



A 150 YEAR OLD TREASURE CHEST THAT OPENS TO THE FUTURE



ZİRAAT BANK 2015 SUSTAINABILITY REPORT

Ziraat Bank in Brief

What Is This Report About ?

In the following pages you will find Ziraat Bank's Sustainability Report 2015 issued in accordance with Global Reporting Initiative (GRI) G4 Comprehensive guidelines. Via this report, Ziraat Bank wishes to share with all stakeholders its sustainability efforts in fiscal year 2015, thereby presenting opportunities for comparison and inspiration.

During its corporate history spanning more than a century and a half, Ziraat Bank has achieved numerous accomplishments while adding value to the lives of the Turkish people. As of year-end 2015, the Bank conducts operations at 97 hubs in 18 countries, and delivers top quality, seamless services to over 33 million customers via 1,896 branch locations. Ziraat Bank increased its assets by 22.3% over the prior year to TL 302.8 billion, and boosted net profit by 27.5% to TL 5.2 billion as of end-2015. This strong performance was in line with Ziraat Bank's growth strategy centered on sustainability and productivity.

Online Report Announcement

You may access the online version of the Ziraat Bank 2015 Sustainability Report at
<http://www.ziraat.com.tr/en/OurBank/Sustainability/Pages/SustainabilityReports.aspx>

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In the year 1863, Ahmet Şefik Mithat Paşa established the first Memleket Sandığı (Homeland Fund) in the town of Pirot in Serbia, drawing inspiration from the deep-rooted Turkish tradition of imece, or solidarity.

That initial fund has paved the way for a century and a half track record of success, and a bright future. Even in the most challenging days, the fund engendered assistance, hope and motivation for Turkey.

This fund laid the foundation of Ziraat Bank and changed the country's future. By always seeking to create enduring value, Ziraat Bank has always been much more than a just a bank for Turkey.



A TREASURE CHEST FILLED WITH TODAY

The roots of our Bank depends on creating value for farmers and the country's land. The seeds sown over one century and a half ago have grown and grown over the years to bear significant fruit today. Soil met with water, labor met with productivity. Turkey's farmers saw Ziraat Bank on their side whenever they needed support.



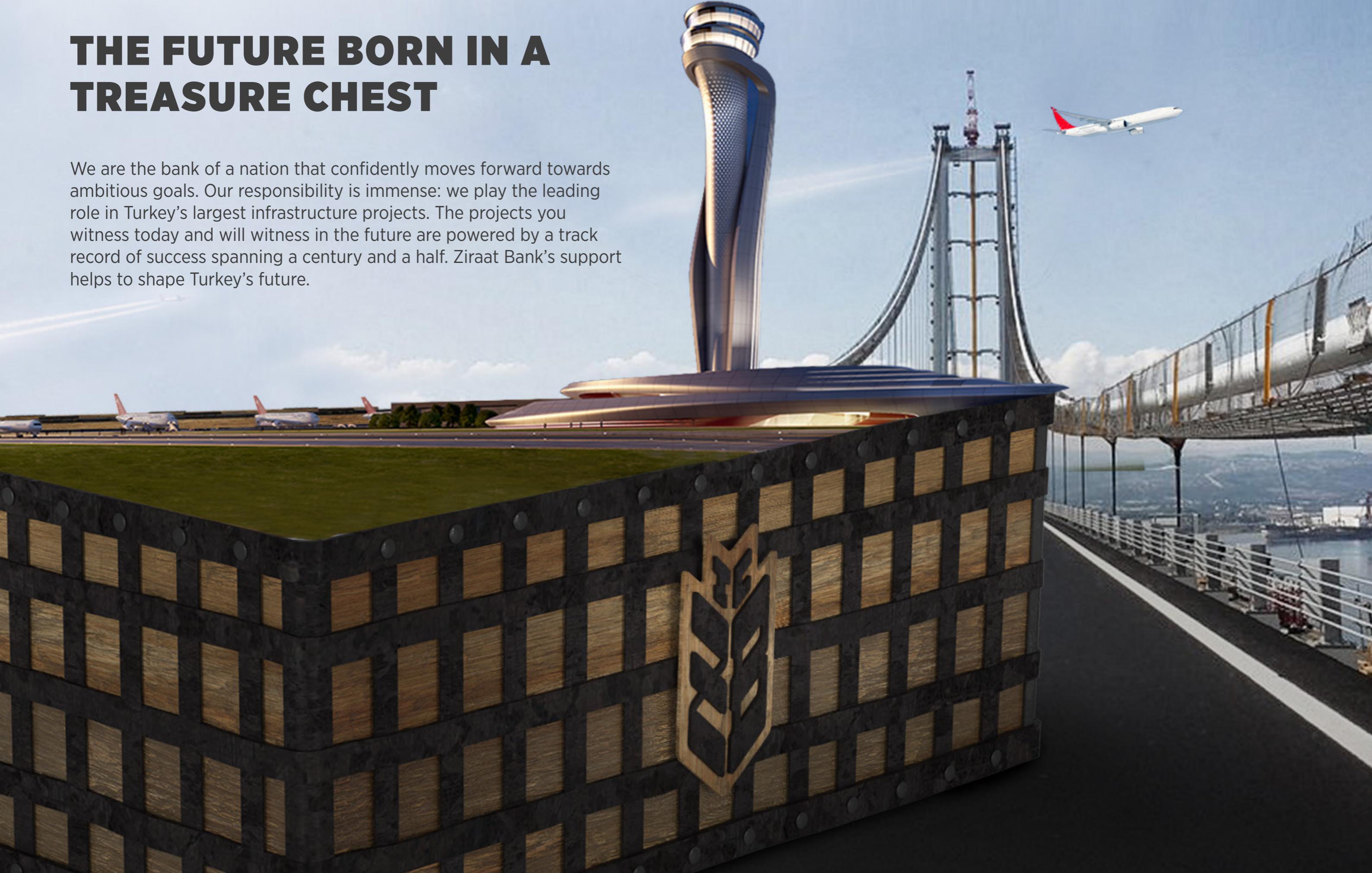
A TREASURE CHEST THAT ACCUMULATES SUCCESS

From the distant past to the future, from dreams to reality... From a small fund originally stored in a savings chest to the largest bank in the industry in terms of cash, non-cash and total loans. As one of the driving engines of the Turkish economy, Ziraat Bank is there where objectives, ambition and needs all come together. With all our strength and might, we stand by everyone who produces, and creates value.



THE FUTURE BORN IN A TREASURE CHEST

We are the bank of a nation that confidently moves forward towards ambitious goals. Our responsibility is immense: we play the leading role in Turkey's largest infrastructure projects. The projects you witness today and will witness in the future are powered by a track record of success spanning a century and a half. Ziraat Bank's support helps to shape Turkey's future.



G4-1, G4-2

MESSAGE FROM THE CHAIRMAN

Responsible for numerous milestones in Turkish banking history during its track record of success, Ziraat Bank creates robust synergy between its deep-rooted corporate know-how and ever-expanding expertise to deliver sustainable success.

CHAIRMAN

MUHARREM KARSLI

MESSAGE FROM THE CHAIRMAN

G4-1, G4-2

G4-1, G4-2

Ziraat Bank creates robust synergy between its deep-rooted corporate know-how and ever-expanding expertise to deliver sustainable success.

Esteemed Stakeholders of Ziraat Bank,

In today's ever-changing world, know-how and expertise are key to creating long-lasting value. During this period when the global economy is very fragile, financial actors must have the dynamic organizational structure to respond swiftly to current developments, while embracing a professional corporate governance approach to evaluate today's risks and opportunities efficiently and effectively.

153-Year Track Record Consistent with Sustainability

Responsible for numerous milestones in Turkish banking history during its 153-year track record of success, Ziraat Bank creates robust synergy between its deep-rooted corporate know-how and ever-expanding expertise to deliver sustainable success.

In this one and a half century marked by stable operations, Our Bank has become synonymous with the concept of "sustainability." Ziraat Bank has kept close watch on all sustainability related developments globally and enhanced the added value in its business processes by a significant margin.

I would like to express my happiness and pride in sharing with you our Sustainability Report 2015 issued in accordance with GRI G4 Comprehensive guidelines in order to provide information to our stakeholders on Our Bank's sustainability efforts, and to set examples for the future.

Sustainability Policy Driven by Unrivalled Experience and Know-How

As indicated in the Sustainability Policy adopted by Our Bank's Board of Directors on September 30, 2014, Ziraat Bank's strategic priority is to create value for stakeholders, via operations centered on sustainable profitability and productivity. Aware of the responsibility of being "More Than a Bank," Ziraat Bank assumes key roles in the country's sustainable development process. With an overseas organization that operates 97 hubs in 18 countries, in addition to a domestic network of 1,786 branch locations. Our Bank has the largest service network in the Turkish banking sector. Serving over 33 million customers, Our Bank has translated its unrivaled experience and corporate competencies into a significant competitive edge, boosting net profit by 27.5% over the prior year to TL 5.2 billion.

TL 5.2
Billion
ZIRAAT BANK
BOOSTED ITS NET
PROFIT BY 27.5% OVER
THE PRIOR YEAR TO
TL 5.2 BILLION.

Ziraat's "Transformation" Continues

The transformation we initiated in 2012 to take Ziraat Bank's successful performance forward into the future continues apace under the slogan "Together, to a Better Future." This effort enjoys the strong support of all stakeholders—from employees to customers—by means of infrastructural change and corporate development projects. In this process, which is of crucial importance for Our Bank's sustainability approach, we are constructing a strong enterprise architecture that will meet customers' financial needs through the right channel, at the right time and via the right value proposition, in line with the latest advances in information technology.

Ziraat Bank's Core Business Lines

Focusing on Corporate Banking, Retail Banking and International Banking in 2015, Ziraat Bank implemented a number of sustainability projects during the year in a wide range of areas. These included agricultural support loans, SME support packages, intermediation in the state's social assistance payments, and the financing of renewable energy projects. Ziraat Bank undertook these efforts without compromising its principles of maintaining a strong balance sheet and adhering to operational excellence.

Successful Performance Crowned with Awards

Ziraat Bank's strong financial and operational performance was not only valued by various groups of stakeholders, but also deemed worthy of numerous prestigious awards in both international and national platforms. The Banker, a prominent publication of the financial community,

designated Ziraat Bank as "Western Europe's 2nd Most Robust Bank," based on criteria such as capital adequacy, asset quality, liquidity, risk environment and profitability. As a result of the "Survey on Differentiation Elements in the Banking Industry" carried out by Akademetre Research, Ziraat Bank was named as the "Most Reliable Bank in Turkey that Makes the Highest Contribution to the National Economy," further bolstering its robust brand image.

Future Outlook

Ziraat Bank continues to execute its wide-ranging transformation process in light of the latest developments in the global economy. In the coming period, the Bank will remain keen on being "More Than a Bank" in line with its vision of "Delivering comprehensive and reliable services in Turkey and across the world at the same quality standards." Without compromising our prestigious corporate reputation, we shall include innovative approaches to IT and banking among our corporate competences in an efficient manner, while continuing to create value for our customers and country in the future.

I would like to extend my gratitude to all stakeholders who gave their unwavering support to Ziraat Bank's sustainability efforts, which focused on even more ambitious goals in 2015. In the coming period, we shall continue building on our more than one century and a half success story with the same resolve and ambition.

Best regards,

Muharrem KARSLI
Chairman

Ziraat Bank's strategic priority is to create value for its stakeholders, via operations centered on sustainable profitability and productivity.

"Turkey's Most Reliable Bank"

AS A RESULT OF A SURVEY BY AKADEMETRE RESEARCH, ZIRAAT BANK WAS NAMED "MOST RELIABLE BANK IN TURKEY THAT MAKES THE HIGHEST CONTRIBUTION TO THE NATIONAL ECONOMY."

G4-1, G4-2

MESSAGE FROM THE CEO

Ziraat Bank has set its sustainability priorities well aware of the responsibilities it bears with being “More Than a Bank.” As part of its transformation process, the Bank continued to bolster its business process efficiency via a customer-and market-oriented approach in 2015.

BOARD MEMBER AND CEO

HÜSEYİN AYDIN



G4-1, G4-2

MESSAGE FROM THE CEO

Without compromising its founding mission, Ziraat Bank continued to provide strong support to the agriculture sector in 2015.

Guided by its slogan “Together, to a Better Future,” Ziraat Bank executes its transformation project with success.

**TL 302.8
Billion**

ZİRAAT BANK’S TOTAL ASSETS AMOUNTED TO TL 302.8 BILLION IN 2015.

Esteemed Ziraat Bank Stakeholders,

Ziraat Bank that has an extensive customer base: farmers in every corner of Turkey; companies that export products across the world to add value to the Turkish economy; students who represent Turkey’s future; pensioners who previously provided valuable services to various industries for many years. The Bank is now executing its transformation initiative in line with the slogan “Together, to a Better Future” with tremendous success. Our stakeholders strongly support our myriad activities meant to leave a more habitable world to future generations, which further motivates Ziraat Bank employees in their sustainability efforts.

Transformation Centered on Sustainability

Ziraat Bank has set its sustainability priorities fully aware of the responsibilities associated with being “More Than a Bank.” As part of its transformation process, the Bank continued to bolster its business process efficiency via a customer and market oriented approach in 2015. In order to sustain its unrivaled market position, Our Bank focuses on delivering a successful financial performance. In 2015, Our Bank boosted total assets by 22.31% over the prior year to TL 302,848 million and increased cash loans by 31.64% to

TL 186,813 million. In parallel with its steadily rising business volume, Our Bank’s taxes paid to the state’s coffers have soared to TL 1,083.4 million. In pursuit of diversifying its product and services by adding value to customers’ lives and increasing customer access to higher levels, Our Bank opened 112 branches in Turkey. As a result, Our Bank’s network worldwide climbed to 1,812 locations, with 6,573 ATMs. Digital channels such as Internet Banking, Mobile Banking and the Call Center continued to deliver exceptional service to customers, our most valuable asset, by employing state-of-the-art IT practices.

Modern Banking Solutions for Agriculture

Ziraat Bank develops customized products and services for different customer segments in light of the latest developments and innovations in banking. Without compromising its founding mission, Ziraat Bank continued delivering strong support to the agriculture sector in 2015. Capitalizing on its deeply-rooted know-how in agricultural financing, Our Bank expanded its agriculture loan portfolio to TL 35.8 billion and grew its loan customer base to more than 634 thousand as of year-end 2015. Our Bank remained a major “solution partner” of all farmers across the country with its long-term loans at low interest rates.

G4-1, G4-2

Standing by SMEs That Produce and Export

Ziraat Bankası has forged new partnerships with KOSGEB and the Credit Guarantee Fund to further our country’s sustainable development and extend funding to a wider customer base. To these ends, the Bank introduced new packages designed to meet SMEs’ needs in 2015. Enjoying a strong reputation in the eyes of international fund providers, Our Bank continued to allocate loans to SMEs and other actors of the real economy.

“The School of the Turkish Banking Sector”

Ziraat Bank, which employed 25,697 personnel as of year-end 2015, makes a difference vis-a-vis its rivals with the largest number of staff holding a Master’s degree or PhD. In addition to recruiting 3,486 employees in 2015 for its extensive service network located across Turkey, Our Bank continues to play a leading role in training the highly qualified employees demanded by the financial services industry thanks to a deeply-rooted corporate culture and its excellent Banking School.

Moving Forward to Achieve Environmental Sustainability

As a good corporate citizen, Ziraat Bank strives to minimize the environmental footprint of its operations. The Bank once again executed successful environmental sustainability efforts in the areas of carbon emission mitigation, energy efficiency and recycling in 2015. Our Bank minimizes its paper consumption via IT investments in line with its “Paperless Banking” approach and renovated 404 branches with a sustainability approach to reach international standards in energy

efficiency and eco-friendly material use. Ziraat Towers, which is planned to rise in the İstanbul Finance Center, will also be constructed with eco-friendly technologies at world class environmental sustainability standards.

Future Outlook

Successfully carrying out a radical transformation effort with the responsibility of being “More Than A Bank,” Ziraat Bank moves forward with resolve towards its corporate goals and objectives. While targeting to take its leading position in the domestic market as well as rapidly growing overseas organization towards the future, Our Bank evaluates risks and opportunities effectively to create even more value for its stakeholders.

I would like to thank all of our stakeholders for their participation in our sustainability efforts, such as extending financing to the agricultural sector, providing support packages to SMEs, executing the paperless banking drive and mitigating carbon emissions. It is our sincere wish to produce and share ever more added value in the coming years.

Best regards,

Hüseyin AYDIN
Board Member & CEO

Ziraat Bank makes a difference vis-a-vis rivals with the largest number of staff holding a Master’s or PhD.

TL 35.8

Billion

IN 2015, ZİRAAT BANK INCREASED ITS TOTAL SUPPORT TO AGRICULTURAL PRODUCTION TO TL 35.8 BILLION.

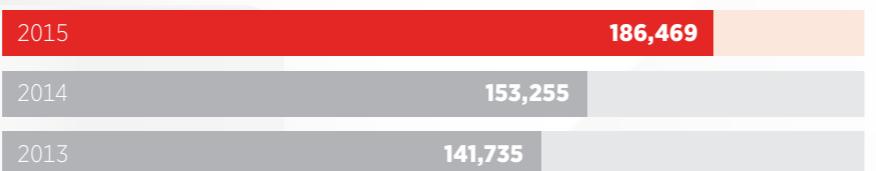
G4-9

OUR SUSTAINABILITY PERFORMANCE

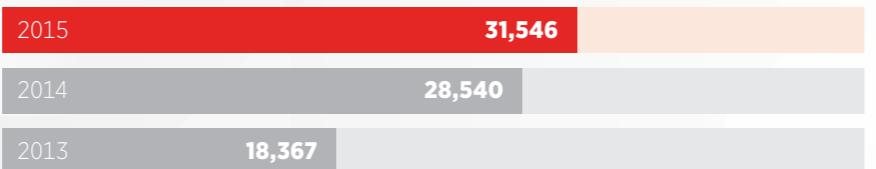
Ziraat Bank is committed to sharing the progress it has made in its sustainability efforts with its stakeholders in a transparent and objective manner.

Ziraat Bank takes robust steps to achieve its corporate goals.

