811.476	5.703.928	559.525	3.904.394	1.500.026	1.194.431	124.752	2.768.158	-
4	8.845.305	8.518.699	7.640.579	18.473	-	120.712	6.349	11.315.532	-
5	1.088.404	1.087.022	807	8.605	-	9.273	11.859	1.086.185	-
6	130.422	19.021	9.595	402	11	(519)	(7.460)	51.826	-
7	17.914.712	3.835.728	53.456	118.168	2.109	(307.899)	51.903	3.165.577	-
8	10.175.026	1.303.960	72.138	49.773	-	(7.771)	11.827	475.587	-
9	1.845.649	732.841	30.606	32.266	238	20.279	9.242	674.735	-
10	4.355.615	1.113.744	374.896	53.966	-	(204.657)	(17.272)	1.025.043	-
11	3.774.408	773.719	201.336	43.211	3.636	(34.551)	6.917	535.517	-
12	1.074.351	269.906	13.573	7.724	1.148	(1.039)	556	172.062	-
13	863.317	289.000	27.901	10.637	200	7.287	404	216.604	-
14	2.137.667	464.477	30.305	34.026	1.081	21.245	19.489	215.812	-

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

(2) The current period financial statement information of the subsidiaries is taken from the unaudited financial statements dated 31 March 2022. and the profit/loss figures for the previous period are taken from the reviewed financial statements dated 31 March 2021.

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(Continued)**

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

10. Information on Subsidiaries (Net) (Continued)

10.1. Information on Subsidiaries (Continued)

	Current Period	Prior Period
Balance at the Beginning of the Period	20.558.487	13.901.878
Movements During the Period	2.748.065	6.656.609
Additions to Scope of Consolidation	-	-
Purchases	371.844	767.894
Bonus Shares Obtained	-	99.967
Dividends from current year income	-	-
Sales	-	-
Revaluation Increase ⁽¹⁾	2.376.221	7.476.690
Impairment Provision (-)	-	1.687.942
Transfer (-)	-	-
Balance at the End of the Period	23.306.552	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 in the table.

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

	Current Period	Prior Period
Banks	9.249.095	8.567.353
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	14.057.457	11.991.134

10.3. Subsidiaries Quoted to the Stock Exchange

	Current Period	Prior Period
Quoted at domestic stock exchanges	11.315.532	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 Turkey Accounting Standard 27 (TAS 27)" according to TFRS 9 Financial Instruments Standard. The 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⁾	Bank's Share (%)	Bank's Risk Group Share (%)	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	50,00	50,00	9.857.335	43.913	16.035	102.302	42.555

⁽¹⁾ Information on entity under joint control is provided from the unaudited financial statements as of 31 March 2022.

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

12. Information on Lease Receivables

The Bank has no financial lease receivables.

13. Information on Derivative Financial Assets for Hedging Purposes

The Bank has no hedging derivative financial assets.

14. Information on the Investment Property

None.

15. Information on Non-Currents Assets or Disposal Groups "Held for Sale" and "From Discontinued Operations"

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

The total of the partnership shares acquired by the Bank due to the aforementioned receivables is TL 415.578 (31 December 2021: TL 181.483). The Bank's immovables acquired amount to TL 4.490.129 (31 December 2021: TL 4.935.840) consisting of TL 7.628 (31 December 2021: TL 7.334) due to consumer loans, TL 4.376.792 (31 December 2021: TL 4.806.870) on its commercial loans and TL 105.709 (31 December 2021: TL 121.636) on its agricultural loans. Also, the sum of movables acquired from consumer loans amounts to TL 21.864 (31 December 2021: TL 1.609). The net book value of the Bank's fixed assets held for sale acquired through fiduciary rights is TL 1.526.961 (31 December 2021: TL 1.551.212).

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	6.250.005	834.218	1.828.003	218.638	275.752	-	9.406.616
Accumulated Depreciation (-)	931.843	170.075	1.238.517	143.533	265.533	-	2.749.501
Impairment (-)	2.323	-	-	-	-	-	2.323
Net Book Value	5.315.839	664.143	589.486	75.105	10.219	-	6.654.792
Current Period End							
Net Book Value at the Beginning of the Period	5.315.839	664.143	589.486	75.105	10.219	-	6.654.792
Change During the Period (Net)	(48.909)	122.061	(6.205)	24.287	411	-	91.645
Cost	(41.404)	45.826	52.265	6.529	(3.973)	-	59.243
Depreciation – Net (-)	7.505	(76.235)	58.470	(17.758)	(4.384)	-	(32.402)
Impairment (-)	-	-	-	-	-	-	-
Net Currency Translation from Foreign Subsidiaries	-	-	-	-	-	-	-
Cost at Period End	6.208.601	880.044	1.880.268	225.167	271.779	-	9.465.859
Accumulated Depreciation at Period End (-)	939.348	93.840	1.296.987	125.775	261.149	-	2.717.099
Impairment (-)	2.323	-	-	-	-	-	2.323
Closing Net Book Value	5.266.930	786.204	583.281	99.392	10.630	-	6.746.437

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

None.

18. Pledges, mortgages and other restrictions on the tangible 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	1.829	2.253
Banks and Receivables from Money Markets	1.763	1.604
Financial Assets Measured at Amortized Cost	10.257	6.019
Other assets	60.354	39.431
Total	74.203	49.307