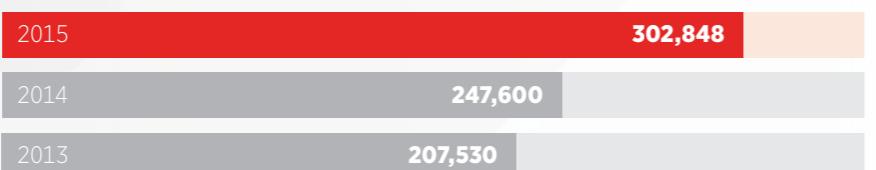
DEPOSITS TL MILLION



SHAREHOLDERS' EQUITY TL MILLION



TOTAL ASSETS TL MILLION



OUR FINANCIAL SUSTAINABILITY PERFORMANCE

TOTAL ASSETS

TL 302,848 MILLION

MARKET SHARE

12.8%

CASH LOANS

TL 186,813 MILLION

MARKET SHARE

12.2%

TOTAL SHAREHOLDERS' EQUITY

TL 31,546 MILLION

MARKET SHARE

12%

NET PROFIT

TL 5,162 MILLION

MARKET SHARE

19.8%

OUR SOCIAL SUSTAINABILITY PERFORMANCE

SUPPORT TO AGRICULTURAL PRODUCTION

TL 35.8 BILLION

NUMBER OF WORKS IN ZİRAAT BANK'S PAINTING AND SCULPTURE COLLECTION

ABOUT 2,500

ZİRAAT BANK ART GALLERIES TOTAL VISITORS

OVER 25 THOUSAND

CERTIFIED HISTORICAL BUILDINGS OWNED BY ZİRAAT BANK

52

OUR OPERATIONAL SUSTAINABILITY PERFORMANCE

TOTAL NUMBER OF BRANCH LOCATIONS

1,812

(INCLUDING OVERSEAS)

TOTAL NUMBER OF ATMs

6,573

(INCLUDING OVERSEAS)

NUMBER OF FOREIGN COUNTRIES WHERE ZİRAAT BANK OPERATES

18

NUMBER OF INTERNET BANKING CLIENTS

6.3 MILLION

OUR ENVIRONMENTAL SUSTAINABILITY PERFORMANCE

SCOPE 1 EMISSIONS

3,784.13 TONS

SCOPE 2 EMISSIONS

7,112.32 TONS

TOTAL WATER CONSUMPTION

77,075 m³

(HEADQUARTERS WATER CONSUMPTION)

RECYCLED PAPER

1,310 TONS

OUR HUMAN RESOURCES PERFORMANCE

TOTAL WORKFORCE

25,697

EMPLOYEES WHO STARTED WORK IN EARLY 2015

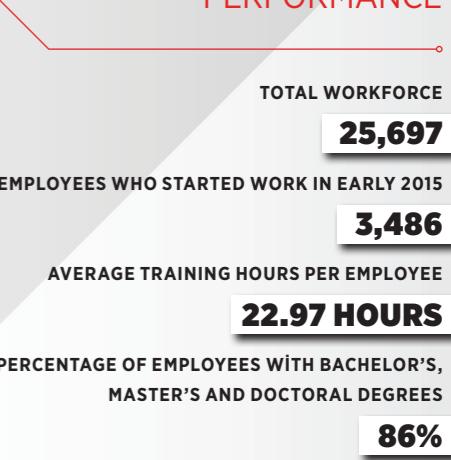
3,486

AVERAGE TRAINING HOURS PER EMPLOYEE

22.97 HOURS

PERCENTAGE OF EMPLOYEES WITH BACHELOR'S, MASTER'S AND DOCTORAL DEGREES

86%



ZIRAAT BANK IN BRIEF

In line with its responsibility of being “More Than a Bank,” Ziraat Bank takes pride in delivering seamless, top quality banking services to its vast and diverse customer base across Turkey.

As the pioneer of national banking, Ziraat Bank's operations have left a mark on the last 150 years of Turkish history.

A BRAND SYNONYMOUS WITH TRUST...

Established in 1863 as the pioneer of national banking in Turkey, Ziraat Bank's operations have left a mark on the last 150 years of Turkish history. The Bank played a key role in the economic development process which made Turkey one of the world's major economies. In line with its responsibility of being “More Than a Bank,” Ziraat Bank proudly delivers seamless, top quality banking services to its vast and diverse customer base across Turkey. The Bank's customers include SMEs, students, pensioners, farmers, among many others.

Deep Corporate Roots, Modern Management Approach

Closely monitoring developments in the global economy and the international banking system, and never compromising its underlying mission, Ziraat Bank works continuously to enhance its management approach. The Bank makes a difference with its sustainability centered financial and operational performance. As of year-end 2015, Ziraat Bank provides efficient and swift services to clients with a total of 25,697 employees at 1,812 domestic and overseas

branches, 6,573 ATMs in addition to online and mobile banking apps designed with advanced technologies. The Bank enjoys significant brand recognition in world capital markets. Ziraat Bank's global service delivery network comprises eight international subsidiary banks, 22 overseas branch locations, four sub-branches and one representative office in 18 countries.

Future Oriented, Profitable and Productive Business Processes

Placing an emphasis on profitability and productivity in all its business processes, Ziraat Bank boosted total assets by 22.3% over the prior year to TL 302.8 billion as of end-2015. Despite the sluggish global markets, the Bank sustained its solid financial performance, increasing its net profit by 27.5% over the previous year to TL 5.2 billion.

With subsidiaries active in the areas of banking, insurance, private pensions, investment services, participation banking, portfolio management, financial leasing and financial technologies, the Bank creates strong synergy to meet its long-term goals. Ziraat Bank is keen to generate added value in the coming period for Turkey in line with its mission and vision.



Ziraat Towers will be constructed at the Istanbul International Finance Center located in Ataşehir.

G4-6, G4-8

OUR GLOBAL SERVICE NETWORK

G4-6, G4-8

Ziraat Bank boasts a domestic and overseas portfolio of subsidiaries active in the areas of banking, insurance, private pensions, investment services, participation banking, portfolio management, financial leasing and financial technologies.

Ziraat Finance Group

1,896
BRANCHES

6,637
ATMs

The Bank enjoys worldwide brand recognition and a vast domestic and overseas portfolio of subsidiaries active in the areas of banking, insurance, private pensions, investment services, participation banking, portfolio management, financial leasing and financial technologies. The Bank's global presence spans across 97 service hubs in 18 countries. In light of its forward-looking international banking vision, the Bank focuses on providing Turkish entrepreneurs with swift and efficient services abroad while also delivering a comprehensive range of services to its customers at these overseas locations.

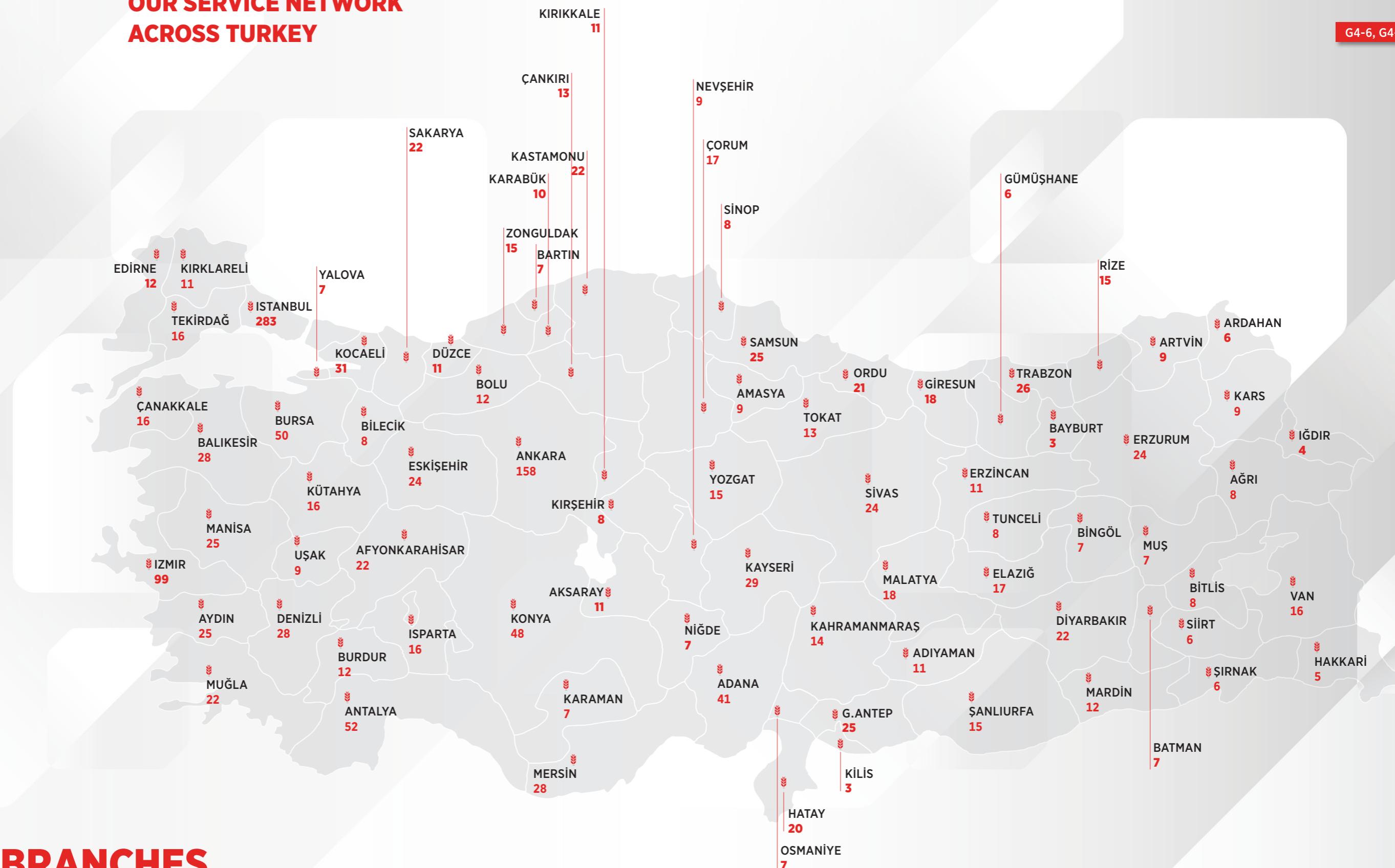


*Information on Ziraat Bank subsidiaries included in the consolidated balance sheet are available on page 235 of the Annual Report 2015.

OUR SERVICE NETWORK ACROSS TURKEY

G4-6, G4-8

G4-6, G4-8



**TOTAL
1,786 BRANCHES**

OUR SUSTAINABILITY POLICY

In line with its Sustainability Policy adopted and announced by Ziraat Bank Board of Directors on September 30, 2014, Ziraat Bank carries out coordinated financial, operational, environmental and social efforts to boost productivity and to take its corporate structure forward into the future.

Ziraat Bank's long-term success is founded on its stakeholders' trust and preference.



Our Sustainability Vision

Capitalizing on our unrivaled expertise and know-how accumulated over more than a 150 years period to contribute to Turkey's economy, environment and society; to create long-term value for stakeholders; and to compete globally by embracing the principles of sustainable profitability and productivity.

Ziraat Bank is a strong, leading, trust-inspiring bank.

Our Sustainability Objective

Enhancing the medium- and long-term leverage of the Change and Transformation Project through sustainability efforts in the framework of this policy, in order to further strengthen the Bank's clout domestically and competitive edge globally.

Our Sustainability Approach

Our sustainability approach is shaped by our obligations as a financial services provider, responsibilities toward the society and the environment, and duties as an employer.

- Ziraat Bank is a strong, leading, trust-inspiring bank. We aim to bolster our success in economic sustainability with a long-term environmentally and socially sustainable approach, and to project it towards the future.

- In our decision-making processes, resource and service infrastructure management, we take into consideration all social and ecological issues and related risks in a meticulous manner.
- We view environmental sustainability, including climate change and the transition to a low-carbon economy, as a key agenda item for the Bank.

- As an employer, we believe in upholding people-centered working conditions. Our business model provides equal opportunities to all our employees. We consider the diversity within our workforce as a source of richness and opportunity for Ziraat Bank and therefore support it.

- As a service provider, we believe that customer focus and customer satisfaction form the foundation of all our operations. We aim to offer banking products and services to clients in practical, comprehensible and accessible formats and to widen the industry's horizons with new and exemplary practices.
- We are committed to developing solid relationships with our suppliers-whom we view as business partners-on the basis of mutual respect, responsibility and fair sharing. We support our suppliers' success with the projects that we complete as their business partner.
- With a view toward integrating the universally accepted principles of sustainability into our business model, we continuously develop and implement projects to achieve this goal.
- We are keen to assume active roles in international and domestic multilateral sustainability initiatives and collaborative platforms.

Based on these principles, Ziraat Bank strives to extend, enhance and support sustainability across its value chain.

Our Sustainability Organization

- Ziraat Bank's sustainability roadmap as outlined by the Board of Directors is implemented in the form of a lean, efficient organizational structure.
- Ziraat Bank's sustainability practices are performed under the leadership of the CEO.
- Ziraat Bank's Strategic Steering Committee is in charge of coordinating sustainability activities.
- Sustainability efforts are monitored by the Enterprise Architecture Group Department.

Our Dialogue with Stakeholders

Ziraat Bank's long-term success depends on the ongoing trust and preference of its stakeholders. The sustainability projects we plan to implement will further boost this trust and loyalty.

G4-35, G4-36, G4-37, G4-44, G4-45, G4-46, G4-47, G4-48, G4-49, G4-50

Our sustainability approach is shaped by our obligations as a financial services provider, responsibilities to the environment and society, as well as our duties as an employer.

400+
Districts and Towns

ZİRAAT BANK SERVES OVER 400 DISTRICTS AND TOWNS ACROSS TURKEY AS THE ONLY FINANCIAL SERVICE PROVIDER IN THE REGION.

OUR SUSTAINABILITY POLICY

Ziraat Bank's line with sustainability principles stem from ambitious to add value to both the country and the world.

The Environment and Ziraat Bank

As the owner of the largest physical service network and the employer of one of the largest workforces in the Turkish banking industry, Ziraat Bank aims to check its direct and indirect impact on the natural environment, and to manage and improve this impact with the right strategies and technologies. To this end:

- We will continue to measure and reduce greenhouse gas emissions arising from our service cycle. We undertake intensive efforts to restructure all the physical elements making up our service network, especially energy, in line with the principle of effectively using all natural resources.
- In addition to fully complying with the legally required environmental standards of Turkey, we also maintain a multilateral dialogue with its stakeholders to help expand global best practices and standards. We encourage our clients and suppliers to broaden their awareness on ecological matters and carry out activities to contribute to environmental sustainability.

Social Contribution and Ziraat Bank

We contribute to society in many different ways, such as providing employment to over 25 thousand individuals, helping tens of millions of customers make their dreams a reality, and serving over 400 Turkish districts and towns as the only financial services provider in the region.

We plan to continue contributing to society and supporting social development via a multi-dimensional approach with activities that have an extensive social impact.

Products and Services

Ziraat Bank takes environmental and social issues into consideration when meeting customer demands and expectations, making the right value proposition to the right customer at the right time, and performing an efficient assessment of new business opportunities presented by the market. We continue to support the agricultural sector with modern financing instruments and methods, in line with its foundation mission of 1863. We shall also continue contributing to agribusiness, which we believe to be of vital importance for Turkey.

- During our banking service cycle, we deliver products and services with environmental and social impact, such as loans for renewable energy and energy efficiency, or finance packages for SMEs and entrepreneurs.
- As part of our sustainability vision, we expand our range of products and services with environmental and social impact, in cooperation with international financial institutions.

In Brief

During its more than 150 years in existence, Ziraat Bank has proven that it is "More Than a Bank," in line with sustainability principles and ambitious to add value to both the country and the world.

In light of its general sustainability policy framework, Ziraat Bank is keen to continue growing as a strong, highly competitive bank with high market value and well-integrated into the world, on the basis of sustainable profitability and productivity.

To this end, we continuously work to boost the Our Bank's sustainability performance in line with the principles of transparency, accountability, legal compliance, commitment to ethical principles and risk management. Our aim is to become "More Than a Bank" in the area of corporate sustainability as well.



OUR STRONG FOUNDATION, ROBUST SHAREHOLDING STRUCTURE

Ziraat Bank's mission and vision serve as a roadmap for all its stakeholders.



Our Mission

To be a bank that understands customer needs and expectations, thereby offering them the best solutions and value proposition from the most appropriate channel; a bank that brings to every segment of society a wide range of products and services in the fastest, most effective way through its extensive network of branches and alternative distribution channels; a bank that operates with profitability and productivity at global standards by recognizing its ethical values and social responsibility; a bank that upholds customer satisfaction as more important than anything else



Our Vision

To be a leading bank that is universal, respected and has high market value; a bank that provides extensive, reliable service everywhere in Turkey and the world at the same quality, and meets the needs of every segment; a bank that sees human resources as its most valuable asset; a bank that continuously makes a difference and creates value in a way that befits its deep-rooted past; a bank that promises more than a regular bank at every stage and serves as a model for its competitors.



Ziraat Bank Shareholding Structure

The Undersecretariat of the Treasury of the Republic of Turkey is the sole owner of Ziraat Bank. The Chairman and Members of the Board of Directors, Members of the Board of Auditors, the CEO and Executive Vice Presidents do not hold shares in the Bank.

A 152-YEAR SUCCESS STORY

The Banker magazine named Ziraat Bank as “Western Europe’s Second Most Robust Bank,” based on objective criteria such as capital adequacy, asset quality, liquidity, risk environment and profitability measures.

Over its 150-year history, Ziraat Bank has achieved accomplishments that constitute milestones for the Turkish banking system.

ZİRAAT BANK BROKE A RECORD IN TERMS OF CORPORATE TAX PAYMENT IN 2014.

1863-1888

- On 20 November 1863, Mithat Paşa spearheads the establishment of Memleket Sandıkları (Homeland Funds) in the town of Pirot, which later served as the core from which Ziraat Bank grew.
- Turkey's first statutorily regulated credit system is launched.
- Mithat Paşa's Homeland Funds are reconstituted as Menafi Sandıkları (Benefit Funds) to become stronger and more sustainable.
- Ziraat Bank's headquarters are opened in İstanbul.

1889-1913

- Ziraat Bank extends credit to the Imperial Treasury for the first time.
- Ziraat Bank supplies credit to supply grain to needy refugees and others in drought-stricken İzmit.
- A project to fund purchases of European agricultural equipment using Ziraat Bank capital is studied.
- Ziraat Bank offices are opened in Kerek, İpek, Prizren and Karacasu.
- Ziraat Bank provides drought-stricken Kosovo farmers with low-cost credit on convenient terms.
- Ziraat Bank opens a branch in Medina.
- Ziraat Bank branches open in Baghdad and Basra.
- Ziraat Bank branches provide earthquake-stricken farmers with loans.

1914-1938

- Ziraat Bank begins lending to commercial enterprises.
- The first seed-finance loans are provided.
- First general deferment is granted on agricultural loans.
- With the opening of the Grand National Assembly in Ankara, the city's Ziraat Bank branch is made responsible for the administration and oversight of all bank branches and offices in localities controlled by Ziraat Bank.
- The Control of Ziraat Bank's İzmir and İstanbul operations was given to Ankara.

1939-1963

- Work is completed on the set of operational regulations called for by Statute 3202. Consisting of 198 articles, the regulations governing the operations of Türkiye Cumhuriyeti Ziraat Bankası go into effect.
- Ziraat Bank becomes a member of Confédération Internationale du Crédit Agricole (CICA), a non-profit worldwide association of banks and other entities interested and involved in rural financial processes.
- Under Statute 7052, Ziraat Bank is authorized to restructure agricultural loan repayments.

1964-1988

- Ziraat Bank's representative office opens in Hamburg.
- Ziraat Bank opens its Lefkoşa, Gazimağusa, and Güzelyurt branches in the Turkish Republic of Northern Cyprus.
- Ziraat Bank's representative office in New York is transformed into a branch while new offices are opened in Duisburg, Berlin, Munich, Stuttgart, and Rotterdam.
- Under the Ziraat Bank 86 project, the first steps to adapt improvements in technology to banking services so as to deliver them faster, more efficiently, and at better quality are taken with the automation of a total of seven branches located in Ankara and İstanbul.
- Ziraat Bank ranks 452nd among the world's 500 biggest banks in terms of by equity according to Euromoney, a leading industrial publication.

1989-2014

- The Ziraat Bank Banking School begins instruction in order to keep the Bank supplied with the qualified human resources that it needs.
- The first investment fund (Fund I) was established.
- Gold sales were initiated under the name of Ziraat Gold. The first consumer loan was issued, along with the first credit card. The Bingöl-Muş Rural Development Project was initiated.
- As well as ATM machines, foreign currency exchange machines were brought into service for the first time in Turkey, along with self-service information terminals, voice messaging systems and the Bingöl-Muş Rural Development Project, which included a branch not requiring human staffing, aiming to provide uninterrupted 24-hour service.
- Ziraat Bank Moscow, Kazkommerts Ziraat International Bank (KZI Bank), Turkmen Turkish Commercial Bank (TTC Bank) and Uzbekistan Turkish Bank (UT Bank) were established and entered into operation.

- Ziraat Bank was ranked 202nd in Euromoney's top 500 banks, 41st in terms of net profit, and the world's first in terms of its return on equity.
- Moreover, Ziraat Bank ranked 12th in the “World's 50 Most Rapidly Developing Banks” listing.
- The Sofia Branch entered into operation.
- The Stuttgart, Hannover, Frankfurt and Duisburg representative offices began to operate as branches.
- Newly-launched banking software makes it easier to create and offer new products and services.
- Turkish-Ziraat Bank Bosnia DD receives Visa and Europay International licenses and begins processing Visa acquiring and issuing transactions for the first time in Bosnia-Herzegovina in coordination with Ziraat Kart A.S.
- The Law numbered 4603 passed on 25 November 2000 paved the way for Ziraat Bank to be transformed into a joint-stock company.
- The scope of the banking software centralization project (Fin@rt) is expanded.

2015

- Ziraat Bank tops the 2014 corporate income tax league table.
- Ziraat Katılım Bankası commences operations.
- Our Bank's Pristina branch opens in Kosovo.
- Ziraat Bank Azerbaijan ASC commences operations.
- Ziraat Bank is designated “Europe's 2nd Most Robust Bank.”
- Ziraat Bank Montenegro AD commences operations.
- In keeping with its principle of sustainable profitability, Ziraat Bank reports 2015 profits amounting to TL 5,162 million, the highest of Turkish banking sector.
- Ziraat Bank published its first sustainability report, which was GRI rated at A+ standards.

In line with its principle of sustainable profitability, Our Bank announced the Turkish banking sector's highest profit with net profit of TL 5,162 million in 2015.

OUR AWARDS

Ziraat Bank crowned its financial and operational success with numerous awards in 2015.

As a result of the Survey on Differentiation Elements in the Banking Sector conducted by Akademetre Research, Ziraat Bank was named “Most Reliable Bank in Turkey that Makes the Highest Contribution to the National Economy”.

- The Banker, “Western Europe’s 2nd Most Robust Bank”,
- Stevie Awards, Silver Stevie in the “Business Development Success in the Service Sector” for Ziraat Geographical Information Systems Application,
- GFC (Global Financial Conferences); Bonds & Loans Turkey 2015 Event, 11 Awards in seven categories including four First Prizes for the Gebze-İzmir Highway, Dalaman Airport, Kayseri Health Campus and Yeniköy Kemerköy Thermal Power Plant Financing Projects,
- Roamler’s Turkey Survey “One of the Top Three Social Banks in 2015”,
- YouTube, Likapa Commercial Film, “One of the Top 10 Commercial Films of the Year 2015”,
- Akademetre Research, Survey on Differentiation Elements in the Banking Sector, “Most Reliable Bank in Turkey that Makes the Highest Contribution to the National Economy”.



PROGRESS COMING FROM A TREASURE CHEST

Although we have always been present all across Turkey with our branches, our recent digital transformation has allowed us to become even closer to our customers. We continue to make banking easier with our new-generation ATMs and mobile apps.



FUTURE OUTLOOK

Our main objective is to develop channels that deliver financial advisory services to customers independent of time and place.

Ziraat Bank develops its products and services in response to customer expectations and demands.

Shaping its operations with the vision of being "More Than a Bank," Ziraat Bank initiated a comprehensive transformation in 2012 in order to boost the quality standards of its business processes in line with the principle of unconditional customer satisfaction. Viewing corporate development as an endless journey, the Bank closely monitors global economic developments as well as customer needs and expectations to manage the transformation process with consistency.

Seven Basic Goals for the Future

In order to provide services to all customer segments, Ziraat Finance Group prepares for the future by embracing the three main categories of Corporate Banking, Mass Banking and International Banking. To achieve this strategic priority, the Bank has set seven basic goals in light of industry-specific expectations and technological advances, and laid out a road map for the year 2015.

1. Sustainable Customer Relations Management: Ziraat Bank considers its customers as key players in the journey to achieve sustainability.

Always standing by its customers, Ziraat Bank develops its products and services in line with customer needs and expectations. Standing out among the competition with its

112

NUMBER OF
DOMESTIC BRANCHES
OPENED IN 2015

Top Priority: Excellent Customer Experience

Focusing on continuously developing the product and service offering for customers via different channels, Ziraat Bank continued in 2015 to enhance the functional features targeting corporate customers of its Internet Banking, ATM and Mobile Banking channels. A flexible limit structure was rolled out to enable Internet Banking customers to choose the limit definition (sum total and transaction number) best suited to meet their needs. In addition, various innovations were introduced to enable customers to online monitor the collection of their Ziraat Bank cheques and promissory notes and to close banks accounts via the call center.

Disabled Access to Financial Services

In order to facilitate disabled client access to financial services, Ziraat Bank initiated renovation efforts at over 200 branch locations in 2015. In addition, the Disability-Free Banking Support Package was launched to deliver disabled customers banking products with special advantages.

Ziraat Bank's Expanding Branch Network

Ziraat Bank continued to expand its branch network in 2015. The Bank inaugurated 112 new domestic branches and opened the Pristina branch in Kosovo, bringing the total number of its branches to 1,812 by year-end 2015. A new call center also opened in Samsun, expanding the Bank's capacity to deliver services outside the branch channel.

Always Standing by Its Customers

Ziraat Bank gives those customers who cannot repay their loans for various reasons the opportunity to repay their

loans over a longer and more flexible maturity period and to finance their ongoing operations through new loans, so that they can recover their economic losses under convenient conditions.

Ziraat Bank makes a point of always standing by its customers. The Bank offered customers in the flood-stricken districts of Hopa, Borçka, Murgul and Arhavi the opportunity to restructure their Bank loans and postpone payments.

2. Institutionalized Business Processes: Ziraat Bank strides toward its goals with determined steps thanks to its institutionalized business processes.

Ziraat Bank aims to execute projects focused on adding value, with its organizational structure based on competence and success, and institutionalized business processes, without being affected by financial turmoil in domestic and international markets. Under the leadership of the CEO and with the coordination of the Strategic Steering Committee, comprehensive sustainability efforts are expended to maintain the Bank's competitive advantages.

End-to-End Digitalization in Business Processes

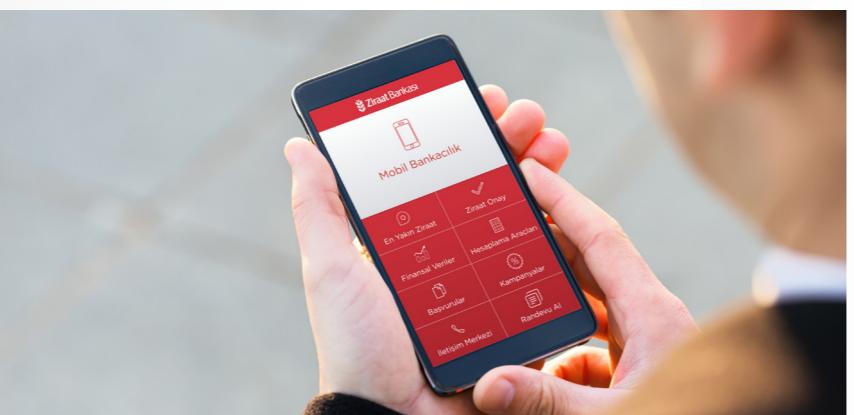
Ziraat Bank aims to establish end-to-end digitalization across its business processes in order to minimize the environmental footprint of its operations and to enhance productivity. The Bank continues work on integration projects with Türksat, TOKİ, Türk-Vet, the Association of Notaries, among other entities. In addition, work has been initiated to effectively integrate the business, data and transaction architecture and technology infrastructure under the Bank's corporate architecture.

Ziraat Bank aims to execute projects that are focused on adding value, with its organizational structure based on competence and success, and institutionalized business processes, without being affected by financial turmoil in domestic and international markets.

FUTURE OUTLOOK

Ziraat Bank has forged a strong synergy with rapidly growing Ziraat Finance Group's partnerships that are active in the domestic and international arenas.

Ziraat Bank became the first bank that performed mortgage release fee transactions as a centralized operation at its operations center.



3. Integrated Partnership Management: The Bank continuously bolsters the synergy between domestic and overseas partnerships and overseas branches in order to further strengthen Ziraat Finance Group.

As one of the biggest players in the Turkish banking system, Ziraat Bank has established robust synergy with the fast-growing Ziraat Finance Group partnerships, which operate in domestic and overseas markets. Ziraat Finance Group was further strengthened with the founding of Ziraat Participation Bank in 2015 and work continues on establishing Ziraat REIT.

ZIRAAT FINANCE GROUP WAS JOINED BY BANKS IN AZERBAIJAN AND MONTENEGRO IN 2015.

The Biggest Turkish Bank Overseas: Ziraat Bank

Continuing its steady expansion internationally, Ziraat Finance Group was joined by banks in Azerbaijan and Montenegro in 2015. The Bank opened its Kosovo/Pristina branch in 2015 and is now the most extensive Turkish bank overseas with a service network encompassing 97 hubs in 18 countries.

Ziraat Bank has set the following goals for integrated partnership management:

- Gearing up activities in the countries where its partnerships and branches operate,
- Contributing to the development of economic and commercial ties between these countries and Turkey,
- Playing a major role and capturing a large share of foreign trade financing,

- Responding to the needs of Turkish investors in foreign countries,
- Delivering swift, high quality and solution-centered products and services to customers,
- Building an efficient strategy between the Bank, domestic subsidiaries and overseas, operations in line with the Ziraat Finance Group perspective.

4. Operational Excellence: Ziraat Bank shapes all its operations in line with the principles of operational excellence, based on international quality standards.

Well-known for its long corporate history as well as its innovative products and services, Ziraat Bank has shaped its organizational structure in accordance with the principles of competence and operational excellence. The top priorities within these efforts that are designed to deliver better quality services to customers are reducing the branch workload and boosting business process productivity.

Main Goal: Turning Branches into Financial Advisory Providers...

As part of its operational excellence efforts, Ziraat Bank started to deliver mortgage release fee services via its operations center, becoming the only bank in Turkey to centralize this transaction. In addition, the Bank launched QR code cheques, taking a significant step to eliminate cheque fraud risk. The Bank also continues efforts to centralize all transactions related to TOKİ. Another important project to reduce the branch workload relates to the centralization of loan operations. This project is scheduled for completion in 2016. In the same year, the Bank also plans to complete the e-archive initiative to store all archive documents related to Bank operations in digital format.

Operational Productivity Leads to Staffing Economies Equivalent to 3,754 Employees.

As a result of the operational productivity projects undertaken by all its business units, Ziraat Bank yielded staffing economies equivalent to 3,754 employees during the period 2012-2015. Thanks to productivity increases in this area, important human resources were allocated to the area of customer satisfaction.

5. Objective and Transparent Human Resources Function: Ziraat Bank renders its human capital competences sustainable thanks to objective and transparent human resources procedures.

Embracing a recruitment policy based on objective criteria of success, Ziraat Bank leads the industry with its highly competent and experienced workforce. One of Turkey's largest employers, the Bank organizes continuous training programs for its human capital and makes its competitive edge sustainable. A prominent brand in corporate banking training thanks to its Ziraat Banking School, Ziraat Bank creates a variety of alternative training schemes for employees through e-training and mobile training.

Assessment System Based on Competence

In order to measure its employees' target-based performance and to assess their competence to integrate it into their performance rating, Ziraat Bank has initiated the Competence Assessment System Project; identified the competences required for each position at branch, region and head office level; and designed training programs based on the results of performance and competence assessment processes.

The Competence Assessment System will go into service in 2016.

6. Efficient IT: In order to swiftly respond to customer needs and expectations, Ziraat Bank continues to invest in information technology relentlessly.

Due to the steady increase in its business volume and with a view toward managing its product and service diversity in an efficient and rapid manner, Ziraat Bank continued to invest in IT infrastructure and transformation in 2015. The Bank continued the modernization of its Data Center. As part of efforts to upgrade the banking software, important headway was made in terms of monitor simplification and ergonomics.

In 2015, in another project to establish an efficient IT infrastructure, the Bank continued work on the upgrade of the core banking software in line with the business model and Bank strategies. The first such monitors will be put into use in first quarter 2016.

7. Robust Balance Sheet: In line with its responsible banking approach, Ziraat Bank adapts a balance sheet management policy in accordance with its shareholders' equity.

Continuing to transform its balance sheet into a customer-oriented structure, Ziraat Bank embraces a cost management policy that will not constrain revenue increases. In order to boost resource diversity, the Bank extended its syndication loan in 2015, and completed work on the Corporate Cost Module toward the target of improving cost and inventory management.

OUR PRIORITIES

G4-18

Since 2014, Ziraat Bank has regularly issued sustainability reports in accordance with Global Reporting Initiative's G4 Comprehensive principles.

Authoring its reports in line with G4 (Comprehensive) principles, Ziraat Bank prioritizes economic, environmental and social topics of importance for its corporate structure and stakeholders.

Since 2014, Ziraat Bank has regularly issued sustainability reports in accordance with Global Reporting Initiative's G4 Comprehensive principles, the latest and most comprehensive sustainability reporting standard. Ziraat Bank prioritizes economic, environmental and social topics of importance for its corporate structure and stakeholders.

Identifying Material Topics

The annual Ziraat Bank sustainability report does not cover Ziraat Bank's partnerships. The report features information on Ziraat Bank's operations, impact and stakeholders' expectations. In the implementation of GRI G4 Comprehensive principles, the below mentioned GRI guidebooks were used as a reference:

<https://www.globalreporting.org/resourcelibrary/Turkish-G4-Part-One.pdf>

<https://www.globalreporting.org/resourcelibrary/Turkish-G4-Part-Two.pdf>

In the process of determining material topics, Ziraat Bank made use of:

- 1- Comprehensive surveys conducted among the Bank's unit managers and personnel who represent internal stakeholders;
- 2- Analyses of feedback received from external stakeholders via a variety of channels throughout 2015;
- 3- Conclusions drawn from discussions with international financial institutions and rating agencies;
- 4- The results of desk-based work carried out by the Ziraat Bank Sustainability Project Team.

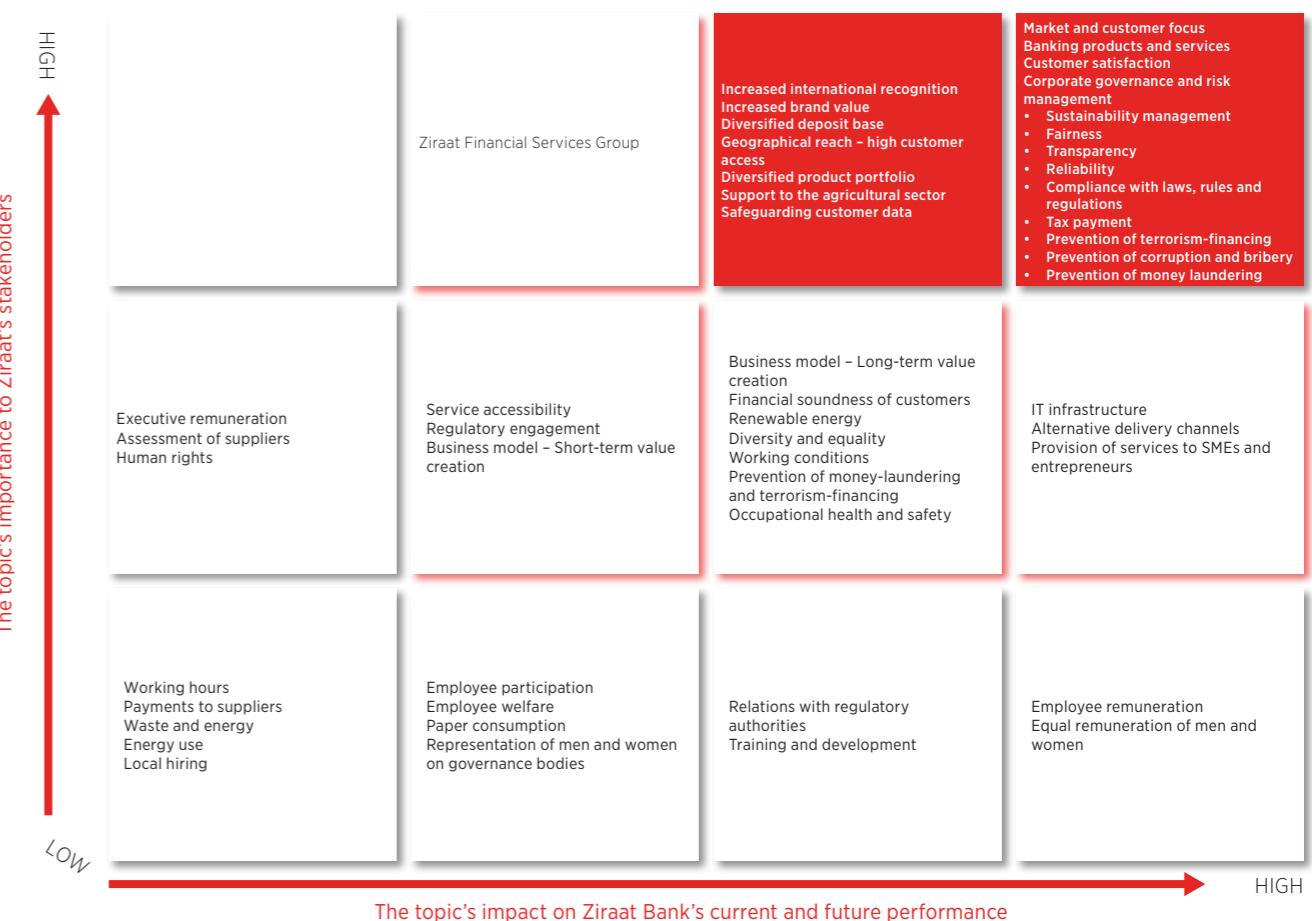
Internal stakeholders' opinions were collected by means of a comprehensive survey conducted among the Bank's unit managers and personnel.

Sustainability Reporting in Light of Stakeholder Expectations

The views of external stakeholders (customers, suppliers, international stakeholders, et al.) were taken up at meetings with representatives of the Bank units that are in regular communication with such groups during the service cycle. At these meetings, the findings of items 2 and 3 in the list above were discussed and stakeholder priorities were ascertained accordingly. These priorities identified through different channels were taken up in connection with GRI G4 elements, and their impact inside and outside the Bank was determined.

As a result of this prioritization analysis, topics that Ziraat Bank and its stakeholders deemed to have material relevance were identified and ranked in order of their significance to them. This information was then used as input for the creation of the 2015 priority matrix.

Ziraat Bank 2015 Sustainability Priorities



G4-19

OUR PRIORITIES

G4-20, G4-21

G4-23

In Ziraat Bank's prioritization analysis market and customer focus, banking product and service diversity, customer satisfaction, international brand recognition and geographical penetration rank highest.

Our sustainability project team successfully realized the correction process of prioritization analysis and subsequent processes in 2015.

Correction Process

Our sustainability project team successfully realized the correction process of prioritization analysis and subsequent processes in 2015.