20. Information on Other Assets

As of 31 March 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 LIABILITIES

1. Information on Deposits/Funds Collected

1.1. Information on Maturity Structure of Deposits

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits ^(*)	77.667.100	-	11.386.491	140.737.646	20.892.479	4.312.820	11.276.366	172.930	266.445.832
Foreign Currency Deposits	184.596.315	-	54.311.273	131.633.608	25.659.338	16.372.413	54.351.456	13.167	466.937.570
Residents in Turkey	150.361.857	-	52.963.060	111.074.805	17.637.021	8.043.621	24.095.821	11.381	364.187.566
Residents on Abroad	34.234.458	-	1.348.213	20.558.803	8.022.317	8.328.792	30.255.635	1.786	102.750.004
Public Sector Deposits	19.075.189	-	26.861.973	9.577.778	885.606	295.210	13.205	-	56.708.961
Commercial Inst. Deposits	26.630.718	-	29.010.662	21.820.534	17.974.639	23.735.378	362.160	-	119.534.091
Other Inst. Deposits	3.324.073	-	5.149.982	14.422.355	963.663	580.851	321.728	-	24.762.652
Precious Metals Deposit	61.052.942	-	1.456.481	9.435.747	830.753	443.843	473.964	-	73.693.730
Interbank Deposits	3.547.510	-	26.963.553	5.420.850	-	10.524.254	7.499.083	-	53.955.250
The CBRT	704.829	-	-	-	-	-	-	-	704.829
Domestic Banks	256.154	-	24.786.185	-	-	-	3.227.047	-	28.269.386
Foreign Banks	2.098.633	-	244.944	5.420.850	-	10.524.254	4.272.036	-	22.560.717
Participation Banks	487.894	-	1.932.424	-	-	-	-	-	2.420.318
Other	-	-	-	-	-	-	-	-	-
Total	375.893.847	-	155.140.415	333.048.518	67.206.478	56.264.769	74.297.962	186.097	1.062.038.086

^(*) As of 31 March 2022, the balance of savings deposits includes TL 45.750.036 Treasury Currency Protected Deposits and TL 65.535.692 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	69.081.481	-	12.341.347	106.372.892	23.985.121	2.673.848	7.565.839	181.935	222.202.463
Foreign Currency Deposits	173.028.421	-	49.157.167	160.231.048	25.048.802	15.563.665	51.786.493	15.469	474.831.065
Residents in Turkey	145.652.163	-	47.805.777	140.021.008	17.513.749	7.925.055	23.353.389	13.806	382.284.947
Residents on Abroad	27.376.258	-	1.351.390	20.210.040	7.535.053	7.638.610	28.433.104	1.663	92.546.118
Public Sector Deposits	13.981.623	-	8.730.365	7.609.837	788.442	381.429	12.929	-	31.504.625
Commercial Inst. Deposits	23.812.359	-	31.349.097	15.987.692	625.219	2.164.146	956.357	-	74.894.870
Other Inst. Deposits	2.774.107	-	7.880.478	10.860.196	1.161.427	442.151	313.600	-	23.431.959
Precious Metals Deposit	54.301.706	-	1.279.645	9.197.319	770.292	469.926	447.656	-	66.466.544
Interbank Deposits	3.708.562	-	29.940.583	5.466.808	26.430	9.629.879	6.582.827	-	55.355.089
The CBRT	349.015	-	-	-	-	-	-	-	349.015
Domestic Banks	289.262	-	28.744.372	310.661	-	-	2.662.812	-	32.007.107
Foreign Banks	2.285.699	-	113.667	5.156.147	26.430	9.629.879	3.920.015	-	21.131.837
Participation Banks	784.586	-	1.082.544	-	-	-	-	-	1.867.130
Other	-	-	-	-	-	-	-	-	-
Total	340.688.259	-	140.678.682	315.725.792	52.405.733	31.325.044	67.665.701	197.404	948.686.615

^(*) As of 31 December 2021, the balance of savings deposits includes TL 13.001.011 Treasury Currency Protected Deposits and TL 2.696.662 CBRT Currency Protected Deposits

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II. EXPLANATIONS AND NOTES RELATED TO 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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits ⁽¹⁾	164.627.307	136.169.941	100.644.279	85.235.756
Foreign Currency Saving Deposits ⁽¹⁾	142.768.877	119.403.684	258.545.101	258.417.350
Other Deposits in the form of Saving Deposits	-	-	-	-
Foreign Branches' Deposits under the Guarantees of Foreign Authority Insurance ⁽²⁾	3.672.386	3.353.517	1.435.402	1.629.055
Off-Shore Banking Regions' and 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 1.469.866 and TL 38.996 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).

Based on the Council of Minister's decree dated 29 December 2003 and numbered 2003/6668, TL 465 (31 December 2021: TL 479) of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the banks. As total of capital amount and interest expense accruals of saving deposits up to TL 150 attributable to a real person is covered by the insurance, TL 3.532.932 (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 15 February 2013 and numbered 28560.

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

The Bank's head office is located in Turkey.

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

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	171.972	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	33.283	30.545
Deposits Obtained through Illegal Acts Defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

2. Negative Differences Statement Regarding Trading Derivative Financial Assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	696.308	28.996	798.079	6.271
Swap Transactions	702.352	3.857.196	404.820	2.309.871
Futures Transactions	12.820	-	-	-
Options	-	129.966	-	71.878
Other	-	-	-	-
Total	1.411.480	4.016.158	1.202.899	2.388.020

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	-	-	-	-
Domestic Banks and Institutions	351.969	10.038.428	383.712	8.878.194
Foreign Banks, Institutions and Funds	10.554	54.344.798	10.568	50.044.187
Total	362.523	64.383.226	394.280	58.922.381

3.2. Information on Maturity Structure of Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	351.167	3.506.371	382.907	3.654.798
Medium and Long-Term	11.356	60.876.855	11.373	55.267.583
Total	362.523	64.383.226	394.280	58.922.381

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

70,65% of the Bank’s total liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank’s liabilities are not subject to a significant concentration risk.

4. Information on Money Market Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	69.342.428	-	139.646.059	-
Financial Institutions and Organizations	69.233.794	-	139.473.430	-
Other Institutions and Organizations	95.876	-	158.819	-
Real Person	12.758	-	13.810	-
From Overseas Operations	-	38.248.142	-	37.053.037
Financial Institutions and Organizations	-	38.248.142	-	37.053.037
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
Total	69.342.428	38.248.142	139.646.059	37.053.037

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

5. Information on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bills	-	726.000	-	97.988
Asset-Backed Securities	-	-	-	-
Treasury Bonds	1.010.690	28.226.582	1.010.690	25.053.363
Total	1.010.690	28.952.582	1.010.690	25.151.351

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

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

7. Information on Lease Liabilities (Net)

Information on lease liabilities represented in the table below.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	34.387	24.372	23.256	11.893
Between 1-4 Years	392.565	350.964	360.218	329.674
More than 4 Years	1.048.937	566.108	812.434	447.916
Total	1.475.889	941.444	1.195.908	789.483

8. Information on the Hedging Derivative Financial Liabilities

There are no hedging derivative financial liabilities.

9. Information on Provisions

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

There 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 Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 31 March 2022, unpaid vacation liability amounted to TL 539.288 and employment termination amounted to TL 1.503.859 are presented under the “Employee Benefits Provision” in the financial statements (31 December 2021 unpaid vacation liability amounted to TL 368.105, and employment termination amounted to TL 1.355.145 are presented under the “Employee Benefits Provision” in the financial statements).

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

9. Information on Provisions (Continued)

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 5.310.000, of which TL 3.710.000 has been reserved in previous periods and TL 1.600.000 has been set aside in the current year. In addition, there is a provision amounting to TL68.300 and other provisions amounting to TL157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 3.671.577 (31 December 2021: Except for the requirements of the BRSA Accounting and Financial Reporting Legislation, the Bank's management has free provisions amounting to TL 3.710.000 thousand, of which TL 3.460.000 thousand has been reserved in previous periods and TL 250.000 thousand has been set aside in the current year. In addition, there is a provision amounting to TL 68.300 and other provisions amounting to TL 157 for the money groups made by civil servants. Expected loss provisions for non-cash loans are TL 3.285.225).

Regarding the Bank's lawsuit files, a total amount of TL 190.859 has been provided in the financial statements for lawsuits filed against the Bank for a total amount of TL 95.100 but not yet finalized (31 December 2021: For the lawsuits filed against the Bank amounting to TL 186.058, a provision of TL 92.600 has been provided in these financial statements for cases that are likely to result against the Bank but are not yet finalized).

10. Explanations on Tax Liability

10.1. Explanations on Current Tax Liability

10.1.1. Information on Taxes Payable

As of 31 March 2022, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 12.592.304 (As of 31 December 2021, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 107.752).

10.1.2. Information on Current Taxes Payable

	Current Period	Prior Period
Corporate Tax Payable	12.592.304	107.752
Taxation on Income From Securities	366.228	407.297
Property Tax	4.072	3.716
Banking Insurance Transactions Tax (BITT)	443.228	444.573
Foreign Exchange Transactions Tax	32.295	114.244
Value Added Tax Payable	29.055	41.867
Other	273.844	91.426
Total	13.741.026	1.210.875

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

10. Explanations on Tax Liability (Continued)

10.1. Explanations on Current Tax Liability (Continued)

10.1.3. Information on Premium Payables

	Current Period	Prior Period
Social Security Premiums Employee	99	62
Social Security Premiums - Employer	127	83
Bank Social Aid Pension Fund Premium - Employee	87.868	22.904
Bank Social Aid Pension Fund Premium - Employer	128.706	33.563
Pension Fund Membership Fees and Provisions - Employee	6	4
Pension Fund Membership Fees and Provisions - Employer	53	15
Unemployment Insurance - Employee	6.259	1.641
Unemployment Insurance - Employer	12.520	3.284
Other	-	-
Total	235.638	61.556

10.2. Information on Deferred Tax Liability

The Bank does not have any deferred tax liability

11. Information on liabilities related to non-current assets “held for sale” and “held from discontinued operations”

The Bank does not have any liabilities related to non-current assets held for sale and held from discontinued operations.

12. Information on Subordinated Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	-	23.637.102	-	21.427.601
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	23.637.102	-	21.427.601
Debt instruments to be included in contribution capital calculation	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Total	-	23.637.102	-	21.427.601

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

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

13. Information on Shareholders’ Equity

a. Presentation of Paid-In Capital

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

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

The Bank does not have a registered capital system.

c. 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 Bank's Extraordinary General Assembly meeting held on March 9, 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	-	-

d. Other Information on Capital Increases and Increased Share Capital with Reserves within the Current Period

There is no share capital amount included in capital.

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

The Bank has no capital commitments

f. The effects of anticipations based on the financial figures for prior periods regarding the Bank’s income, profitability and liquidity, and possible effects of these future assumptions on the Bank’s equity due to uncertainties at these indicators

In the current period, the Bank follows its operations in line with the previous periods. The Bank’s balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to the Bank’s performance and contributes to the profitability structure to be sustainable.

g. Summary Information on Privileges Given to Shares Representing the Capital

The Bank has no preferred shares.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

13. Information on Shareholders’ Equity (Continued)

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)	8.194.281	(2.096.420)	6.526.598	(2.023.299)
Valuation Difference	29.375.073	(12.493.016)	3.162.858	(8.998.673)
Foreign Exchange Difference	4.060.946	-	4.060.946	-
Total	41.630.300	(14.589.436)	13.750.402	(11.021.972)

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

1. Explanations on Off-Balance Sheet Commitments

1.1. Nature and Amount of Irrevocable Loan Commitments

	Current Period	Prior Period
Asset Purchase Sale Commitments	30.166.992	24.260.963
Subsidiaries and Associates Capital Contribution Commitments	3.150	3.150
Loan Granting Commitments	28.556.698	22.888.073
Commitments for Cheque Payments	9.082.840	6.609.633
Commitments for Credit Card Expenditure Limits	68.846.981	61.707.772
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	110.116	101.762
Other Irrevocable Commitments	24.167.032	22.536.938
Total	160.933.809	138.108.291

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

The Bank has provided provision amounting to TL 3.671.577 for expected credit losses arising from the off-balance sheet items in the current period. (31 December 2021: TL 3.285.225).

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

	Current Period	Prior Period
Letters of Guarantee	209.879.784	184.456.614
Letters of Credit	78.860.781	60.172.624
Bank Acceptances	14.838.529	11.934.551
Endorsements	8.785.986	6.009.467
Total	312.365.080	262.573.256

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**III. EXPLANATIONS AND NOTES RELATED TO 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	131.374.289	113.961.477
Letters of Advance Guarantees	32.222.849	29.420.428
Letters of Temporary Guarantees	4.915.427	3.983.624
Letters of Guarantees Given to Customs Offices	2.053.218	1.830.957
Other Letters of Guarantees	39.314.001	35.260.128
Total	209.879.784	184.456.614

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	34.550.351	30.904.082
With Original Maturity of One Year or Less	21.435.691	18.644.642
With Original Maturity of More than One Year	13.114.660	12.259.440
Other Non-Cash Loans	277.814.729	231.669.174
Total	312.365.080	262.573.256