Material topic framework

Ziraat Bank considers the material topics identified as a result of its 2015 prioritization analysis in three different categories according to their significance and impact. The topics in the first category are the most important issues affecting Ziraat Bank's current and future performance. These are:

- Market- and customer-focus, banking product and service diversity, customer satisfaction, increased brand value and international recognition, geographic reach and extensive customer access, which have a direct effect on Ziraat Bank's future performance and competitive position,
- Support for agriculture as embodied in Ziraat Bank's mission,
- Safeguarding customer data,
- It is corporate governance and risk management including sustainability management.

The topics in the second and third categories are issues whose significance and priority may vary from one stakeholder to another. For instance:

- A high priority issue for Ziraat Bank is the services that we provide to SMEs and entrepreneurs, all of which are of utmost importance to the Turkish economy.
- While new investment in IT infrastructure and alternative delivery channels is extremely important for Ziraat Bank and its customers, other external stakeholders deem it to be of relatively low priority.
- Topics such as employee participation, employee welfare, employee training & development, employee remuneration, and the like are very significant to personnel, who make up one of Ziraat Bank's most important stakeholder groups; however, they are of relatively less importance among external stakeholders.

During the reporting period 2015, there were no changes in Ziraat Bank's operational framework significant enough to warrant informing the stakeholders.

Concordance between material topics identified in the Ziraat Bank 2015 Prioritization Analysis and GRI G4 topics

 Market- and customer-focus, banking product and service range diversity, customer satisfaction, increased brand value and international recognition, geographic reach and extensive customer access, diversified deposit base	G4 EC, SO, FS
 Support for agriculture, provision of services to SMEs and entrepreneurs	G4 EC, SO, FS
 Safeguarding customer data	G4 SO, PR
 Corporate governance and risk management including sustainability management	G4 SO
 Development of IT infrastructure and alternative delivery channels	G4 EC, SO
 Financial soundness of customers	G4 EC, SO
 Renewable energy	G4 EN
 Ziraat Finance Group	G4 EC
 Access to services	G4 SO
 Participation in legislative/regulatory development processes	G4 SO, PR
 Business model: Short- and long-term value creation	G4 EC
 Employee participation, employee welfare, employee training & development, employee compensation	G4 LA, G4 HR

OUR PRIORITIES

G4-24, G4-26, G4-27

G4-15, G4-16, G4-25, G4-27

Ziraat Bank gives primary priority to develop mutual respect and transparency-based relations with the stakeholders.

Ziraat Bank's Stakeholders

Ziraat Bank encourages stakeholder participation in its operations - defined as the "value chain" - and views its primary stakeholder groups as the shareholder, employees, customers, and suppliers. The Bank engages in interactive communication with its primary stakeholders in order to assess their demands and expectations efficiently. In addition to these primary stakeholder groups, Ziraat Bank conducts regular communications based on transparency and mutual respect with other stakeholder groups such as regulatory authorities, international banks, investors, rating agencies, the media, industry associations and organizations, and society at large.

	Stakeholder group	Contact frequency	Communication channels
Primary Stakeholders	Employees	Conduct of business - daily	Recruitment processes, personnel training programs, performance evaluation meetings, internal communication channels, employee-manager meetings, information/communication meetings.
	Customers	Conduct of business - 24/7	Ziraat Bank branches and alternative delivery channels (ATMs, internet banking, mobile banking, call center), customer relations managers, customer visits.
	Suppliers	Conduct of business - daily	All processes involving the procurement of materials and services from outside Ziraat Bank.
	Shareholder	General meetings and meetings on other occasions when required	General Meeting (annual). Ziraat Bank also engages in a variety of public disclosure activities through its Financial Institutions and Investor Relations Unit, as well as its Financial Reporting and Budget Management Unit. These activities include the publication of annual reports, the conduct of presentations, and Public Disclosure Platform announcements.
Other Stakeholders	Regulatory authorities	Conduct of business - when required	Mandatory reporting, correspondence, and meetings.
	International banks & investors	Conduct of business - daily	Meetings and discussions with representatives of financial institutions such as World Bank, European Investment Bank, overseas funds, investment banks, asset management companies, and the like with which Ziraat Bank cooperates.
	Industry associations & organizations	Conduct of business - daily	Meetings, presentations, day-to-day communications.
	Media	Conduct of business - when required	Press conferences, press releases, interviews, responses to directed questions, and the like in order to ensure transparent and swift communications between the Bank and the public.
	Society	Conduct of social responsibility projects	Corporate social responsibility projects and charitable activities.

In order to identify its 2015 sustainability priorities, Ziraat Bank used feedback and expectations gleaned from its routine interactions with the different groups - such as customers, employees, suppliers and the shareholder - that make up its primary stakeholders and this informed the report's material topics.

Ziraat Bank takes the following criteria into account when categorizing its stakeholders:

By dependency	Stakeholders who depend on Ziraat Bank now and in the future	Customers, employees, et al.
By impact	Stakeholders who have an impact on Ziraat Bank's performance now and in the future	Customers, employees, suppliers, et al.
By involvement	Stakeholders who collaborate with Ziraat Bank on any matter related to sustainability	Institutions and organizations for which corporate social responsibility projects are being conducted, consultancies, et al.
By accountability	Stakeholders towards which Ziraat Bank is financially and/or legally accountable now and in the future	Shareholder, regulatory authorities, international banks, investors, et al.
By affinity	Stakeholders who interact with Ziraat Bank the most intensively on a long-term basis	Customers, suppliers, et al.
By representation	Stakeholders that Ziraat Bank interacts with in the conduct of its dealings with regulatory mechanisms and with market/social groupings	Industry associations and organizations, the media, et al.

The material issues that emerged in the context of stakeholder engagement are considered and discussed in detail in different sections of Sustainability Report 2015.

Initiatives that Ziraat Bank Takes Part In or Supports

- BANKS' ASSOCIATION OF TURKEY (TBB) www.tbb.org.tr
- FOREIGN ECONOMIC RELATIONS BOARD (DEİK) www.deik.org.tr
- TURKISH NATIONAL COMMITTEE OF THE INTERNATIONAL CHAMBER OF COMMERCE (ICC) <http://icc.tobb.org.tr/index.php>
- CREDIT BUREAU OF TURKEY (KKB) www.kkb.com.tr
- TBB RISK CENTER www.riskmerkezi.org
- ECONOMIC RESEARCH FOUNDATION www.iav.org.tr
- INTERNET FRAUD ALARM SYSTEM (IFAS)
- ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK (ADFIMI) www.adfimi.org
- INSTITUTE OF INTERNATIONAL FINANCE (IIF) www.iif.com
- INTERBANK CARD CENTER (BKM) www.bkm.com.tr
- INVESTOR COMPENSATION CENTER www.ytm.gov.tr
- ISTANBUL MINE AND METAL EXPORTERS' ASSOCIATIONS www.immib.org.tr
- EASTERN ANATOLIA EXPORTERS' UNION www.daib.org.tr
- INTERNATIONAL PROJECT FINANCE ASSOCIATION (IPFA) www.ipfa.org

G4-DMA, G4-14, G4-34,
G4-38, G4-40, G4-42, G4-46, G4-47

G4-14

CORPORATE GOVERNANCE

At Ziraat Bank, the Board of Directors consists of nine members, who are elected for a term of three years at maximum.

Ziraat Bank establishes participative processes for its stakeholders to create more added value in its corporate governance processes.

Embracing a corporate governance approach centered on fairness, transparency, accountability, and responsibility, Ziraat Bank establishes participative processes for its stakeholders to create more added value in its corporate governance processes. The Bank's benchmark practices in corporate governance provide opportunities of comparison and inspiration for the entire industry.

The Decision Maker in Corporate Governance Policies: Board of Directors

At Ziraat Bank, the Board of Directors consists of nine members, who are elected for a term of three years at maximum. The Board's number of members are sufficient for the efficient organization of the Bank's operations. The duties of the Chairman and CEO are performed by different individuals. The Chairman has no executive duties. All Board members fulfill the requirements included in CMB's Corporate Governance Principles concerning the election of Board members. Furthermore, the majority of Board members are independent.

The Corporate Governance Committee makes recommendations to the Board of Directors in order to ensure compliance of the Bank's corporate governance processes with CMB principles, and performs monitoring, audit and improvement activities.

Table: Ziraat Bank Board Members

Members	Duty
Muharrem KARSLI	Chairman
Yusuf DAĞCAN	Vice Chairman and Member
Hüseyin AYDIN	CEO and Member
Fahrettin ÖZDEMIRCI	Member
Feyzi ÇUTUR	Member
Metin ÖZDEMİR	Member
Mustafa ÇETİN	Member
Cemalettin BAŞLI	Member
Salim ALKAN	Member

The Ziraat Bank CEO is fully authorized and responsible for the conduct, administration, and coordination of the Bank's day-to-day business in the broadest sense. There are nine Assistant General Managers, each of whom is responsible for a designated aspect of the Bank's business. Ziraat Bank's senior management consists of its CEO and the Assistant General Managers.

Compliance with Banking and Commercial Legislation

Because Ziraat Bank is a wholly state-owned bank, it has no real-person ultimate controlling stockholder. Ziraat Bank's sole shareholder is the Undersecretariat of the Treasury of the Republic of Turkey. The highest governing body at Ziraat Bank is the Ziraat Bank Board of Directors. The selection of Board members and the members of other Bank committees is subject to the provisions of the

third section of the Bank's Articles of Association. Some of the professional managers who sit on the Board of Directors and take part in the senior management also serve as Board members at Ziraat Bank subsidiaries that make up Ziraat Finance Group. Principles governing the involvement of Ziraat Bank Board Members in duties outside the Bank are subject to the provisions of the Banking Act, Turkish Commercial Code, and other applicable legislation.

Committees established in accordance with the Turkish Commercial Code, Banking Act, and other applicable legislation consist of the following:

- Credit Committee
- Audit Committee
- Corporate Governance Committee
- Remuneration Committee.

The Ziraat Bank Board of Directors is authorized to set up other committees as it deems necessary.

Innovative Practices in Internal Audit, Internal Control, and Risk Management

Innovative Practices in Internal Audit

Ziraat Bank keeps a close watch on innovative practices in international banking. At Our Bank, branch audits are performed in line with the customer-centered audit model. The reports produced are recorded in the Bank's Virtual Archive with e-signature, and no physical print-outs are taken in line with the efficient resource management strategy.

Measures to Boost Internal Audit Efficiency

Ziraat Bank closely monitors all inspection and investigation assignments to ensure that audit operations are performed by the optimum number of examiners. In order to perform accurate workforce and time planning, an optimal division of labor is planned in a swift and efficient manner on the assignment monitors. As a result, important progress is made in terms of time and cost savings. As for the audit of Ziraat Bank's overseas branches and subsidiaries, and domestic subsidiaries, work was initiated on a Web Based Audit Model, which will yield equivalent/convertible reports for audits in different business lines and countries. Additionally, by using the Audit Model as a reference, work was initiated to migrate the Bank's information systems process audit to the system. The model will grant a much leaner structure to Ziraat Bank's information systems process audit.

Instant Control Project

In 2015, Ziraat Bank launched the Instant Control Project, which allows the instantaneous control of branches. In line with the risk criteria identified by this system, the Instant Control Team can start auditing branch transactions as soon as they are performed; furthermore, in case an error is detected, the Team can contact the branch to take the necessary measures in the same day. Thanks to this project, which serves as an example to stakeholders, Ziraat Bank minimizes the costs related to erroneous transactions and effects significant time, energy and paper savings. To develop scenarios for the instant control process in 2016, Ziraat Bank will improve the efficiency of the internal control system in order to swiftly analyze a larger number of transactions in a short period of time, in keeping with its risk-centered approach.

Ziraat Bank closely monitors all inspection and investigation assignments to ensure that audit operations are performed by the optimal number of examiners.

IN 2015, ZİRAAT BANK LAUNCHED THE INSTANT CONTROL PROJECT, WHICH ALLOWS THE INSTANTANEOUS CONTROL OF THE BRANCHES.

CORPORATE GOVERNANCE

Ziraat Bank aims to launch a comprehensive project for loan risk measurement based on an internal rating scheme in 2016.



“Customer Risk Rating” Studies

In 2015, in accordance with its motto “Know Your Customer” and as part of its “Customer Risk Rating” studies, Ziraat Bank established a module integrated with its core banking system designed to create customers’ money laundering and terrorism finance risk profiles. The profiles are based on criteria such as profession, financial situation, business track record, accounts, commercial activities and country of residence. The aim is to identify high risk customers, business relations and transactions. By means of this module, customers were categorized according to risk categories, and the necessary action was taken as regards high risk customers.

In 2015, the Bank continued to support the overseas branches and subsidiaries under the umbrella of Ziraat Finance Group in improving and

enhancing their processes pertaining to the prevention of money laundering and terrorism financing, in line with the regulations of their respective industries and countries. Ziraat Bank aims to develop technology-oriented harmonization processes in coordination with other members of the Ziraat Finance Group in 2016, in due consideration of local and international regulations.

Innovative Practices in Risk Management

In 2016, Ziraat Bank aims to launch a comprehensive project for loan risk measurement based on an internal rating scheme. Calculation of the loan risk through sophisticated methods will offer the Bank the following competitive advantages:

- Transaction and customer risk will be measured in a more accurate and objective manner, and the results will be quantified.

The project will yield results that will contribute to customer and portfolio analytics, and improvements will be made in the loan allocation and monitoring processes. The project will also make a contribution to the Bank’s efforts to offer the right product to the right customer under the right conditions.

- The Capital Adequacy Ratio will be calculated in accordance with robust loan allocation processes, and the portfolio and collateral structure.
- The effort will boost balance sheet management performance, by helping the Bank keep abreast of the latest developments and the competition, offering input on pricing and performance measurement, and improving productivity.

Measures against Laundering of Proceeds of Crime and Terrorism Financing

Ziraat Bank’s efforts against the laundering of proceeds from crime and terrorism financing are conducted in line with the policy disclosed to the public on the corporate web site as well as the current legislation. Bank management strives to ensure full employee compliance with the referenced standards to prevent the employment of its products and services for laundering proceeds of crime or financing terrorism.

At Ziraat Bank, the Audit Committee is responsible for fulfilling the duties outlined in the Harmonization Program in keeping with the Regulation on Complying with Obligations for the Prevention of Laundering Proceeds of Crime and Terrorism Financing and other relevant legislation.

Policies in Effect at Ziraat Bank

The policies approved and implemented by Ziraat Bank’s Board of Directors are of vital importance for the functioning of the Bank’s corporate governance structure and sustainability management.

Sustainability Policy

For Ziraat Bank’s Sustainability Policy, see pp. 26-28.

At Ziraat Bank, the environment is taken into consideration in the scope of the Sustainability Policy.

Ziraat Bank aims to develop and implement a project concerning the Corporate Social Responsibility policy for investment loans in 2016. The project will strengthen the administrative organization for the functioning of the environmental and social risk management process and develop instruments of environmental and social risk management.

Ziraat Bank’s efforts against the laundering of proceeds of crime and terrorism financing are conducted in line with the policy disclosed to the public on the web site as well as applicable legislation.

For the Public Disclosure Policy, see
<http://www.ziraatbank.com.tr/tr/Bankamiz/Yatirimcilliskileri/Documents/BilgilendirmePolitikasi.pdf>

<http://www.ziraatbank.com.tr/tr/Bankamiz/Yatirimcilliskileri/Documents/BilgilendirmePolitikasi.pdf>
<http://www.ziraatbank.com.tr/tr/Bankamiz/Yatirimcilliskileri/Documents/AMLPolitika.pdf>

G4-DMA, G4-14, G4-56, g4-57, G4-58

CORPORATE GOVERNANCE

Ziraat Bank shares with the public its Sustainability Policy and the sustainability reports it issues in this scope.

Although Ziraat Bank is not a publicly-traded company, it nevertheless already complies with Corporate Governance Principles to a substantial degree, and publishes relevant information and documentation on its web page in both Turkish and English.

The below mentioned matters have been integrated within the human resources regulation, which is accessible by all employees via the Ziraat Bank intranet:

- Human Resources
- Remuneration
- Severance Pay
- Prevention of Bribery and Corruption

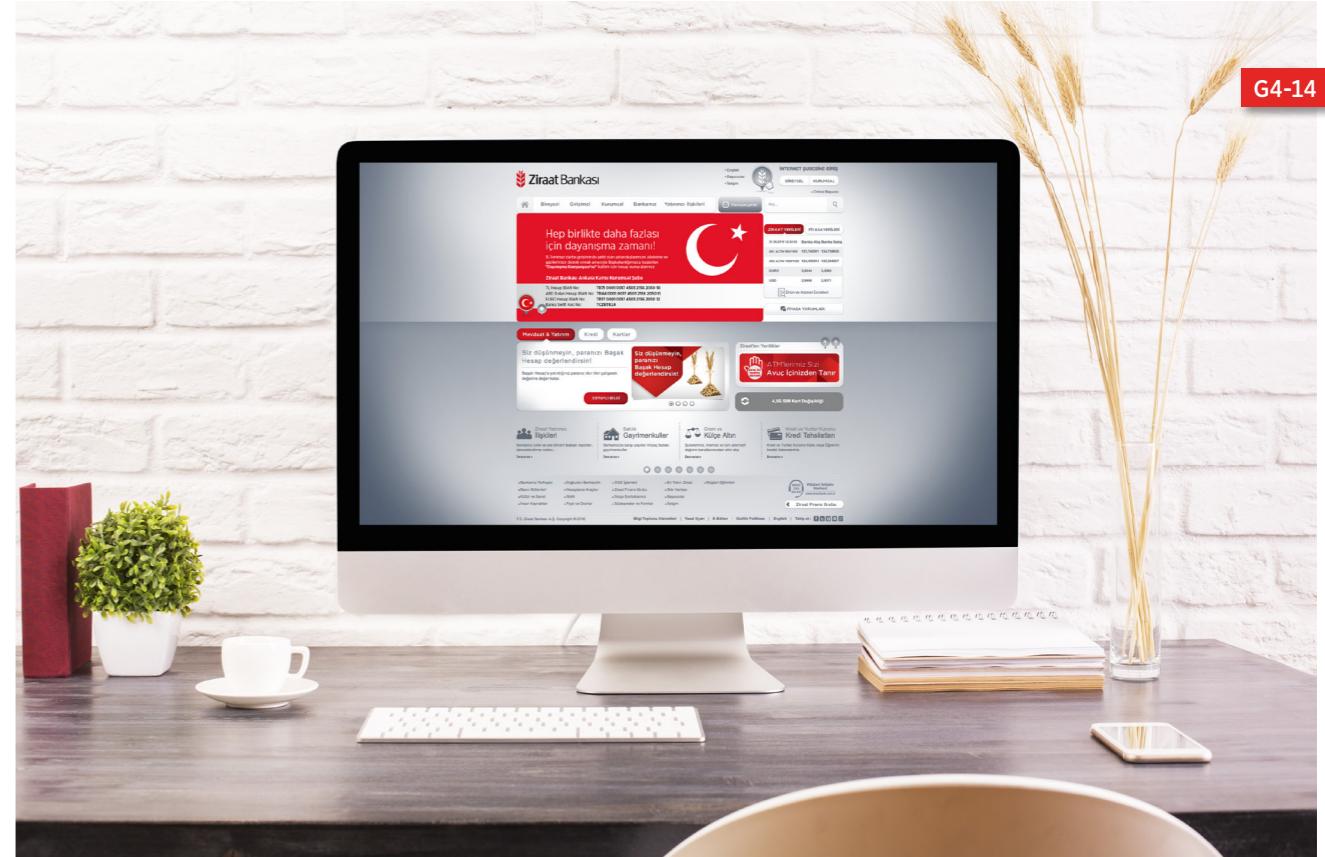
Code of Ethics and Ziraat Bank

Ziraat Bank has adopted a Code of Ethics that was prepared and published by the Banks Association of Turkey in accordance with the requirements of Article 75 of the Banking Act (Law No. 5411). As such, Ziraat Bank regards the following as core tenets:

- All Bank managers and other employees must comply with the Ziraat Bank Code of Ethics.
- The principles embodied in the Ziraat Bank Code of Ethics are embraced by all Bank personnel.
- All of the Bank's activities and operations are conducted in line with the Ziraat Bank Code of Ethics.