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

1. Information on Interest Income

1.1. Information on Interest Income from Loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans ⁽¹⁾	19.726.329	3.604.960	13.345.995	2.073.774
Short Term Loans	6.560.889	411.396	3.168.071	165.549
Medium and Long Term Loans	12.803.234	3.193.564	9.952.024	1.908.225
Interest on Loans Under Follow-up	362.206	-	225.900	-
Premiums from 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
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	4.171	6	-	4
Foreign Banks	35.346	10.950	30.346	3.475
Headquarters and Branches Abroad	-	-	-	-
Total	39.517	10.956	30.346	3.479

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

1. Information on Interest Income (Continued)

1.3. Information on Interest Income on Marketable Securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	139.982	1.216	14.531	45.667
Financial Assets at Fair Value Through Other Comprehensive Income	7.238.939	2.041.645	2.916.690	1.103.702
Financial Assets Measured at Amortized Cost	1.508.712	416.718	302.934	231.213
Total	8.887.633	2.459.579	3.234.155	1.380.582

(*) As stated in Note VII of Section Three, the Bank'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 bank 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 March 31, 2022, the valuation of the said assets was made according to the annual 35% inflation forecast. A 1% increase in the CPI forecast will increase the profit before tax by TL 129.8 million as of March 31, 2022, while a 1% decrease will decrease it by TL 137.1 million.

1.4. Information on Interest Income Received from Associates and Subsidiaries

	Current Period	Prior Period
Interest Income from Associates and Subsidiaries	56.847	50.115

2. Information on Interest Expense

2.1. Information of Interest Expense on Borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	60.154	358.637	32.104	202.032
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	45.140	70.144	16.908	40.431
Foreign Banks	15.014	288.493	15.196	161.601
Foreign Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	60.154	358.637	32.104	202.032

⁽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	44.559	33.351

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

2. Information on Interest Expense(Continued)

2.3. Information on Interest Expense Given on Securities Issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Expenses on Securities Issued	42.475	640.446	42.475	396.551

2.4. Maturity Structure of the Interest Expense on Deposits

Current Period	Account Name	Demand Deposit	Time Deposit				More Than 1 year	Cumulative Deposit	Total
			Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year			
TL	Bank Deposit	-	1.032.855	-	-	-	-	-	1.032.855
	Saving Deposit	-	360.663	4.475.548	1.070.073	190.081	966.363	4.167	7.066.895
	Public Sector Deposit	25	744.812	287.229	23.713	12.898	445	-	1.069.122
	Commercial Deposit	34	967.506	587.402	428.793	401.930	29.533	-	2.415.198
	Other Deposit	-	136.037	428.290	23.506	14.248	11.542	-	613.623
	Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
	Total	59	3.241.873	5.778.469	1.546.085	619.157	1.007.883	4.167	12.197.693
FC	Foreign Currency Deposit	667	78.284	230.326	26.213	17.428	57.734	1	410.653
	Bank Deposit	-	1.882	6.780	-	5.348	13.438	-	27.448
	Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
	Precious Metal Deposits	-	1.670	11.166	982	547	576	-	14.941
	Total	667	81.836	248.272	27.195	23.323	71.748	1	453.042
	Grand Total	726	3.323.709	6.026.741	1.573.280	642.480	1.079.631	4.168	12.650.735

Prior Period	Account Name	Demand Deposit	Time Deposit				More Than 1 year	Cumulative Deposit	Total
			Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year			
TL	Bank Deposit	-	883.758	-	-	-	-	-	883.758
	Saving Deposit	-	284.286	3.385.936	776.027	100.343	216.320	3.594	4.766.506
	Public Sector Deposit	455	423.375	228.351	17.305	3.404	2.212	-	675.102
	Commercial Deposit	33	786.589	733.272	14.883	132.399	1.690	-	1.668.866
	Other Deposit	-	91.074	432.883	30.609	15.274	7.538	-	577.378
	Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
	Total	488	2.469.082	4.780.442	838.824	251.420	227.760	3.594	8.571.610
FC	Foreign Currency Deposit	573	48.392	307.490	29.846	24.523	60.111	1	470.936
	Bank Deposit	22	265	16.471	214	3.951	9.779	-	30.702
	Deposit with 7 Days Notification	-	-	-	-	-	-	-	-
	Precious Metal Deposits	-	881	6.701	584	450	323	-	8.939
	Total	595	49.538	330.662	30.644	28.924	70.213	1	510.577
	Grand Total	1.083	2.518.620	5.111.104	869.468	280.344	297.973	3.595	9.082.187

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

3. Information on Trading Profit/Loss (Net)

	Current Period	Prior Period
Profit	116.975.174	80.728.856
Trading Gains on Securities	456.004	8.341
Gains on Derivative Financial Transactions	4.839.691	3.192.588
Foreign Exchange Profits	111.679.479	77.527.927
Loss (-)	116.811.211	83.282.195
Trading Losses on Securities	8.406	7.680
Losses on Derivative Financial Instruments	6.646.969	5.951.094
Foreign Exchange Loss	110.155.836	77.323.421

4. Information on Other Operating Income

Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 1.072.348 and income from sales of assets amounting to TL 216.385 (31 December 2021: Significant proportion of other operating income consists of reversals from prior period provisions amounting to TL 922.315 and income from sales of assets amounting to TL 81.103).

5. Expected Credit Loss and Other Provision Expense

	Current Period	Prior Period
Expected Credit Loss Provisions	3.851.647	1.501.226
12 Month Expected Credit Loss (Stage 1)	705.752	63.560
Significant Increase in Credit Risk (Stage 2)	2.047.691	695.974
Non-Performing Loans (Stage 3)	1.098.204	741.692
Marketable Securities Impairment Expense	367.440	70.061
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	367.440	70.061
Subsidiaries, Associates and Entities Under Common Control Impairment Provision	-	-
Associates	-	-
Subsidiaries	-	-
Entities Under Common Control	-	-
Other (*)	1.609.338	3.999
Total	5.828.425	1.575.286

(*) Includes TL 1.600.000 free provision expense

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

6. Information Related to Other Operating Expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	148.714	118.339
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	100	-
Depreciation Expenses of Tangible Assets	125.687	115.532
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	37.776	27.566
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	1.291.447	1.029.851
Leasing Expenses Related to TFRS 16 Exceptions	25.309	20.291
Maintenance Expenses	48.478	44.879
Advertisement Expenses	61.157	51.257
Other Expenses	1.156.503	913.424
Loss on Sales of Assets	343	955
Other ⁽¹⁾	1.521.195	767.452
Total	3.125.262	2.059.695

⁽¹⁾ TL 583.916 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 550.188 consists of taxes, duties and charges expense (31 March 2021: TL 355.017 of other items consists of Saving Deposit Insurance Fund accrual expense while TL 229.485 consists of taxes, duties and charges expense.

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

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

	Curent Period	Prior Period
Net Interest Income	17.491.519	6.389.013
Net Fees and Commissions Income	2.244.156	1.043.159
Other Operating Income	1.698.339	1.178.186
Dividend Income	805	1.973
Trading Profit/Loss (Net)	163.963	(2.553.339)
Personnel Expenses (-)	2.035.677	1.203.956
Expected Credit Loss (-)	3.851.647	1.501.226
Other Provision Expenses (-)	1.976.778	74.060
Other Operating Expenses (-)	3.125.262	2.059.695
Profit / (Loss) From Continuing Operations	10.609.418	1.220.055

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

8. Information on Tax Provision for Continued and Discontinued Operations

As of 31 March 2022, TL 3.880.632 of the Bank’s total tax provision expense amounting to TL 12.584.667 consists of current tax expense while remaining balances amounting to TL 8.704.035 consists of deferred tax expense. (As of 31 March 2021, TL 258.109 of the Bank’s total tax provision expense amounting to TL 769.649 consists of current tax expense while remaining balances amounting to TL 511.540 consists of deferred tax income)

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

The Bank’s net operating income after tax amounts to TL 6.728.786 (31 March 2021: TL 961.946).

10. Information on Net Profit/Loss

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

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

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

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

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

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

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

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

1.1 Information on Loans of the Bank’s Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Current Period						
Loans						
Beginning Balance	4.147.452	8.985.638	-	-	-	-
Ending Balance	4.291.734	8.726.098	-	-	-	-
Interest and Commissions Income	56.847	181	-	-	-	-

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Prior Period						
Loans						
Beginning Balance	2.513.483	7.410.848	-	-	-	-
Ending Balance	4.147.452	8.985.638	-	-	-	-
Interest and Commissions Income	50.115	138	-	-	-	-

1.2. Information on Deposits of the Bank’s Risk Group

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	3.495.970	1.674.595	-	-	-	-
Ending Balance	3.732.203	3.495.970	-	-	-	-
Interest Expense on Deposits	44.559	33.351	-	-	-	-

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through Profit or Loss						
Beginning Balance	489.081	1.126.974	-	-	-	-
Ending Balance	237.693	489.081	-	-	-	-
Total Profit/Loss	20.635	129.773	-	-	-	-
Risk Protection Oriented Processes						
Beginning Balance	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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

Fees paid to the Bank’s key management amount to TL 6.847 TL (31 March 2021: TL 4.907)

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 unconsolidated financial statements prepared as of 31 March 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 13 May 2022 is presented preceding the unconsolidated 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

The global economy, in which started 2022 in a positive tone with the foresight that the restrictions on the pandemic will ease and the central banks of developed countries will gradually normalize their monetary policies. However, the increase in geopolitical risks have reversed expectations.

As a result of the disruptions in the supply chain and supply problems triggered by the pandemic, high inflation on a global scale was the most important agenda item last year. Supply and supply problems, which are expected to normalize this year with the easing of epidemic restrictions, increased again after the war between Russia and Ukraine and the increasing epidemic restrictions in China. This situation caused a sharp rise in commodity prices, especially in energy, negatively affecting the global inflation and growth outlook. Within the framework of these developments, the IMF revised its global growth forecast, which was 4.4% at the beginning of the year, to 3.6%.

The increasing inflationary environment and the risks in the growth outlook have left the central banks in a difficult choice. The US Federal Reserve (Fed), which started rate hikes with the strong outlook in the employment market, points out that it may tighten its monetary policy more aggressively in the rest of the year compared to previous projections. The European Central Bank, on the other hand, prefers to take more cautious steps compared to the Fed, as a result of the risks that have become evident due to the Euro Zone's dependence on Russia on the energy side. China, whose pandemic conditions were different from other countries in the quarter we left behind, is supporting its economy with interest rate and reserve requirement reductions and government incentives.

Increasing geopolitical risks in a circumstance where the effects of the pandemic are tried to be overcome, negatively affect the global and regional growth outlook through several aspects. The reflections of these risks in the country are observed, especially on the tourism, import and export side. It pointed out that even though a difficult quarter with increased uncertainties has been left behind, Turkish economy will maintain its strength and achieve a growth above its potential in the first quarter with the contribution of domestic demand and particularly foreign demand. Exports of goods, which played an important role in turning the economy towards a healthy growth composition in 2021, also supported investments and industrial production last year. Despite the increasing regional risks, the strong outlook in exports continued in the first quarter of 2022, with the contribution of export companies' flexibility in product and market diversification, and ensured that foreign demand continued to support economic activity, especially through industrial employment and machinery investments. Tourism revenues, which recovered significantly in 2021 with the success in the vaccination process, continued to improve in the first quarter of this year and became a factor that relatively limited the widening in the current account deficit.

The banking sector realized a rapid loan growth in the first quarter of 2022 and continued to contribute to the growth of our country. Ziraat Bank, on the other hand, maintained its position as the leading bank of the sector with its cash and non-cash loans, as well as its asset size, and continues to allocate the funds it obtains from the domestic and foreign markets, to the fields that will contribute the most to our country's economy with its selective loan policy.

Burhaneddin TANYERİ
Chairman of the Board

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

II. ASSESSMENT OF GENERAL MANAGER

Although there has been a recovery after the lockdowns in recent years, when the pandemic was the main agenda issue, there is a process where production is disrupted, supply chain problems are experienced, high inflation rates are seen on a global scale, and countries are implementing tighter monetary policy practices.

With the effect of geopolitical risks such as drought and war, besides the increase in food and commodity prices, there may be problems in accessing strategically important products. In this context, production, employment and the continuation of investments to realize them gained more importance.

In this challenging period, our economy continues to grow and our banking sector continues to finance growth. As the leading bank of the sector, Ziraat Bank continues to support our economy more with its credit-oriented growth strategy.

In this context, as of the end of March/2022, our asset size has reached TL 1,5 trillion, our cash loans have reached TL 866 billion, and the total support we have provided to our economy with cash and non-cash loans has reached TL 1,2 trillion.