In keeping with the Ziraat Bank Code of Ethics and in order to safeguard the rights and interests of accountholders, to maintain financial market confidence and stability, to ensure the effective operation of deposit, credit, and payment systems, and to prevent transactions and practices that might lead to serious economic losses and also to be mindful of social well-being and environmental protection, Ziraat Bank gives consideration to the following principles:

- Honesty
- Impartiality
- Reliability
- Transparency
- Respect for social well-being and the environment
- Prevention of money laundering and terrorism-financing
- Abuse of proprietary information



Ziraat Bank Investor Relations Unit

A prominent body in the Bank's organizational structure, the Financial Institutions & Investor Relations Unit - reporting to the Financial Institutions & Investor Relations Department - is charged with managing shareholder relations in the event of a public offering of its shares, and with maintaining statutorily - prescribed transparency in dealings with shareholders. The Unit is ready to play an active role in the protection and exercise of shareholder rights, such as the right to obtain information and to research. As a result, although the Bank has not yet undertaken a public offering, it is already acting as if it has done so.

Ziraat Bank Corporate Web Site

Ziraat Bank's corporate website at www.ziraatbank.com.tr plays an important role in the Bank's public disclosure processes by providing access to up-to-date information about the Bank. Although Ziraat Bank is not a publicly-traded company, it nevertheless already complies with CMB's Corporate Governance Principles to a substantial degree. The extensive offerings of information and documents on the Ziraat Bank corporate website, published in both Turkish and English, include the Bank's trade registry information, current shareholding and management structure, Articles of Association, material event disclosures, financial statements and annual reports.

Ziraat Bank's Sustainability Policy and Sustainability Reports are submitted for the attention of stakeholders in the Sustainability Section of Ziraat Bank Corporate Website.

Ziraat Bank's corporate website at www.ziraatbank.com.tr plays an important role by providing the public with up-to-date information about the Bank.

G4-14

G4-DMA, G4-EC1, G4-EC7, G4-EC8

A STRONGER TURKISH ECONOMY

Ziraat Bank creates local employment opportunities with its extensive service network across Turkey; the Bank also supports the national economy with the expenditures it makes throughout its supply chain.

Ziraat Bank's Economic Value Chain

Economic Value Generated Directly by Ziraat Bank (TL million)

13,196.4
NET OPERATING INCOME

Economic Value Distributed by Ziraat Bank (TL million)

2,871.0
OPERATING EXPENSES

2,065.7
PERSONNEL EXPENSES

1,083.4
TAXES

291.1
DIVIDENDS

0.2
DONATIONS AND OTHER ASSISTANCE

412
TAXES WITHHELD FROM EMPLOYEES AND PAID TO THE STATE

3,288
TAXES WITHHELD FROM CUSTOMERS AND PAID TO THE STATE

In addition to its advanced product and service portfolio, Ziraat Bank has always created value for the nation as an employer and taxpayer. In parallel with its steadily rising business volume, Ziraat Bank's tax payments have climbed to TL 1,083.4 million and the Bank has a total of 25,697 individuals on its payroll.

Ziraat Bank creates local employment opportunities with its extensive service network across Turkey; the Bank also supports the national economy with the expenditures it makes throughout its supply chain. Viewing its operations as a value chain, Ziraat Bank makes direct contributions to the economy in various forms, such as employee pay, payments to suppliers, taxes to the state and dividend payments. Thanks to its sustainable business model, the Bank has consistently increased the added value it creates for these stakeholders.

A STRONGER TURKISH ECONOMY

TAXES DIRECTLY PAID BY ZİRAAT BANK

TL 1,083.4 MILLION

TAXES WITHHELD FROM EMPLOYEES AND PAID TO THE STATE

TL 412 MILLION

TAXES WITHHELD FROM CUSTOMERS AND PAID TO THE STATE

TL 3,288 MILLION

HAPPIER CUSTOMERS

CASH LOANS EXTENDED BY ZİRAAT BANK

TL 186,813 MILLION

TOTAL NUMBER OF DOMESTIC AND OVERSEAS BRANCHES

1,812

TOTAL NUMBER OF DOMESTIC AND OVERSEAS ATMs

6,573

MORE HIGHLY COMPETENT EMPLOYEES

TOTAL WORKFORCE

25,697

PROPORTION OF BACHELOR'S, MASTER'S AND DOCTORAL DEGREE GRADUATES AMONG EMPLOYEES

86%

TOTAL NUMBER OF EMPLOYEES WHO UNDERWENT TRAINING

24,460

G4-DMA, G4-EC1, G4-EC7, G4-EC8

A MORE LIVABLE ENVIRONMENT

ENERGY SAVINGS GENERATED BY THE DATA CENTER PROJECT

2,840,814 KWH

RECYCLED PAPER

1,310 TONS

NUMBER OF "SUSTAINABILITY FRIENDLY" BRANCHES

404

HIGHER LIVING STANDARDS

DONATIONS AND OTHER ASSISTANCE BY ZİRAAT BANK

TL 0.2 MILLION

ZİRAAT BANK ART GALLERIES - TOTAL VISITORS

OVER 25 THOUSAND

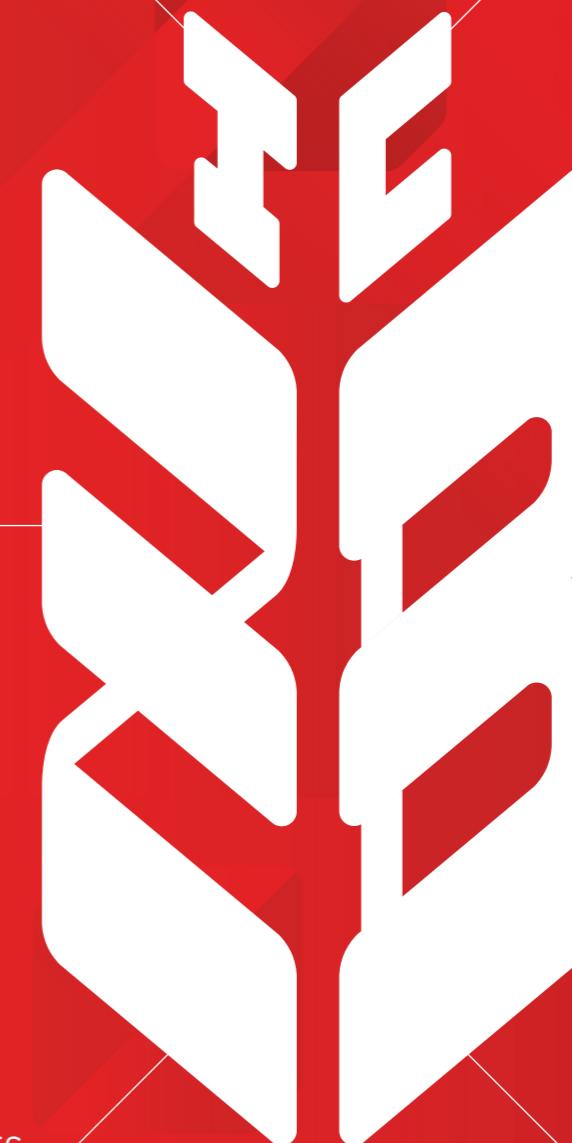
CERTIFIED HISTORICAL BUILDINGS OWNED BY ZİRAAT BANK

52

MORE SUSTAINABLE QUALIFIED SUPPLY CHAIN

TOTAL PAYMENTS TO ZİRAAT BANK SUPPLIERS

TL 504 MILLION



G4-DMA, G4-FS6

HAPPIER CUSTOMERS

As one of the most prestigious brands of Turkey's economy, Ziraat Bank continuously develops and diversifies its products and services in keeping with the principle of unconditional customer satisfaction.

Ziraat Bank demonstrates a strong performance across today's extensive social media channels.

The model of a customer-centered banking culture, Ziraat Bank has always strived to stand by its clients during its 152-year existence. Adding value to customers' lives with its diversified product and service portfolio as well as a robust and extensive service network, the Bank keeps close watch on developments in the banking and IT industries to render customer satisfaction sustainable.

G4-FS6

Ziraat Bank outperformed the competition in terms of loan growth in 2015. The Bank's total assets rose by 22% to TL 302.8 billion. Cash loans, which accounted for 62% of this total, increased 32% in 2015 while non-cash loans climbed by 47%. The Bank has bolstered its operational and financial infrastructure and used this strength to contribute to the Turkish economy.

Cash loans have risen to TL 187 billion, and the total loan volume including non-cash loans has soared to TL 247 billion.

Further information on the loan portfolio breakdown of Ziraat Bank is available in the Annual Report 2015, pages 33-40.

Productivity-Centered Change and Transformation Project

Ziraat Bank has recently implemented the Change and Transformation Project, which has yielded significant productivity increases in operations, customer relations, loan processing and policies. Ziraat Bank divides its customers into the corporate, entrepreneurial and retail customer segments. The transformation effort has greatly boosted the competence in customer satisfaction and on the loan assessment side as well. During the transformation process, the Bank segmented its customers and branches in order to offer the right value proposition at the right time. With its extensive geographic reach and high degree of customer access, the Bank delivers to customers an array of special services free of massive transactions.

Corporate Identity Studies Aimed at Consolidating Strong Brand Image

Ziraat Bank conducts regular studies to enhance its corporate identity in line with the Bank's quality standards to ensure that the brand image is perceived correctly by customers, corporate identity standards are integrated in all relevant areas, and faulty practices are prevented. To this end, all branches undergo a Corporate Identity Visual Image Audit on an annual basis.

Social Media-Centered Customer Relationship Management

Focusing on meeting customer needs and expectations through every available corporate communications platform, Ziraat Bank also demonstrates a strong performance across today's extensive social media channels. The Bank's social media accounts are handled by a team of professionals, and reach large numbers of followers with their engaging content. As of December 17, 2015, the Bank had a total of 756,846 fans on Facebook and its YouTube videos were watched 8,884,359 times.

Information on Ziraat Bank's social media accounts are presented below:

As of December 17, 2015	Facebook		Twitter		YouTube	Google+	Instagram
	The Bank	Ziraat Art					
Creation Date	13.09.2012	10.11.2010	23.05.2011	01.10.2012	05.11.2013	22.06.2015	
Likes (Facebook), Followers (Twitter), Total Views (YouTube), Total Views (Google +), Followers (Instagram)	756,846	69,972	2,518	8,884,359	436,634	24,517	
Number of Posts	747	1,697	58	40	623	79	

Ziraat Bank and SMEs

Understanding that SMEs are the driving engine of the country's fast-paced economy, Ziraat Bank enjoys a significant competitive edge against its rivals in SME Banking. With the agreement signed between the Bank and the Directorate for Development and Support of Small and Medium Scale Enterprises (KOSGEB), the Bank has started to provide interest rate discounts of up to 20% and banking transactions discounts of up to 100% to entrepreneurs. Additionally, the Bank has entered into another agreement with the Credit Guarantee Fund to support SMEs. As a result, CGF has started to offer guarantees for the loans extended by Ziraat Bank to manufacturing SMEs, non-manufacturing SMEs, women entrepreneurs, travel agencies and ship construction firms. An agreement was reached for the securitization of the product named PGS Micro SMEs Micro Loans, offered as part of the Portfolio Guarantee System. In response to new financial needs, the Pharmacy Support Package was updated with loans and other banking products under attractive terms.

Disability-Free Support Package

The Disability-Free Support Package was launched to help disabled citizens meet their own needs and contribute more to the national economy.

The advantageous banking products within this package are offered to:

- Sole proprietorships owned by disabled individuals, or commercial firms whose 10% stake belongs to disabled individuals, who document that they have a physical impairment of at least 40% but possess legal and juridical capacity,
- Companies who employ at least one disabled person more than the minimum number of disabled employees they are obliged to employ under the Labor Law,
- Firms who employ disabled individuals although they are not legally obliged to do so.

HAPPIER CUSTOMERS

G4-DMA, G4-HR1

Female entrepreneurs that need guarantee in the financing process, were offered to loan guarantees in accordance with the “Guarantee Support Agreement for Loans to Ziraat Women Entrepreneurs” signed between Ziraat Bank and the Credit Guarantee Fund.

Ziraat Bank has continued to secure loans from international financial institutions for the financing of SMEs or larger companies in 2015.

Ziraat Women Entrepreneur Support Package

In order to encourage female entrepreneurs to participate in business, Ziraat Bank has rolled out the Ziraat Women Entrepreneur Support Package. The attractive banking and/or loan products offered within this package are designed to support women entrepreneurs and are accessible to sole partnerships owned by women or stock corporations where women partners hold a stake of 50% or above. In addition, Ziraat Bank and the Credit Guarantee Fund have signed the Guarantee Support Agreement for Loans to Ziraat Women Entrepreneurs in order to offer loan guarantees to female entrepreneurs.

International Financial Institution Loans for SMEs

Ziraat Bank has continued to secure loans from international financial institutions for the financing of SMEs or larger companies in 2015. Although the loan agreements that Ziraat Bank enters into with international financial institutions contain specific provisions pertaining to environmental and social impact, general compliance with current environmental laws and regulations is a requirement of them all. Such agreements may also contain lists of businesses that are exposed to particular environmental risks and/or are not to be financed.

Environmental and Social Control of Customers

As a requirement of the lending agreements entered into with international financial institutions, SMEs that receive financing through Ziraat Bank must sign an addendum to their main loan agreement with the Bank. In this addendum, they specifically commit themselves to abide by the particular environmental and social terms and conditions stipulated by the prime lender.

During the reporting period, representatives of the international financial institutions with which Ziraat Bank collaborates conducted inspections at the Bank and at borrowers' places of business to check for compliance with such terms and conditions.

Information about the credit agreements that Ziraat Bank has entered into with international financial institutions and the borrowers these agreements apply to is summarized below.

World Bank Loans for SMEs and Larger Enterprises

Thanks to their flexible repayment terms, grace periods, and ability to serve as long-term investment financing and operating capital, World Bank credit ranks among the

best value-creating financial solution and support options that Ziraat Bank offers. In 2015, the Bank continued to supply its customers with World Bank-sourced loans.

In May 2013, Ziraat Bank signed a USD 67 million credit agreement with the World Bank under which Ziraat Bank commenced to finance the energy-efficiency investments of SMEs and larger enterprises. As per this project, Ziraat Bank began working with a consultancy to provide such customers with the technical support that they need to carry out their energy efficiency efforts, and loan allocations continued in 2015.

In 2013, Ziraat Bank signed an Enhancing SME Access to Financing Project agreement with the World Bank, under which Ziraat Bank receives USD 300 million in tranches to be allocated to SMEs both through leasing companies and via banks licensed to provide leasing products and services. These resources continued to be extended to leasing companies during 2015. While encouraging SMEs to support their growth plans through leasing-financed investments, this program had the additional benefit of giving the Turkish leasing industry access to medium- and long-term funding.

EIB Loans for SMEs and Larger Enterprises

In 2015, Ziraat Bank and the European Investment Bank (EIB) signed an agreement to supply SMEs with a total of EUR 100 million, all of which was allocated in 2015. As such, the Bank supported SMEs' growth by increasing their output, productivity, and job-creation capabilities, and also provided SMEs with operating capital and investment financing needed to undertake investments in Turkey aimed at reducing interregional disparities in economic development.

Thanks to the success of this project, a consensus was reached on transferring Ziraat Bank yet another round of funding in the amount of EUR 100 million, to be allocated to SMEs and larger enterprises.

IPARD Credit

Subsequent to these successful efforts, Ziraat Bank began exploring ways to expand the scope of its collaboration with EIB into other areas as well. As a result, a 14-year Instrument for Pre-Accession Assistance in Rural Development (IPARD) agreement was signed in 2014 to provide EUR 100 million worth of credit to finance rural development projects in Turkey.

This line of credit, set to be allocated to projects fulfilling the criteria of the Turkish Agricultural and Rural Development Support Agency (TKDK), is not only the first IPARD agreement that EIB has entered into with a bank in Turkey but is also the longest-term agreement which EIB has ever entered into with a Turkish bank. In 2015, these resources started to be extended to microbusinesses, SMEs and larger enterprises to help overcome the difficulties that rural areas have when accessing financing.

Saudi Export Program (SEP)

In 2013, Ziraat Bank secured a USD 50 million line of credit from the Saudi Export Program to finance the importation of Saudi Arabian origin goods into Turkey. Disbursements, which began the same year, continued successfully in 2015. Under this program, customers who import a wide range of goods other than petroleum from Saudi Arabia are provided with low-cost financing on repayment terms of up to three years.

German Development Bank (KfW)

Under the 10-year agreement reached between Ziraat Bank and the German Development Bank (KfW) to supply EUR 150 million in financing to SMEs that are located in rural areas or are part of the agricultural value chain, credit continued to be extended in 2015 to micro-, small-, and medium-segment clients whose businesses are based in priority-development regions, or in a few other localities stipulated in the agreement. This collaboration aims to help reduce interregional disparities in economic development and to provide medium- and long-term financing support to enterprises involved in the agricultural value chain.

French Development Agency (AFD)

In December 2014, Ziraat Bank signed a 12-year agreement with the French Development Agency (AFD) to supply a total of EUR 100 million in financing to agricultural SMEs that process animal-source foods.

Under the terms of the agreement, which aims to ensure end-consumers access to safe and wholesome food, loans are being provided to SMEs engaged in the non-primary (i.e., other than animal husbandry) aspects of animal-source food production. The objective is to finance modernization projects that will bring them into compliance with EU hygiene and environment standards and with the requirements of Turkish law governing veterinary services, plant health, food, and feed (Law No. 5996).

HAPPIER CUSTOMERS

In order to support the agricultural sector, Ziraat Bank offers financial supports under special conditions to various business lines.

Loan agreements executed with the World Bank stipulate that the sub-projects formulated for loan allocation should not lead to the forced migration of any individuals.

Council of Europe Development Bank (CEB)

In 2014, a 7-year agreement was signed with the Council of Europe Development Bank (CEB) to provide a total of EUR 100 million in credit, EUR 50 million of which will be allocated through Ziraat Finansal Kiralama A.Ş. This funding initiative aims to help micro-, small-, and medium-sized enterprises create new jobs and protect existing ones. Other goals of the effort include creating a positive social impact and supporting the

leasing industry. Under this project during 2015, EUR 50 million in funding was transferred to the Bank - of which EUR 25 million was allocated to Ziraat Finansal Kiralama A.Ş. - and the financing of appropriate projects began.

In 2016, Ziraat Bank plans to allocate operating capital and investment financing to SMEs and larger-sized enterprises upon the signing of the European Investment Bank SMEs and Larger Enterprises Loan II-B Tranche Project agreement.

Disbursement status of lines of credit provided by international financial agencies (As of December 31, 2015)

Agency	No. of SMEs Involved
World Bank	584
EIB	577
EIB-IPARD Project	538
KfW	5,404

The loan projects conducted jointly by Ziraat Bank and international financial institutions do not include provisions on human rights. Loan agreements executed with the World Bank stipulate that the sub-projects formulated for loan allocation should not lead to the forced migration of any individuals. In other words, the loan project should not result in the expropriation of any tracts of land owned by such individuals.