We are focused on managing these sizes more effectively and in a way that will contribute more to our economy. In this context, our main strategies continue to be credit-oriented growth and financing the real sector in TL, with a selective credit policy.

We have extended 70% of our TL-denominated loans, which make up the majority of our cash loans, to finance the real sector. In this context, we consider agriculture, production, employment, investment and export as priority areas.

Based on the fact that agriculture is a national issue of strategic importance for our present and future, we see it as our main mission to increase productivity and added value in production, and to provide financial support for the sustainability and development of agricultural production. In this context, we have determined our new agricultural banking strategy as “Financing the Agricultural Ecosystem”. The basis of this strategy is sustainable and accessible financing, solution orientation and strong communication.

We observe that risks arising from environmental and climate changes have become the main agenda item on a global scale, and natural disasters, unexpected weather events and droughts increased. In this context, our goals are to mobilize the agricultural production potential of our country, to develop modern agricultural techniques, to prevent production losses, to develop irrigation and organic farming methods, to protect fertile agricultural lands, to industrialize agriculture, and to have a planned structure from farm to fork. In this context, apart from providing financing, we continue to work in coordination with all stakeholders related to agriculture in order to find suitable solutions.

We also attach importance to sustainability outside of agriculture. In this context, we have also completed our environmental and social impact management policy in lending activities.

We continue to support SMEs, which are important elements of production and employment, with the financing facilities we have designed. In this context, we continue to support SMEs' financial needs in terms of investment, working capital, export and additional employment, as well as their efforts to improve manufacturing-based import substitution and energy efficiency.

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

II. ASSESSMENT OF GENERAL MANAGER (Continued)

Our investments, which take into account the changing conditions, continue in order to provide more effective service with our widespread branch network. We are also increasing our investments in digital banking. The number of our active digital banking customers has exceeded 17 million. 94% of financial transactions are carried out through digital channels. Being the sector leader in debit cards, our Bank has significantly increased its credit card and contracted merchant market share.

In addition to deposits, which is the main funding source of our balance sheet, we also diversify our funding structure with non-deposit funding. We renewed our syndicated loan of USD 1,2 billion with the participation of 45 banks from 21 countries. This syndicated loan includes sustainability commitments as well as being used in financing foreign trade.

As the bank that provides the highest financial support to the real sector in our country, we will continue to transfer the funds we have obtained from the domestic and foreign markets to areas that will contribute the most to the economy, and increase our contribution to the growth and development of our country.

Alpaslan ÇAKAR
Member of the Board and CEO

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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 particularly the farmers, the tradesman, the businessperson, the industrialist, the entrepreneurs, the pensioners and the employees, increases its competitive power with its ability to provide end-to-end financial services. Ziraat Bank uses its competitive power for the domestic economy and financial solutions that offer value to its customers from all segments.

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

Ziraat Bank offers its customers superior and quality services corporate, commercial and retail banking with;

- 1.751 domestic and foreign branch,
- 24.423 employees,
- Domestic and foreign ATMs,
- Internet Banking (Retail and Corporate Internet Branch),
- Mobile Banking (Ziraat Mobile, Ziraat Tablet, Bankkart Mobile)
- Telephone and SMS Banking,

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

IV. SHAREHOLDING STRUCTURE

The paid in capital of T.C. Ziraat Bank is TL 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)

V. MAIN FINANCIAL INDICATORS

ASSETS (TL Million)	31.03.2022	31.12.2021
Cash and Cash Equivalents	184.984	222.061
Securities Portfolio	422.026	341.401
Cash Loans (Gross)	865.720	778.404
Other Assets	30.407	29.024
Total Assets	1.503.137	1.370.890
LIABILITIES (TL Million)	31.03.2022	31.12.2021
Deposits	1.062.038	948.687
Non-deposits Funds	225.937	283.605
Other Liabilities	65.207	41.498
Shareholders' Equity	149.955	97.100
Total Liabilities	1.503.137	1.370.890
SUMMARY OF PROFIT OR LOSS TABLE (TL Million)	31.03.2022	31.03.2021
Net Interest Income	17.492	6.389
Net Fees and Commission Income	2.244	1.043
Other Operations Income	1.698	1.178
Other Operations Expense	3.125	2.060
Allowance for Expected Credit Losses	3.852	1.501
Net Profit/Losses	6.729	962
RATIOS (%)	31.03.2022	31.12.2021
Capital Adequacy Ratio	20,67	16,52
Equity / Total Assets	10,0	7,1
Cash Loans (Gross) / Total Assets	57,6	56,8
Loans under follow-up (Gross) / Total Loans	1,7	1,9
Liquid Assets / Total Assets	12,3	16,2

VI. 2022 I. INTERIM PERIOD OPERATIONS

Credit Rating Agencies

The international credit rating agency JCR Eurasia Rating has determined Ziraat Bank's Long-Term International Foreign Currency and Long-Term International Local Currency ratings and outlooks as "BB/Stable" on January 7, 2022, in line with the country rating ceiling. Long Term National Rating "AAA (Trk)", Short Term National Rating "A -1+ (Trk)" and outlook as "Stable".

International credit rating agency Fitch Ratings downgraded Turkey's long-term rating to "B+" on February 11, 2022, leaving the outlook at "Negative". Following this, Fitch downgraded Ziraat Bank's long-term foreign currency rating to "B" and Ziraat Bank's long-term local currency rating to "B+" on February 25, 2022, leaving both outlooks at "Negative". In the assessment announced on April 1, 2022, Fitch confirmed Bank's long-term and short-term ratings, downgraded its negative monitoring financial capacity rating to "b" and removed the negative monitoring status.

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VI. 2022 I. INTERIM PERIOD OPERATIONS (Continued)

Credit Rating Agencies (Continued)

The ratings of the Bank are as follows:

Credit Rating Agency	Category	Credit Grade	Date
Fitch Ratings	FC Long Term IDR	B	April 2022
	Outlook	Negative	
	FC Short Term IDR	B	
	TL Long Term IDR	B+	
	Outlook	Negative	
	TL Short Term IDR	B	
	National Long Term	AA	
	Outlook	Stable	
	Support	b-	
Viability Rating	b		
Moody's	Outlook	Negative	December 2020
	Long Term Deposit- FC	B2	
	Short Term Deposit –FC	Not-Prime	
	Long Term Deposit- TL	B2	
	Short Term Deposit- TL	Not-Prime	
	Long Term Issuer- FC	B2	
	Baseline Credit Assesment	caa1	
Adjusted Baseline Credit Assesment	caa1		
JCR Eurasia	Long Term International FC	BB	January 2022
	Outlook	Stable	
	Long Term International TL	BB	
	Outlook	Stable	
	Long Term National	AAA (Trk)	
	Outlook	Stable	
	Short Term International FC	B	
	Outlook	Stable	
	Short Term International TL	B	
	Outlook	Stable	
	Short Term National	A-1+ (Trk)	
	Sponsor Support	1	
	Stand Alone	A	

Bonds Issuance in Global Markets

As part of the efforts to diversify the Bank's funding base and obtain cost-effective, long-term funding, the annual update of the Bank's USD 7 billion GMTN (Global Medium Term Notes) program has started for borrowing from international capital markets.

The Bank continued to provide foreign funding through private placement under the GMTN (Global Medium Term Notes) program in the first quarter of 2022.

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EXPLANATION ON INTERIM ACTIVITY REPORT (Continued)

VI. 2022 I. INTERIM PERIOD OPERATIONS (Continued)

Financing of Agriculture Sector

As Ziraat Bank, while we continue to provide financial support to the agricultural sector, we also develop projects aimed at the solution of structural problems of the sector and facilitating access to finance. We have been working with related institutions, and agricultural organizations. In this context, facilitating access to direct financing especially to small-scale farmers, which constitute the most important link in the agricultural value chain, is one of the top priorities.

Contractual production model, controlled greenhouse agriculture, increasing the production of products that will reduce imports, bringing agricultural enterprises to the economic scale, evaluating idle business capacities, increasing the level of agricultural mechanization of enterprises, using technology to increase productivity in agriculture, will create added value in agricultural production and investments and activities aimed at increasing the capacity of storage, processing, packaging and marketing of agricultural enterprises' own products, especially the investment projects that can respond, and licensed warehousing and cold storage investments, stand out among the target production areas of the Bank.

TL 119,4 billion of loans for financing the agricultural sector

Ziraat Bank has allocated TL 27,4 billion loans in the first three months of 2022 to more than 280 thousand customers from its own funds for financing the agricultural sector and number of the customers and within the period more than 20 thousand new customers have been added to the portfolio.

The balance of agricultural loans extended from the bank's funds reached TL 119,4 billion as of the end of the first quarter of 2022, and the number of loan customers exceeded 733 thousand.

35% of the Bank's agricultural loan portfolio consists of investment loans and 65% working capital loans.

On the other hand, through the funds provided by various institutions in the first three months of 2022, intermediary payments were made to a total of TL 68,3 million made to 451 customers determined by the relevant institutions. By the end of the first quarter of 2022, the balance of loan payments originated from intermediated funds is TL 2 billion and the number of customers is about 80 thousand.

When evaluated as a whole, the sum of the loans extended by Ziraat Bank from its own resources for the financing of the agricultural sector and the intermediated fund sourced loans reached TL 121,4 billion as of the first quarter of 2022, and the number of loan customers reached over 813 thousand.

Low Interest Rates on Agricultural Loans

In line with the Decree and Communiqué published on subsidized (interest-discounted) loans in 2020, customers operating in the agriculture sector within the subsidy rates determined based on product groups continue to use loans with favorable interest rates

In the first quarter of 2022, approximately 144 thousand producers and businesses operating in the agricultural sector were provided with a subsidized loan (interest discount) of TL 21,8 billion.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VI. 2022 I. INTERIM PERIOD OPERATIONS (Continued)

Financing of Agriculture Sector (Continued)

I Have a Flock of Reasons To Live in My Village Project

In the last quarter of 2020, this project was implemented for reducing animal imports and providing financial solution alternatives for small businesses while enhancing the scale of the enterprises operating in the field of small cattle breeding, bringing idle business capacities into production, ensuring regional development with domestic sheep breeds, increasing the demand for domestically born female animals, while creating a market. As of the end of the first quarter of 2022; The number of governorships with which the protocol was signed reached 36, the number of producers benefiting from the project reached 5.500, the loan amount extended within the scope of the project reached TL 744 million and the number of animals obtained with these loans reached 570 thousand heads.

Young Farmer’s Academy

The social responsibility project, which was launched in September 2018 under the name of Ziraat Bank Young Farmer's Academy, continues to grow and develop. The number of participants who have successfully completed the “dairy cattle breeding”, “greenhouse cultivation” and “sheep breeding” trainings organized with 6 universities that have been collaborated within the scope of the project, which received over 19 thousand applications, has reached 300.

Restructuring of Non-Performing Bank-Originated Agricultural Loans

In addition to its support in financing all the needs of its customers engaged in agricultural activities, Ziraat Bank also provides its customers with agricultural loan debtors who have difficulties in payment, to facilitate their payments. In the event that the agricultural loan debt in the non-performing loan accounts is closed at once, no interest is demanded under the name of default or any other name for the period after the date the loans are transferred to non-performing loan accounts. It is paid in interest-free installments up to 60 months in accordance with the income generation periods of the customers who continue their activities. In this context, TL 270 million of restructuring transactions was made to approximately 2.700 customers.

VII. OTHER IMPORTANT ACTIVITIES

Within the scope of the Environmental and Social Impact Management Policy in Lending Activities, the Bank's regulations regarding the determination of risk categories by making environmental and social assessments for activities that will not be financed by the Bank and for investment project loan requests above a certain amount were completed in the first quarter.

In order to contribute to environmental sustainability in our country, to encourage low-carbon consumption, and to support the purchase of electric or hybrid vehicles, the Green Vehicle Loan product was introduced.

Within the scope of ongoing cooperation between the Bank and KGF;

- Investment Support Package that will contribute to the financing of investment and operating expenses of all SMEs and non-SME enterprises that plan to invest, especially companies operating in the manufacturing industry and exporting companies,

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VII. OTHER IMPORTANT ACTIVITIES (Continued)

- Export Support Package that will contribute to the export financing of all SMEs that are currently exporting or committing to export,
- The Operational Expenditures Support Package, which will contribute to the financing of the operational expenditures of all SME and non-SME customers, has been put into use.