AGRICULTURAL SECTOR

Customer-Friendly Solutions in Agricultural Banking

As Turkey's oldest agricultural bank, Ziraat Bank allocates operating and investment loans to support agricultural production and other financing requirements of its customers active in this key sector.

Financing Facilities for Each Area of Production

In order to best support the agricultural sector, Ziraat Bank provides specific financing facilities with customized terms for each area of production. All financial instruments are designed according to the concerned production area's features, investment process, operation cycle and sector-specific dynamics, with convenient maturity and repayment terms. The Bank now allocates specific funds in close to 265 different areas of production which are separated from each other in technical terms. Furthermore, the projects by those investors willing to enter into brand new production areas are also analyzed by technical teams and provided financing based on the results of the analysis.

Ziraat Bank aims to provide liquidity to those clients who continue to engage in agricultural production yet experience or are expected to experience delay or difficulty in loan repayment due to the disruption of their cash flow by natural disasters, increased costs and reduced revenue. To do so, the Bank not only restructures their loan debt over a longer period, but also allocates them with additional operating capital to ensure that they can continue agricultural production.

Agricultural Financing Loan of TL 35.8 billion

Through collateral, equity capital and pricing advantages, Ziraat Bank makes it easier for farmers who market their produce through farmers' unions and cooperatives to secure loans. As such, the Bank encourages farmer clients to join an agricultural organization and thus improve market pricing and access better storage facilities. As of year-end 2015, Ziraat Bank's loans for financing agriculture totaled TL 35.8 billion, with more than 634 thousand loan customers.

Low Interest Rates for Agricultural Loans

In line with its mission of supporting agriculture and in accordance with applicable regulations, Ziraat Bank has extended loans to its agricultural customers at interest rates varying between an annual 0% and 8.25% under subsidies for different production areas. In 2015, Ziraat Bank allocated a total of TL 16.4 billion in loans at low interest rates to 301,917 agricultural producers and enterprises.

Başakkart Facilitates Loan Allocation

With the aim of supporting its customers, Ziraat Bank has enabled them to obtain agricultural loans with their Başakkart. During 2015, 239,000 customers charged TL 4.9 billion out of their aggregate TL 6.4 billion agricultural credit limit using Başakkart. In addition:

- Ziraat Bank intermediated in state support payments worth TL 9,148 million to a total of 4,135,899 producers and their unions,
- The Turkish Grain Board (TMO)'s product purchase payments worth TL 3,053 million,
- In the Turkish Sugar Factories' advance or purchase payments for sugar beets worth TL 749 million.

While Ziraat Bank loans to the agricultural sector totaled TL 35.8 billion as of year-end 2015, the total number of loan customers exceeded 634 thousand.

HAPPIER CUSTOMERS

G4-FS7

Ziraat Bank aims to support those enterprises which create high-value-added products that boost Turkey's competitive edge in foreign trade.

In 2015, Ziraat Bank participated in sector-wide events in order to support the activities of increasing financial awareness.

Always Standing by the Farmer

Aside from its Fixed-Rate Tractor Financing Loan, the Bank carried out various efforts to support enterprises to invest in machinery and respond to customer demand. As a result, the Bank provided clients with loans to purchase used combine harvesters, silage cutters, cotton harvesters and beet harvesters. In 2016, in line with national agricultural policies and strategies, Ziraat Bank will provide financing to establish and modernize enterprises enjoying economies of scale and employing cutting-edge technologies, and to support enterprises which produce high-value-added products that will turn Turkey into a net exporter.

In this respect, the Bank plans to focus on:

- Investment projects that will create added agricultural value and respond to the country's urgent demands;
- Projects to boost agricultural enterprises' capacity to store, process, package and market their produce;
- Modern pressurized irrigation investments which will allow for more efficient use of water resources;
- Enterprises' access to machinery;
- Contract farming projects which contribute to agroindustry-producer integration;

- Financing products such as safflower, high oil yield sunflower, colza, canola, cotton seed, soya, sesame, high oil yield olive, and the like so that Turkey can keep abreast of agricultural change and development, translate its ecological advantages into economic gain, and increase the share of high-value-added products.

Efforts to Raise Financial Awareness

In 2015, Ziraat Bank continued to participate in agricultural events to expand financial awareness. The Bank took part in 11 fairs and sponsored 10 events organized by various farmers' unions and cooperatives. The Bank also organized various events for the farmers' unions active in the agriculture sector, with the attendance of about 2,000 participants. At these events, presentations were made to improve the financial literacy of attendees.

Agricultural Insurance

The number of agricultural insurance policies issued through TARSİM increased 27% to 1,375,390 in 2015, while total premium production went up 41% year-on-year to TL 965,772,197. As per the Council of Ministers resolution covering these years, individuals who obtain Ziraat Bank's subsidized loans for real persons engaged in agriculture must have agricultural insurance policies for the products in question. Ziraat Sigorta, Ziraat Bank's subsidiary established to protect the agriculture sector against risk, maintained its leading position in agricultural insurance in 2015. A 62% rise in Ziraat Sigorta's crop insurance premium production made the most important contribution to the sector's performance in 2015. Ziraat Sigorta accounted for 46% of TARSİM's total premium production.

Project Finance

In keeping with its customer-centered business model, Ziraat Bank offers customers appropriate and value-creating financial solutions. The Bank conducts its project finance operations to create added value for Turkey and to help its customers gain a sustainable financial competitive advantage, in light of environmental and social matters. Infrastructure projects - such as airports, highways and bridges - that bolster the national economy and create jobs, as well as renewable energy projects are all assessed by the Bank through this approach.

Environmental and Social Risk Assessment of Credit Agreements

As part of its project finance activities, Ziraat Bank conducts environmental and social impact assessments and draws up specifically-termed lending agreements as particular circumstances may require.

Change in Agricultural Insurance Premiums and Policies in Turkey

Premium Market Share	Net Total Premiums (TL)		Net Total Policies	
	Industry	Ziraat Sigorta	Industry	Ziraat Sigorta
Year-End Year-End 2014	Change (2014- 2015)	Change (2014- 2015)	Change (2014- 2015)	Change (2014- 2015)
45%	46%	41%	44%	27%
				30%

When considering a project finance application, Ziraat Bank requires an approved environmental impact assessment (EIA) report, if the project is subject to an EIA, or else an official ruling that such a report is not necessary. The Bank also requires that all of the licenses and permissions required by a project be obtained from the authorities concerned and be submitted to the Bank for its own inspection. In situations where this documentation is not forthcoming, the absence is noted in the Bank's reports; it is emphasized that this deficiency must be taken into account when making any decision to lend.

As of year-end 2015, Environmental Consultants are employed for 10 active projects. Whenever Ziraat Bank is involved in the financing of a project being undertaken by a consortium of which the International Finance Corporation (IFC) or European Bank for Reconstruction and Development (EBRD) are members, the project documentation includes investors' pledges to abide by IFC performance standards and the Equator Principles as may be applicable. In such cases, compliance with these additional criteria is monitored and reported on by Technical and/or Environmental Consultant Reports.

During 2015, there were no reported instances of any contraventions of such criteria.

Renewable Energy Projects for Sustainable Development

Turkey's existing energy resources are insufficient to meet demand and this significantly increases the country's dependence on energy imports. In addition, the present intensive use of fossil fuels results in environmentally harmful emissions, besides being expensive and subject to rapid resource depletion. For these and other reasons, increasingly greater attention is being given to renewable energy resources and to the technologies needed to exploit them. In line with such considerations, Ziraat Bank provides financing support to renewable energy projects and develops financing packages under convenient terms for small-scale enterprises to reduce dependency on imported energy and to support sustainable economic growth through the use of locally-available resources.

Environmental and Social Commitment Obligation for Customers

Conducting all its operations in light of environmental sustainability principles, Ziraat Bank finances active energy projects which yielded the following environmental, social and economic benefits in 2015:

- The reduction of foreign dependence in energy and creation of local job opportunities through energy projects.
- As clean and sustainable energy sources, renewable energy projects reduce fossil fuel consumption and greenhouse effect.

HAPPIER CUSTOMERS

G4-FS8, G4-FS10, G4-FS11

Ziraat Bank intermediates in the payment of World Bank Energy Efficiency Loans and international financial institution loans.

As of year-end 2015, three projects include a commitment to plant trees.



In Ziraat Bank agreements, customers commit to complying with environmental and social obligations as prescribed by applicable laws, rules and regulations. The agreements are deemed void in case of a failure to fulfill these commitments. Customers' commitments are monitored on a regular basis by means of periodic reports issued by environmental consultants or investors.

As of year-end 2015, three projects include commitments to plant trees. One of these projects features a commitment for the forestation of a 5,000-hectare area (a minimum of 10 million trees) as part of the Environmental and Social Action Plan. During the loan maturity period of another initiative, 5 million trees will be planted in the first five years, and a total of 10 million trees by the end of 10 years, within the area to be

affected by the facility. According to the commitment in another project, a 2,940-hectare tract of land will be covered with 3,381,000 trees.

Efficient Financing Facilities for Energy Projects

As of December 31, 2015, the loans allocated to the energy industry totaled TL 11 billion. According to BRSA data, Ziraat Bank accounts for 7.2% of total loans disbursed to the energy industry as of the referenced date. Of this total, TL 7.5 billion is cash and TL 3.5 billion is non-cash loans. Financing support is delivered with success, in light of the different energy investment types and projects. In addition, the Bank also intermediates in the payment of the World Bank's Energy Efficiency Loans and international financial institution loans.

7.2%

ACCORDING TO BRSA DATA, ZİRAAT BANK ACCOUNTS FOR 7.2% OF LOANS EXTENDED TO THE ENERGY INDUSTRY.

Environmental and Social Risk Assessment

Ziraat Bank applies the following criteria to evaluate environmental and social risks in the enterprise assessment process:

Ziraat Bank checks for the presence of "best agricultural practices" and "organic agriculture" in agricultural models; their presence has a positive effect on the customers' risk rating.

As for manufacturing firms, the criterion dubbed "The Plant's Appropriateness for Area of Production" stipulates that "Firms which operate without treatment units, filtered chimney systems or similar environmental measures despite the legal requirement to do so, will be given a negative score in this criterion."

As for the agricultural and manufacturing sectors, the Bank evaluates the environmental impact of the production/manufacturing processes, whether these processes have been designed for sustainability, and the appropriate of the project location. Necessary action is taken with regard to the projects that do not comply with the stated criteria, based upon the investment monitoring reports issued before and after financing.

Value Created for Public Agencies

Having positioned itself as the main distribution channel for the state's social policy programs, Ziraat Bank intermediates in large-scale payments by different public agencies and institutions in every accounting period.

Agricultural Support Payments

Ziraat Bank performed 4,137,228 agricultural support payments totaling TL 9,170 million in 2015.

Home Ownership Assistance Payments

In 2015, Ziraat Bank handled TL 1.2 million worth of Home Ownership Assistance Payments for 8,561 beneficiaries.

Employee Savings Incentive Payments

Ziraat Bank intermediates Employee Savings Incentive Program payments on behalf of the Treasury in accordance with principles and procedures set forth in applicable laws, rules and regulations. In 2015, the Bank paid a total of TL 179.7 thousand to 260 beneficiaries in this area.

Social Security Benefits

Ziraat Bank also collaborates with public agencies and institutions for the payment of salaries and other monthly transfers. In 2015, the Bank processed 56,476,412 social security transfer payments worth a total of TL 67.5 billion; 790,258 salary/monthly transfers worth a total of EUR 323.5 million; and 4,873,261 other transfers worth a total of TL 12 billion. Additionally, the Bank effectuated 16,226,496 payments worth TL 5.2 billion to students for the Scholarship and Dormitory Agency (KYK) and 179,802 additional payments worth TL 789.5 million.

G4-DMA, G4-HR1

Ziraat Bank collaborates with public agencies and institutions in the payment of salaries and monthly transfers.

9,170

TL Million

ZİRAAT BANK EFFECTUATED A TOTAL OF 4,137,228 AGRICULTURAL SUPPORT PAYMENTS WORTH TL 9,170 MILLION IN 2015.

HAPPIER CUSTOMERS

Ziraat Bank boasts over 33 million retail customers as of year-end 2015, and focuses on meeting customer needs and expectations in an efficient manner.

In 2015, Our Bank maintained its successful activities aimed at the diversified needs and tendencies of different retail banking segments, customer-focused activities process improvements and legal compliance measures.

1.03

Million

THE BANK'S MOBILE BANKING CUSTOMER BASE EXPANDED BY 154% - UP FROM 404 THOUSAND TO 1.03 MILLION-AS OF YEAR-END 2015.



RETAIL SERVICES THAT MAKE A DIFFERENCE

In order to respond to the needs of different customer groups with optimal products and services via optimal channels, Ziraat Bank makes use of a comprehensive distribution network that includes branches, ATMs, Internet banking and mobile banking, as well as call center services.

Steady Increase in Mobile Banking Customers

Ziraat Bank's Internet Banking customer numbers went up 64% over the prior year to 6.3 million. The Bank's mobile banking customer base expanded by 154% - up from 404 thousand to 1.03 million - as of year-end 2015.

"Get an Appointment" App

In line with its unconditional customer satisfaction principle, the Bank regularly introduces innovative practices, one of which is the "Get an Appointment" app that rolled out in 2015. The app allows Ziraat Bank customers to schedule an appointment from the branch of their choice at the most convenient time for them, via their mobile devices, without having to visit the branch in advance.

Special Solutions for Salary-Payment Customers

Within the retail banking business, efforts targeting the needs and expectations of various retail banking segments, customer-centered activities, process improvements and legal compliance initiatives continued with success in 2015. In consideration of the different product experiences of customers whose pension and salary payments are intermediated by Ziraat

Bank, the Bank created the BiZ (US) Product Package, Pensions BiZ (US) Product Package, Employees BiZ (US) Product Package to foster customer loyalty via the ownership and active use of products.

Special Card for Student Loans

To customers who receive scholarships or student loans from the Scholarship and Dormitory Agency (KYK), Ziraat Bank offers the Young Bankcard with Credit Card Features, which blends the features of debit and credit cards. As such, the Bank not only presents an eco-friendly product that combines two functions in a single card, but also allows students registered with KYK to withdraw up to TL 350 without interest or fee expense when the account balance is insufficient, under the scheme Advance Allowance.

Ziraat Mobile Branch and Mobile ATMs Expand Out

Doing its utmost to stand by customers whenever they have an urgent need, Ziraat Bank delivers additional services via five Mobile Branches and one Mobile ATM to specific regions during peak seasons, as of year-end 2015.

Special Projects for Retail Customers

Ziraat Bank continued to design customized projects for the diversified needs of retail customers in 2015. Some of these projects include:

- Signing of 28 new projects as part of Housing Development Projects;
- Launch of www.evinziraatten.com which specializes in mortgage finance;
- Addition of Urban Transformation Purchase/Construction/ Reinforcement Loans in the product portfolio;
- Various discount campaigns for those customers who receive their pension from Ziraat Bank as part of the "Retirement Plus at Ziraat" customer loyalty program in collaboration with various companies from different industries.

Measures to Boost Disabled Customers' Financial Access

In line with its sustainability approach, Ziraat Bank expends systematic efforts to help its disabled customers access products and services with ease. Under the Disabled Access tender, the following measures were taken at 375 branch locations and successfully integrated within the Ziraat Bank concept:

- Installation of tactile pavement indoors and outdoors for visually impaired customers;
- Help button at branch entrance for disabled citizens;
- Bulletin boards with Braille Alphabet on branch doors.

As part of branch modernization projects conducted by contractor firms, disabled-friendly toilets, elevators and ramps were installed in branches.

At strategic locations such as Ankara and Istanbul, 15 specially designed ATMs were installed for individuals with physical impairments. Ziraat Bank plans to redesign its web site and Internet Banking business to facilitate the access of visually impaired customers.

The Bank aims to expand across the service network such efforts to offer disabled customers easy access to branch, ATM and Internet Banking services, and ensure that individuals with visual as well as physical impairments can access ATM services. Significant progress was made in the initiative to set up at least one disabled-friendly ATM in each province in the country. A special chat channel will be established in 2016 to allow customers with hearing impairment to access the call center.

Ziraat Bank makes use of an extensive distribution network - including branches, ATMs, the Internet and mobile banking apps and the call center - which responds to the needs of different customer groups with the right products and solutions via the right channels.

G4-FS14

HAPPIER CUSTOMERS

Ziraat Bank places a special emphasis on boosting SME financial literacy, and thus employs numerous corporate communication channels to share its expertise and know-how in this area with SMEs.

Ziraat Bank conducts special financial literacy activities for its employees and customers.



FINANCIAL LITERACY

With the belief that all social groups must broaden their financial literacy to contribute to sustainable development, Ziraat Bank not only develops customer-centered products and services but also conducts special financial literacy activities for its customers. Ziraat Bank places a special emphasis on enhancing SME financial literacy, and thus employs numerous corporate communication channels to share its expertise and know-how in this area with SMEs. Sales units in charge of the branches conduct periodic visits to branches and client sites to provide financial literacy training to branch personnel as well as customers.

Meetings in Organized Industrial Zones

In order to ensure that the energy efficiency financing allocated to Ziraat Bank by the World Bank will be used in the correct manner, a consultancy provided one full day of training to employees working in the "Entrepreneurial" and "Entrepreneurial-Dynamic" branches of Ziraat Bank. After the training, the staff members were asked to pay a visit and provide information to the customers who may be interested in the program. To raise the energy efficiency awareness of companies operating in the Organized Industrial Zones, meetings were organized at both the Sincan and Adana organized industrial zones, with the participation of 200 clients. In addition, an agreement was reached with KOSGEB in 2015 pertaining to the effort entitled "Transformation of the Inefficient Electric Engines Used in the Kayseri Organized Industrial Zone."

ZİRAAT BANK PARTICIPATES IN PUBLICATIONS FOR RAISING CITIZENS' FINANCIAL AWARENESS AND ALSO SPONSORS EVENTS ORGANIZED TO THIS END.

Special Announcements for Shopkeepers and Artisans

Ziraat Bank participated in the Shopkeepers and Artisans Council - Credit and Finance Commission meetings held by the General Directorate of Shopkeepers and Artisans, as a member of the Banks Association of Turkey. The Bank provided detailed information on the Banks Association of Turkey's training programs for SMEs and on web sites featuring information on Ziraat Bank products. The Bank web site has been redesigned to make it easier for SMEs to access the information they need. The Entrepreneur section in the web site now features comprehensive information on the products and services that SMEs need, including loans, investments, deposits, foreign trade and cash management.

Sponsorship Support for the Popularization of Financial Literacy

Ziraat Bank participates in publications for raising citizens' financial awareness and also sponsors events organized to this end. Ads are placed in various business magazines and publications to promote the Bank's products; in addition, the Bank sponsors a number of TV programs on business themes. Ziraat Bank's Senior Management participated in numerous activities as speaker or panelist in 2015, while key messages were given to wider audiences via newspaper or magazine interviews related to the importance of financial literacy.

E-Training of Children and Youth

The issue of savings gains in importance day by day across the world, and is emphasized by Ziraat Bank as a critical topic as well. The Bank plans training programs to raise children's awareness on the importance of savings and helps them learn more about this issue while having lots of fun.

The Bank's web site features e-training schemes such as Money-Bank Island, Savings Island, Credit and Credit Card Island and Budget Island. These serve to inform young individuals on the relationship between money and banks, the functioning of banks, Internet and telephone banking, credit and credit cards, as well as the prudent use of resources such as money, electricity and water.