Energy Efficiency Investment and Working Capital Loans, Renewable Energy Investment and Working Capital Loans, Waste Water Treatment and Recovery Loans were introduced, in order to finance our customers' investments within the scope of sustainability, such as energy efficient machinery/equipment, environmentally friendly systems using renewable energy sources, waste water treatment and recycling facilities.

In order to meet the needs of customers who are sensitive to exchange rate changes, and to prevent customers invest in Turkish Lira assets from being adversely affected by the exchange rate risk, and to prevent to suffer them from the volatility in the exchange rates;

- TL Currency Protected Term Deposits
- FX Conversion Currency Protected TL Term Deposits
- YUVAM TL Term Deposits
- YUVAM TL Term Deposits with Term Payments
- Quarterly Term Deposit Account
- Physical Gold Currency Protected TL Term Deposit, products have been put into use.

The Bank participated in the 'Yetenek Her Yerde Kariyer Fuarları' organized by the Human Resources Office of the Presidency of the Republic of Turkey in various cities and the Agricultural Fairs announced by TOBB.

Bankkart Brand is growing

As of the end of the first quarter of 2022, the number of credit cards of the Bank was 10.8 million, the market share of credit cards was 12,2% and the monthly turnover market share was 10,4%. The development is expected to continue in the medium and long term. The number of debit cards reached 43 million and the sector leadership of the bank continued with a market share of 22,7% in terms of monthly turnover.

As of the end of the first quarter of 2022, the number of contracted merchants of the Bank is 933 thousand and the total number of physical terminals is over 666 thousand. The first quarter total turnover of the merchant is TL105 billion, and the Bank's turnover market share in March 2022 was 16,3%. With the rapid expansion of the card and contracted merchant network, the Bankkart brand's journey towards leadership continues, and the Bank's efforts to expand the card systems market continue.

Advertising Activities

With the sponsorship of the bank and the great support of its employees, the volleyball team became the champion of the Efeler League in the 2020-2021 season and achieved great success by playing in the final in Europe. Ziraat Bank Sports Club, which has left behind a magnificent season and represented our country in the CEV Champions League this season, continues its sponsorship support in the 2021/2022 season as well.

Ziraat Bank, as the sponsor of the last 12 football season since 2009, continues to give its name to 2021-2022 football season of Turkey Cup in order to contribute to Turkish football.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VII. OTHER IMPORTANT ACTIVITIES (Continued)

Our Bank sponsored the Eco-Climate Economy and Climate Change Summit held at the Ankara Chamber of Commerce Congressium between 30-31 March 2022 in order to combat climate change and minimize the impact of climate change on the economy.

Cultural Values are protected

Ziraat Bank has been supporting cultural and artistic fields continuously, acting with the spirit of social community for 158 years. Within the framework of these values, the Bank provided necessary support to health, education, culture, service and sports activities in the first quarter of 2022 as part of its social responsibility.

Supporting art is a tradition at Ziraat Bank

Ziraat Bank defining the importance it gives to art and artist since its establishment with the motto ‘‘Art in Art’’, continues to engage in various activities in all branches of art.

Ziraat Bank continues its support for art with Kuğulu and Çukurambar in Ankara and Tünel Art Galleries in Istanbul. Çukurambar Art Gallery, located in Ankara Next Level AVM, is open to art lovers within the framework of the strict measures taken within the scope of the Covid-19 epidemic, in accordance with the social distance rules.

Mehmet Pesen's "Summary of a Lifetime" Retrospective Painting Exhibition, which was opened on October 15, 2021 at Çukurambar Art Gallery, ended on 31 January 2022. During this period, approximately 4 thousand people visited the exhibition. Afterwards, the ‘‘Aegean Dreams’’ Exhibition, which opened at the gallery on 4 February 2022, featuring the works of Artist Teoman Südor, can be visited until 30 April 2022.

The State Theaters Stage of Ziraat, which is realized with the cooperation of the Bank and the State Theaters, is at the service of theater lovers.

The First Banking Museum

Ziraat Bank Museum is the first Banking museum of Turkey as witnessing every stage of Republic that exhibited the deep-rooted history of Ziraat Bank.

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

Our museum, enriched with digital elements in line with the modern museum understanding, has been temporarily closed to visitors due to the coronavirus pandemic. With the Ziraat Bank Museum Virtual Tour, which is prepared by digitalizing all sections and details with 3-D imaging technology and accessed on the Bank's website, the museum can be visited and experienced step by step through a computer or mobile phone.

In the virtual tour, information and visuals about the objects and ephemera (historical papers / documents) exhibited in the museum are included, as well as the works of the Ziraat Bank Art Collection, thanks to the application prepared using special techniques, offers the opportunity to examine them in ultra high resolution with the finest detail.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

VII. OTHER IMPORTANT ACTIVITIES (Continued)

Digital Platforms and Field Research

Ziraat Bank's corporate website, ziraatbank.com.tr, features user-friendly menus that provide easy access to content, and features such as the most up-to-date financial data, campaigns, announcements, products, and calculation tools. Ziraat Assistant chatbot application provides easy access to Ziraat Bank services and functions, and the functionality of the corporate website is increased by integrating the innovations brought by technology into the website.

In the social media channels operating in order to meet the demands and expectations in the best way and to keep the customer satisfaction at the highest level in every platform where the customers are located, it has become the most active bank in the sector on the Facebook page and as of the first quarter of 2022, more than 2.3 million likes and followers have been reached. The Bank has approximately 450 thousand followers on Twitter, more than 222 thousand followers on Instagram, with more than 81 million views on YouTube page and sharing on other platforms, the Bank's social media activity is increasing day by day.

In addition, as of the first quarter, the number of bank digital customers reached 28.5 million and the number of active digital customers reached 17.3 million.

Educational Activities

Trainings under the main topics of "**First Step Trainings**" in order for the newly recruited personnel to introduce the Bank, and adapt to the corporate culture and acquire the necessary basic knowledge and skills, "**Development Trainings**" in order to meet the training needs of the Bank in line with the objectives and strategies of the Bank or to transfer new product / service / legislation information, "**Career Trainings**" in order to get them the required knowledge and skills and to prepare them for a more senior position, "**Legal Obligation Trainings**" arising from the legislation have been organized

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