E-Training Schemes for Farmers and Other Customers

In line with its founding mission, Ziraat Bank conducts financial literacy campaigns - aimed at the agricultural sector-long one of its strategic priorities. Farmers participate in training schemes that focus on a wide range of issues, from proper irrigation techniques to agriculture insurance. Meanwhile, the Bank has designed the e-training program "How Does the Credit Card System Work?" This is an informational, instructive program designed for all Ziraat Bank customers that focuses on the importance both of credit cards as an essential part of everyday life today and using them wisely.

Marketing Communication in Line with Ethical Principles

In today's world, marketing communication tools, including social media, have become the main communications channels between service provider and customer. For service providers, marketing communication allows an increase in productivity and the delivery of a maximum amount of benefits to society.

Having adopted marketing communication with due respect for the competition as a core principle, Ziraat Bank focuses on delivering customers accurate, up-to-date and objective information in all its marketing communication and promotional activities.

Ziraat Bank's Marketing Communication Principles

- Ensures that the advertising it publishes is both legal and compatible with the rules of fair competition;
- Remains mindful that its marketing communication approach and conduct is responsible, principled, and honest;
- Takes pains to ensure that its marketing communication embodies nothing that is contrary to its country's and its culture's generally-accepted rules, customs, and practices;
- Gives attention to designing its marketing communications in such a way as neither to abuse its customers' trust nor to take any advantage of their lack of experience or knowledge;
- Takes care about timing and conveying messages that might influence customers' product and service purchasing decisions in ways that are proper, not misleading, and understandable.

In line with these principles, Ziraat Bank ensures that all aspects of the preparation and production - including photography, campaign slogans, visual design, and imagery - of all advertising materials that are needed and will be used to promote the Bank itself, or its subsidiaries within Ziraat Finance Group, or each and every one of their products or services is properly coordinated with the advertising agency.

Marketing Communication with a Sponsorship Focus

As part of its marketing communication efforts, Ziraat Bank sponsors events which uphold the benefit of the society. During the reporting period, there were no instances of any Ziraat Bank advertisement, publicity or sponsorship activity being in contravention either of mandatory marketing communication regulations or of its own voluntarily-adhered to rules.

G4-DMA, G4-PR7

MORE HIGHLY COMPETENT EMPLOYEES

Ziraat Bank creates significant value added for the Turkish economy by offering attractive job opportunities to young professionals, as well as generating significant numbers of local employment opportunities.

Ziraat Bank is the corporation of the Turkish banking sector that employed the highest number of professionals holding Master's and doctoral degrees.

3,486
New Hires

**ZİRAAT BANK RECRUITED
3,486 NEW STAFF MEMBERS IN 2015.**

Ziraat Bank sees its highly competent and qualified workforce as one of the core components that helps it sustain a special and privileged position in the banking industry. The Bank continuously offers opportunities for professional and personal advancement to its employees - the representatives of its values - to stay ahead of the competition. As the Turkish bank with the most extensive service network, Ziraat Bank creates significant value added for the Turkish economy by offering attractive job opportunities to young professionals, as well as generating significant local employment opportunities.

Key Human Resources Indicators

- As of December 31, 2015, Ziraat Bank had 25,697 personnel on its payroll.
- Ziraat Bank recruited 3,486 new staff members in 2015.
- Some 86% of Ziraat Bank employees have a university Bachelor's degree or higher academic qualifications.
- The average age of the Bank's employees is 34.5, and average length of service is 10.5 years.
- Ziraat Bank is the corporation of the Turkish banking sector that employed the highest number of professionals holding Master's and doctoral degrees.

Transparent Recruitment Process Focused on Skills and Experience

Every year, Ziraat Bank conducts a review of its staffing requirements. Available positions and the qualifications required for them are published on the Bank's web site and in the human resources sections of national newspapers.

Candidates who fulfill the criteria for participating in recruitment exams are asked to complete the application process. Subsequently, they participate in these exams prepared in collaboration with specialist institutions. Candidates who pass the recruitment exams with success are invited to interviews; those who pass the interview are hired. Signing the Ziraat Bank Code of Ethics is one of the requirements of new recruits.

Individual Performance Management System with Corporate Targets

Ziraat Bank's Individual Performance Management System is designed to measure at regular intervals the individual success and ranking of employees based on objective, quantifiable data and previously-specified parameters. This system was developed and launched in 2013 to reward superior performance. Its primary function is to boost the effectiveness of sales personnel. The system was set up to allow personnel

to be rated in two different ways based either on their numerical performance or on their competencies. Numerical performance is an expression of the degree to which an employee's performance conforms to the strategic targets as measured by objective criteria. The system assesses indicators related to customer focus, profitability, productivity and risk management.

In the implementation of this system, a current bonus budget was allocated taking into account the Bank's profitability and operational results with the provision that their total amounts not exceed 8% of the Bank's aggregate monthly salary payments. This allocation is paid out to recipients as an individual performance bonus at three-month intervals along with their February, May, August, and November salaries based on objectively defined and numerically expressible specific criteria. This system has been set up to focus mainly on marketing in line with the Bank's strategies and targets. Bonuses are calculated to supplement the earnings of those who contribute more to the realization of those strategies and targets. The bonus payments are made to staff according to:

- Branch segment and scale group,
- Rankings that have been determined according to individual performance report cards in line with the numerical performance measurement results at three-month intervals,
- It is distributed on the basis of performance bonus coefficients to the employees.

Ziraat Bank aims to award employees' individual achievements in line with corporate strategies to motivate them and boost their corporate engagement. The Bank aims to expand the performance management system in place to include head office units.

Individual Performance Management System Basic Criteria

- As of fourth quarter 2015, 75.1% of all Ziraat Bank personnel participated in the Bank's individual performance evaluation and management system.
- An analysis of the field staff subject to the Bank's individual performance evaluation and management system as of fourth quarter 2015 reveals that:
- Some 52% were employed in the Marketing Group and 48% were employed in Operations Group positions; 54% of Operations Group field personnel were male and 46% were female; 63% of Marketing Group field personnel were male and 37% were female.
- Of the employees who participated in the individual performance management system as of fourth quarter 2014, 44% were male and 56% were female.

Competency-Based Performance Management

As for the numerical performance assessment process, the fields (coordinatorships, regions and branches) and personnel (portfolio and operations departments employees), as well as the Firm Analysis, Project Analysis and Operations Center Departments on the Head Office side successfully underwent individual performance measurement in 2015. Within Competency-Based Performance Management, the assessment system was shaped according to competencies on the basis of job assignment and

department, and the relevant design and software development efforts were completed. Subsequently, two pilot schemes were launched in 2015. System and technical infrastructure improvement efforts will continue in 2016, according to the results of these pilot schemes and the suggestions collected through surveys with participants.

In line with its people-centered human resources policy, Ziraat Bank strives to ensure that employees are placed in positions that best suit their skills in order to reach job satisfaction. In the same vein, the Bank figures among a handful of banks which promote their managers from within their own ranks. In keeping with its horizontal organizational structure, the Bank continues with its job assignment scheme in career management. In addition to the titles, which show their professional ranking, employees are also given a job assignment according to their duty, the customer segment in question, and the distinction between marketing and operations.

Secret Customer Program

The Secret Customer Program was introduced in 2014 and is now repeated every year in order to obtain additional performance evaluation input. This is achieved by determining such issues as the degree to which employees comply with business targets and standards, the adequacy of the staff's efforts to acquire new customers for the Bank, and how effective personnel are in imparting their product knowledge to customers. The results of the four coordinated quarterly (three-monthly) Secret Customer Program performance evaluations that were conducted during 2015 were compiled in reports. These were sent out to appropriate units of the Bank for their information. The program is scheduled to continue until year-end 2016.

G4-DMA, G4-52, G4-53,
G4-DMA, G4-LA3

MORE HIGHLY COMPETENT EMPLOYEES

Ziraat Bank reviews the remuneration of employees and managers at the end of every year for the coming year.

A two-year collective bargaining agreement reached with the Öz Finans-İş trade union went into effect as of January 1, 2015.

AT ZİRAAT BANK, EMPLOYEES' RIGHTS AND SALARIES ARE DETERMINED ACCORDING TO THEIR TITLE AND JOB ASSIGNMENT, AND NO DISCRIMINATION IS MADE BASED ON GENDER.

Management Trainee Program

The Bank continued to cultivate future managers with training seminars held as part of the Management Trainee Program, which is designed to help meet Ziraat Bank's demand for managers. Personnel who have reached the authorized job assignment level and whose participation in the Ziraat Bank Management Trainee Program in 2016 is deemed successful will continue to be appointed to branch and Head Office manager positions as needs arise.

Under the promotions program in 2015, 20% of Ziraat Bank employees took part in written examinations and/or interviews to be promoted to a higher position. A total of 3,196 employees were successful at these exams; over 3,300 staff members in total received a promotion to a higher position in 2015. The Bank will continue to enrich the career opportunities of employees through promotions in titles as well as job assignments.

Remuneration Committee

The Ziraat Bank Remuneration Committee is responsible for monitoring and supervising remuneration practices on behalf of the Bank's Board of Directors. The committee reviews remuneration policies and practices in order to determine their compatibility with

the Bank's code of ethics, strategic objectives, and risk management principles. It makes recommendations concerning these areas to the Board of Directors at regular intervals.

The remuneration paid to the Bank's CEO and Board Members is decided upon at each year's General Assembly Meeting. Such payments are determined in line with a proposal that is made by the representative of the Undersecretariat of Treasury.

Remuneration Practices

Ziraat Bank reviews the remuneration of staff and managers at the end of each year for the coming year. The salary system was designed according to the new work model and implemented in 2013. It has continued with various revisions.

At Ziraat Bank, employees' rights and salaries are determined according to their title and job assignment, and no discrimination is made based on gender.

Collective Bargaining Agreement

A 2-year collective bargaining agreement reached with the Öz Finans-İş trade union went into effect as of January 1, 2015. Members of the Öz Finans-İş trade union enjoy a number of additional rights that include supplementary payments in their monthly salary and leave time.

The contract also specifies notice periods that must be complied with when work agreements are to be terminated by the employer or by an employee.

Some 83.9% of Ziraat Bank personnel are union members and the salary increases for 2015 were in line with the Collective Bargaining Agreement.

Comprehensive Employee Rights

Private Pension Scheme

A group pension scheme to which the employer also contributes went into effect for Ziraat Bank personnel as of January 1, 2013. This scheme is managed by Ziraat Hayat ve Emeklilik A.Ş. Under the original terms of the agreement, Ziraat Bank agreed to pay an employer's contribution of not more than 3% of a participating employee's gross monthly salary, provided that the employee did the same, except that in neither case could the contributions be less than TL 100 a month.

As of January 1, 2014, the employer's monthly contribution was fixed at a flat-rate of TL 50 while the matching employee contribution requirement was abolished. The employer's contribution was increased to TL 100 per month as of January 1, 2015. Under the terms of the same pension scheme, Bank personnel and their relatives who sign up for the plan do not have to pay entrance or administrative fees; in addition, they qualify for a management fee discount.

Overtime

In principle, staff members are expected to complete a regular day's work within regular working hours. In 2014, a system was introduced at the Bank that enables the overtime that branch and regional unit personnel log to be tracked methodically; the

system continued in 2015. The Bank has started to monitor units and personnel who perform overtime work in order to minimize overtime.

Healthcare and Benefits

Ziraat Bank employees who are not civil servants and their family members qualify for regular Social Security Agency healthcare and benefits. In addition:

- Principles and procedures have also been laid out that allow additional healthcare benefits to be paid to them out of Ziraat Bank's budget subject to allocations authorized by the Board of Directors,
- Bank personnel who are members of the TZH Vakfı Health & Pension Fund receive healthcare payments from the budget in line with the fund's rules and principles.

The Bank has also entered into special agreements with healthcare providers, such as hospitals, medical imaging centers, and doctors' offices, where its employees qualify for discounts. Information about such locations is accessible to all staff via the Bank's internal communications channels.

Employee Leave

Ziraat Bank employees' paid annual leave entitlements are subject to the general provisions of the Labor Law governing such matters. Union-member employees who have worked for the Bank for less than five years qualify for 14 rather than 16 days of paid annual leave. The Bank duly revises its Human Resources Regulations in line with the legislation in effect. Union-member employees who have worked for the Bank for less than five years qualify for 16 rather than 14 days of paid annual leave.

Ten days of this leave must be taken as a single, uninterrupted block of time and announcements concerning this rule are made regularly. Staff use of their leave time is tracked closely.

A group pension scheme to which the employer also contributes went into effect for Ziraat Bank employees as of January 1, 2013.

SOME 83.9% OF ZİRAAT BANK EMPLOYEES ARE UNION MEMBERS AND STAFF SALARY INCREASES FOR 2015 WERE IN LINE WITH THE COLLECTIVE BARGAINING AGREEMENT.

MORE HIGHLY COMPETENT EMPLOYEES

Offering its staff continuous personal and professional development opportunities, Ziraat Bank provided average in-class training of 22.97 hours per employee to a total of 24,460 personnel in 2015.

Professional skills training was provided to 921 vocational high school and 24 university students in the academic year 2015-2016 while 2,513 university students participated in the Bank's internship program.

Continuous Employee Training Programs

Offering its staff members continuous personal and professional development opportunities, Ziraat Bank provided average in-class training of 22.97 hours per employee to a total of 24,460 personnel in 2015.

Ziraat Bank conducted training activities in the following categories in 2015:

- “Management Trainee Program Training (YÖNAP),” which is given to personnel who have reached the authorized level in order to prepare them for management-level positions;
- “Development Training,” which is offered to employees to satisfy the training requirements of the Bank’s goals and strategies or to inform them about new products and services or about changes in the legal framework;
- “Banking School & Orientation Training,” which is given to newly recruited personnel to introduce them to the Bank, to help them adapt to the corporate culture, and to equip them with basic knowledge and skills;
- “Mandatory Training,” which is provided to employees as mandated by law;
- “Licensing & Certification Training,” which is provided to employees to help them prepare for national and international licensing and certification examinations.

Detailed information about the training programs in 2015 is provided in the chart below.

Job Assignment	Male		Female	
	Training Person*	Average Training Hours Per Person	Training Person*	Average Training Hours Per Person
Manager	11,113	2.13	3,355	5.64
Other	84,305	3.02	55,820	3.03
Sum Total / Average	95,418	5.15	59,176	8.67

“Training Person”: In the statistics above, in the case that a person participates in three different training programs, then it is assumed that there are three training persons, although the number of real persons is in fact one.

An Innovative Learning Method: E-Training

Closely monitoring evolving training technology, Ziraat Bank makes use of e-training, which makes it possible to provide more training to more people in less time, at lower costs, and without interrupting work schedules. Some 136,423 employees took part in the Bank’s e-training programs in 2015. The Bank also successfully expanded its new Training Management App, which was opened to access from within and outside the organization. E-training schemes are accessible via mobile devices.

Internships for Future Bankers

In every accounting period, the Bank offers internship opportunities to numerous high school and university students to cultivate the bankers of the future. Professional skills training were provided to 921 vocational high school and 24 university students during the 2015-2016 academic years. In addition, 2,513 university students received training under the Bank’s internship program in the same period.

Vocational Training Mandated by Law

Ziraat Bank shapes all its operations in line with the principle of full compliance with international regulations and domestic laws. For this purpose, the Bank conducts systematic employee training on prevention of money laundering and terrorism financing. These training programs, which are conducted under the supervision and coordination of the Compliance Officer, were attended by 99.85% of Ziraat Bank employees in 2015.

Employee Health & Safety

As a bank, Ziraat Bank facilities are classified as a “workplace of limited hazard risk.” The Bank manages its business operations in keeping with Law No. 6331 on Occupational

Health and Safety. As required by that law, a Ziraat Bank Occupational Health & Safety Coordination Committee has been set up under the Assistant General Manager for Financial Coordination. Members of the committee include department heads and the occupational physician. In addition, an Occupational Health & Safety Council was established, consisting of an employer’s representative, occupational physician, occupational safety expert, employee representative and head of administrative affairs.

At the committee meetings, participants discuss issues related to their duties and authorities such as Bank employee health & safety training, first aid training, regular health checkups, periodic testing and healthcare, risk assessment reporting, drills and evacuation procedures, and issues involving subcontractors. As mandated by law, the Ziraat Bank Occupational Health & Safety Coordination Committee convenes regularly, at least once every three months. During 2015, 5,977 persons were provided with occupational health & safety training at Ziraat Bank. The Bank does not have staff members who work in areas with high risk of accident or occupational disease.

The duties and authorities of the Ziraat Bank Occupational Health & Safety Coordination Committee include:

- Preparing internal occupational health & safety directives appropriate to the workplace environment; submitting these for the consideration and approval of employer and employee representatives; monitoring compliance with directives; reporting the results of such monitoring; identifying issues and bringing them to the attention of the Committee; ensuring that employees are provided with occupational health & safety guidance when they are in need of it; assessing workplace occupational health & safety risks and the effectiveness of measures to counter them; identifying measures that need to be taken and notifying employer/employee representatives accordingly,
- Investigating and analyzing every workplace accident, any potentially harmful incident even if it is not treated as a workplace accident, any instance of work-related illness, and any threat to workplace health and safety; identifying and reporting on measures that need to be taken and notifying employer/employee representatives accordingly,
- Planning workplace occupational health & safety training and instruction; preparing programs related to such issues and the rules applicable to them; submitting these for the consideration and approval of employer and/or employee representatives as appropriate; monitoring compliance and reporting infractions,
- Planning safety measures that need to be taken during the conduct of workplace maintenance and repairs; checking that such measures are properly taken,
- Observing the adequacy and effectiveness of measures and teams for dealing with workplace risks arising from fire, natural disasters, sabotage, and the like,
- Preparing annual reports related to workplace occupational health & safety issues; assessing each year’s occupational health and safety performance; identifying issues based on experience that need to be addressed in the next year’s program; submitting these to the employer,
- Urgently convening and deciding what to do whenever employees exercise their right to refrain from work on the grounds of Article 13 of Law No. 6331 on Occupational Health & Safety,

MORE HIGHLY COMPETENT EMPLOYEES

Committed to developing a relationship with its staff based on mutual communication, Ziraat Bank set up the Employee Suggestion System in 2014.

During 2015, no workdays were lost at the Bank for such reasons as workplace-related injuries, occupational illnesses, strikes, lockouts, natural disasters, or building destruction or collapse.

- Developing a coherent and comprehensive occupational health and safety policy that embraces and deals with all aspects of workplace technology, organization, conditions, social interactions, and environment.

During 2015, no workdays were lost at the Bank for such reasons as workplace-related injuries, occupational illnesses, strikes, lockouts, natural disasters, or building destruction or collapse. Similarly, there were no fatal workplace accidents at Ziraat Bank in 2014. The collective bargaining agreement between Ziraat Bank and the trade union also contains occupational health & safety provisions governed by Law No. 6331 and its applicable regulations and directives.

Ziraat Bank Suggestion System

Committed to developing a relationship with its staff based on mutual communication, Ziraat Bank set up the Employee Suggestion System in 2014. With this system, the Bank strives to involve personnel in decision-making mechanisms, benefit from employees' knowledge and experience, encourage staff members to come up with improvements, and thereby constantly enhance service quality and efficiency. During 2015, some 6,118 suggestions were sent through the system and necessary follow-up actions were taken.

Transfer Request System

Ziraat Bank employees seeking to be reassigned to a different location may forward their request to the head office at designated times of the year and with the approval of their supervisor. This system includes a scoring module that allows these requests to be evaluated objectively. Another feature of this system allows managers to contribute to the employee career progression process by recommending changes in a staff member's job assignment based on their own assessment of the individual's abilities.

The Transfer Request process takes place twice a year. In the December-January period, 742 of the 1,223 valid requests were fulfilled; meanwhile, in June-July, 708 of the 1,096 valid requests were carried out.

Employee Engagement Survey

Closely monitoring staff demands and expectations, Ziraat Bank initiated efforts to conduct an Employee Satisfaction and Engagement Survey via an independent research company. Due action will be taken once feedback from the survey is received, scheduled for January 2016.

Key Human Resources Indicators

Table 1 (Breakdown by Gender)

Below is a breakdown by gender, age and education level of Ziraat Bank employees in key positions.

POSITION	MALE (%)	FEMALE (%)	SUM TOTAL (PERSONS)
ASSISTANT GENERAL MANAGER	100		10
GROUP HEAD	91.67	8.33	12
DEPARTMENT HEAD	95.74	4.26	47
REGIONAL COORDINATOR	100		8
REGIONAL MANAGER	100		37
TOTAL	97.37	2.63	114

Table 2 (Breakdown by Age)

POSITION	31-40	41-50	51+	SUM TOTAL
ASSISTANT GENERAL MANAGER		8	2	10
GROUP HEAD	1	8	3	12
DEPARTMENT HEAD	15	29	3	47
REGIONAL COORDINATOR		3	5	8
REGIONAL MANAGER	1	29	7	37
TOTAL	17	77	20	114

Table 3 (Breakdown by Education)

POSITION	ASSOCIATE DEGREE (%)	BACHELOR'S DEGREE (%)	MASTER'S DEGREE (%)	DOCTORAL DEGREE (%)	SUM TOTAL (PERSONS)
ASSISTANT GENERAL MANAGER		80.00	20.00		10
GROUP HEAD		75.00	16.67	8.33	12
DEPARTMENT HEAD		59.57	36.17	4.26	47
REGIONAL COORDINATOR	12.50	62.50	12.50	12.50	8
REGIONAL MANAGER		70.27	24.32	5.41	37
TOTAL	0.88	66.67	27.19	5.26	114

G4-DMA, G4-10, G4-LA1, G4-LA12

MORE HIGHLY COMPETENT EMPLOYEES

G4-11, G4- LA1

G4-10, G4-LA1, G4-LA3

Closely monitoring staff demands and expectations, Ziraat Bank initiated efforts to conduct an Employee Satisfaction and Engagement Survey via an independent research company.

Below is a breakdown by gender, age and education level of the Ziraat Bank workforce.

Table 1 (Breakdown by Gender)

GENDER	NUMBER OF PERSONS	%
MALE	15,681	61.02
FEMALE	10,016	38.98
TOTAL	25,697	100.00

Table 2 (Breakdown by Age)

AGE	NUMBER OF PERSONS	%
30-	8,521	33.16
30-50	15,618	60.78
51+	1,558	6.06
TOTAL	25,697	100

Table 3 (Breakdown by Education)

EDUCATION	NUMBER OF PERSONS	%
DOCTORAL DEGREE	37	0.14
MASTER'S DEGREE	2,103	8.18
BACHELOR'S DEGREE	16,537	64.35
ASSOCIATE DEGREE	3,447	13.41
HIGH SCHOOL	3,529	13.73
JUNIOR HIGH	44	0.17
TOTAL	25,697	100.00

Table 4 (Breakdown by Head Office/Region/Branch)

UNIT	NUMBER OF PERSONS	%
HEAD OFFICE	5,299	20.62
REGION	268	1.04
BRANCH	20,051	78.03
OVERSEAS	79	0.31
TOTAL	25,697	100.00

Employee assignments to positions in Ziraat Bank's organizational structure and broken down by gender are shown below.

UNIT	MALE (%)	FEMALE (%)	TOTAL
HEAD OFFICE*	53.66	46.34	3,932
REGIONAL COORDINATORSHIP	69.77	30.23	43
REGIONAL MANAGEMENT	80.00	20.00	225
CORPORATE BRANCH	52.49	47.51	362
ENTREPRENEURIAL BRANCH	61.21	38.79	861
ENTREPRENEURIAL DYNAMIC BRANCH	59.35	40.65	802
BRANCH	59.86	40.14	18,026
OVERSEAS	72.15	27.85	79
TOTAL	59.02	40.98	24,330

*Excluding Money Group Center and security personnel.

IN THE YEAR 2015	FEMALE	MALE
a. Number of employees entitled to parental leave (by gender)	850	1,013
b. Number of employees taking parental leave (by gender)	850	1,013
c. Number of employees returning to work at the end of parental leave (by gender)	849	1,013
d. Number of employees who returned to work at the end of parental leave and were still working for the Bank 12 months later (by gender)	845	994
e. Rates at which employees who take parental leave return to and remain in their jobs (by gender)	99.4%	98.1%

MORE HIGHLY COMPETENT EMPLOYEES

G4-10, G4-LA1

G4-10, G4-LA1

Ziraat Bank employees seeking to be reassigned to a different location can forward their request to the head office at designated times of the year and with the approval of their supervisor.

The breakdown of employees who took part in exams (written or oral) to be promoted to a higher position in 2015 at Ziraat Bank is as follows:

JOB TITLE	TOTAL
TELLER	195
SERVICE OFFICER	1,019
SERVICE CHIEF	1,565
ASSISTANT SPECIALIST	90
ATTORNEY	4
ENGINEER	1
SPECIALIST	75
DEPUTY DIRECTOR	2,109
INTERNAL CONTROLLER	30
TOTAL	5,088

Ziraat Bank's organizational structure and personnel turnover based on age breakdown is shown below:

UNIT	NEW HIRES IN 2015			TERMINATIONS IN 2015			STAFF TURNOVER RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
HEAD OFFICE	549	84	633	328	103	431	11	6	9
19-30	150	67	217	37	17	54	4	3	4
31-40	378	15	393	22	17	39	2	2	2
41-50	21	2	23	38	39	77	5	10	7
51+				231	30	261	55	35	52
REGION	17		17	8	2	10	4	3	4
19-30	3		3	1	1	1	0	4	1
31-40	13		13	1	1	1	0	4	1
41-50	1		1	1		1	2		2
51+				7		7	37	0	34
BRANCH	1,917	919	2,836	690	264	954	6	3	5
19-30	1,243	911	2,154	124	62	186	3	2	2
31-40	647	8	655	40	19	59	1	1	1
41-50	26		26	71	77	148	3	6	4
51+	1		1	455	106	561	46	44	46
OVERSEAS				7	4	11	11	17	13
19-30							0	0	0
31-40				3	1	4	10	10	10
41-50				2	2	4	9	22	13
51+				2	1	3	67	40	55
TOTAL	2,483	1,003	3,486	1,033	373	1,406	7	4	6

DMA

A MORE LIVABLE ENVIRONMENT

Ziraat Bank implements environmental sustainability in a wide range of areas - from the efficient use of natural resources to the fight against climate change.

The Virtual Loan-Account File initiative contributed to Ziraat Bank's efforts to slash paper consumption, by saving about 4.5 million sheets of paper in 2015.

Steps to Optimize Paper Consumption

Ziraat Bank adopts innovative practices in optimizing paper consumption and recycling waste paper. As of September 19, 2012, Ziraat Bank stopped using paper for the dispatch of internal communications throughout the Bank. Since then, all such communications have been in electronic format. In 2015, this practice prevented the use of some 3,012,168 sheets of A-4 paper. When hard-copy printouts must be taken, the multifunction printers installed at Ziraat Bank reduce paper consumption by printing on both sides of the sheet. Besides conserving paper resources, this practice is also estimated to have reduced the Bank's total CO₂ emissions by 575 tons in 2015.

All of the Bank's head office, regional, and branch units now send, receive, and archive only electronic-format faxes and no hard-copy printouts of them are taken.

Tech-Savvy Environmental Sustainability Projects

The Virtual Loan-Account File Project aims to handle all documents related to loan assessment, proposal and disbursement procedures in electronic format both by scanning paperwork and creating electronic-format documents. Upon completion of the project, all documentation will be monitored via the system.

This initiative contributed to Ziraat Bank's efforts to slash paper consumption, saving about 4.5 million sheets of paper in 2015. During the year, the Bank continued to expend efforts to source paper documentation electronically, for those documents that the law requires to be obtained from other agencies and organizations when making credit allocation decisions. This initiative will help such outside concerns in their own efforts to reduce paper use; for the Bank, it will increase employee motivation and customer satisfaction by speeding up the loan application process.

DOUBLE-SIDED PRINTING PROJECT: 2015 ENVIRONMENTAL REPORT		
CO ₂ EMISSIONS PREVENTED (KG)	NUMBER OF PAGES SAVED THROUGH DOUBLE-SIDED PRINTING	NUMBER OF TREES SAVED FROM HARVESTING
575,126	18,045,291	2,250

NUMBER OF FAXES PROCESSED IN 2015	
INCOMING	OUTGOING
1,087,161	1,145,487

In January 2013, the Bank began obtaining electronic-format documents and information required of firms obtaining loans to finance investments. This also saves paper, labor, time, and space. Documentation used in performing firms' financial analyses is also being circulated among units in an electronic format. The practice of sending out documents related to loan applications approved by Ziraat Bank by mail or fax has been terminated. In addition, as of 2015, the daybooks and general ledgers are kept in electronic rather than print format, which has helped Ziraat Bank save 1 million sheets of A-4 paper annually.

The risks and costs associated with the physical archiving of files have also been minimized. Some 13,735,737 sheets of A-4 paper were saved in 2015 thanks to the centralized bulk statement dispatch project, whereby the Bank now sends statements of all transactions to customers by email. Additionally, Ziraat Bank sent 21,350 statements of all transactions performed by its Operations Center to customers by email in 2015.

Efforts initiated in 2013 to send out electronic-format rather than paper invoices documenting communications services continued in 2015. Considering that more than 175,089 telephone bills were handled last year alone, the huge savings in paper use that result from this initiative may be appreciated.

In order to cut paper consumption and protect the natural environment, the Bank continued efforts to send electronic rather than print statements to credit card customers. Incoming and outgoing written communications will be handled via the system dubbed KEP, calls to Ziraat Bank customers (about tenders and the like) will be made via KEP, thus resulting in significant savings in paper use.

Ziraat Bank works together with many different agencies and organizations in order to provide its customers with

faster and better-quality service. For instance, the Bank and General Directorate of Deeds & Cadastral Surveys signed an agreement to permit mortgages on real estate properties to be released electronically. Under this agreement, mortgage loan borrowers' requests for deeds of release are sent in electronic format to the Ziraat Bank Operations Center, which then sends them electronically to the appropriate deeds registry.

As the first financial institution in Turkey to issue electronic format mortgage deeds of release, the Bank prevented some 91,280 sheets of A-4 paper from being used in 2015 with this effort.

Electronic Inspection and Internal Control Reporting

Under the Project for Issuing Electronic-Format Bank Inspection and Internal Control Reports at Ziraat Bank, new auditing and control models were introduced. All such reports for branches are now issued in this way. As a result of this effort, hard-copy reports are no longer issued for branches, with this practice generating substantial savings in paper. Additionally, the audit reports for headquarters and other units can be prepared and viewed online. This has already made it possible to reduce paperwork associated costs.

Digital archiving of audit reports has prevented the use of about 340,000 sheets of A-4 paper per year.

Waste Management at International Standards

Since 2003, documents whose retention by Ziraat Bank is no longer mandated by law together with the waste paper that the Bank's units and branches generate has been sold to licensed firms for use in recycling. In 2015, the Bank continued to reduce the amounts of new raw materials needed in paper manufacturing.

As the first financial institution in Turkey to issue electronic-format mortgage deeds of release, the Bank prevented 91,280 sheets of A-4 paper from being used in 2015 with this effort.

575

TONS

DOUBLE-SIDED PRINTING REDUCED THE BANK'S TOTAL CO₂ EMISSIONS BY 575 TONS IN 2015.

A MORE LIVABLE ENVIRONMENT

G4-DMA, G4-EN23

In order to prevent waste batteries from harming the environment, the Bank aims to expand the waste battery collection boxes from the head office to the branches.

**1,310
TONS
RECYCLED PAPER**

In keeping with its environmental protection approach, Ziraat Bank continually seeks to improve the eco-friendliness of all aspects of its branch network and other service premises.

In 2015, a total of 210 tons of waste paper generated by headquarters units was disposed of in this way. Another 1,100 tons generated by the Bank's branches was sold under contract to two licensed recycling firms. In 2015, the Bank purchased 1,850 tons of paper, of which 750 tons consisted of A-4 paper with 1,100 tons of untrimmed raw paper. These figures point to a consistent drop in paper consumption over the years.

Ziraat Bank sells discarded IT equipment (computers, printers, photocopiers, and the like), equipment consisting largely of sheet metal (air conditioner units, housings, and similar), storage batteries, and ATM units to licensed firms authorized by the Ministry of Environment to transport and process such scrap. This prevents the scrap materials from causing environmental harm while also ensuring that it is recycled for use as inputs by others.

When replacing the chemicals in fire extinguishers that have passed their expiration date, Ziraat Bank works with firms licensed to collect and dispose of such materials. In order to prevent waste batteries from harming the natural environment, the Bank will expand the waste battery collection boxes from the head office to the branch locations. Additionally, an authorized manufacturing firm collects empty print cartridges from Ziraat Bank branches.

Improvements at Service Points

In keeping with its environmental protection approach, Ziraat Bank continually seeks to improve the eco-friendliness of all aspects of its branch network and other service premises.

Ziraat Bank takes an R&D approach when identifying the plumbing, electrical components, fittings, furniture, furnishings and similar inputs that it uses in its own construction projects. Attention is given to the functionality and recyclability of such materials with preference given to concepts whose environmental impact is potentially the least.

As part of its efforts to minimize the environmental impact of its construction projects, Ziraat Bank has any waste generated during the conduct of construction work transferred under supervision to locations designated by local municipal authorities. In all such undertakings, efforts are made to contribute beneficially to the environment through effective supervision that ensures that waste is properly removed from building sites.

Eco-Friendly Branches

In keeping with its sustainability approach, the Bank modernized 404 branch locations in 2015. During the project design and application stages, preference was given to the use of innovative, composite materials. With

regard to structures that are likely to be demolished eventually, attention is given as early as the project-costing stage to the recovery and reuse of materials.

In architectural design, attention is given to projects that make use of natural daylight with potentially eco-harmful materials avoided. Preference is given to applications that will quickly pay for themselves within two years or thereabouts.

During 2016, 10 of the Bank's service buildings will undergo controlled demolition and their materials will be recovered. The Bank has set a target of increasing the number of its sustainability-friendly branches to 270.

Energy Efficiency Efforts

Ziraat Bank Data Centers Project

Ziraat Bank is in the process of restructuring its data centers in light of its current needs. The Ziraat Bank Data Centers Project has a twofold IT focus that concentrates on the organizations to which services are provided (Ziraat Bank, Ziraat Katılım Bankası, Ziraat Sigorta, Ziraat Emeklilik, et al.), and the diversity of the services being provided (online banking, ATM, credit cards, et al.). This approach allows attention to be given to the interactions among design, construction, installation, and relocation of data centers. As part of the project, the Emergency Center infrastructure will be upgraded to deliver all services from the Center at 100% capacity and performance.

The gains to be achieved through the Ziraat Bank Data Centers Project are as follows:

- Transition to a newer and more secure technology, and improvement of risk management functions;

- A structure with higher continuity and performance levels;
- Less energy consumption and increased productivity;
- An expandable, flexible and modular structure.

In keeping with its sustainability approach, the Bank modernized 404 branch locations in 2015.

**2,840,814
KWH
DATA CENTERS PROJECT'S ENERGY SAVINGS GOAL**

G4-DMA, g4-EN27, G4-DMA,
G4-EN30, G4-EN31

A MORE LIVABLE ENVIRONMENT

In 2015, Ziraat Bank procured 1,275 split air conditioners equipped with high energy-efficiency inverter technology and non-ozone-depleting R410A refrigerant.

Ziraat Bank operates one of the most extensive ATM networks in the country. A project to monitor these units centrally and to equip them with biometric access-control features is slated for completion in 2016.

Fuel Consumption Criteria in Vehicle Purchase or Rental

Another way in which Ziraat Bank seeks to minimize the adverse environmental impact of its operations is to focus on fuel-consumption criteria when purchasing or leasing vehicles for its fleet. While the fuel type that vehicles run on is treated as an element of total cost of ownership, fuel economy is included as one of the criteria of tendering specifications. In addition to lowering the vehicles' environmental impact, this practice also incidentally reduces total fossil fuel consumption at the national level.

Shift to LED Illumination

The Bank significantly reduces its illumination costs by installing more energy-efficient LED lighting systems in its branches, signage, and ATM housings. Ziraat Bank is also minimizing its use of fluorescent lighting due to the human and environmental health and safety issues that it poses.

Energy Efficiency in ATMs

Ziraat Bank operates one of the most extensive ATM networks in the country. A project to monitor these units centrally and to equip them with biometric access-control features is slated for completion in 2016.

Ziraat Bank's Energy Consumption and Carbon Footprint in 2015

- In line with its efforts to reduce the adverse environmental impact of its personnel transportation services, Ziraat Bank has begun using routing software that shortens travel distances and thus saves fuel for its staff transport fleet. The Ankara phase of this project, which seeks both to maximize service quality and to minimize cost, was completed in 2014. The Bank plans to undertake the same project in Istanbul and Izmir in 2015.

LEED Certification Goal for Ziraat Towers

The Bank plans to obtain Leadership in Energy & Environmental Design (LEED) certification for the Ziraat Towers

development project. It is currently being built at the International Financial Center Complex in Istanbul's Ataşehir district in line with international environmental standards.

G4-DMA, G4-EN3, G4-EN4, G4-EN5, G4-DMA, G4-EN8, G4-DMA, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19

In parallel with its steadily expanding business volume, the Bank manages its natural resources consumption in an efficient manner.

Total energy consumed and emissions generated directly by Ziraat Bank Head Office Units (Scope 1)

Head Office	2015		2014		%
	Direct Energy Consumption	Direct Greenhouse Gas Emissions (Scope 1) - tCO ₂ e	Direct Energy Consumption	Direct Greenhouse Gas Emissions (Scope 1) - tCO ₂ e	
Natural gas (m ³)	687,221	1,385.95	509,790	963.79	43.80
Gasoline (liters)	34,666	78.92	29,395	79.14	-0.28
Diesel (liters)	868,453	2,319.26	972,479	2,618.27	-11.42
Total		3,784.13		3,661.20	3.36

Ziraat Bank monitors and measures the energy-use and emissions performance of its regional offices and branches located across Turkey. In 2015, the Bank's regional offices and branch locations consumed a total of 4,033,770 liters of gasoline and diesel fuel, the direct (Scope 1) emissions of which are calculated at 10,774 tons of equivalent CO₂ (tCO₂e). The same year, the Bank's regional offices, branches and head office units consumed 7,184 kg of air conditioning gas, whose direct emissions (Scope 1) was calculated at 15,000 tons.

Total energy consumed and emissions generated indirectly by Ziraat Bank headquarters units (Scope 2)

Head Office	2015		2014		% Scope 2% change (%)
	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (Scope 2) - tCO ₂ e	Indirect Energy Consumption	Indirect Greenhouse Gas Emissions (Scope 2) - tCO ₂ e	
Electricity Procurements (kwh)*	15,068,468	7,112.32	9,588,280	4,402.42	61.55

*A 61.55% increase in indirect emissions occurred over the prior year because of new subscriptions and the transfer of electricity consumption of ATMs from branch to head office accounts.

In 2015, the Bank's regional offices and branches consumed 66,521,483 kWh of electricity, the indirect (Scope 2) emissions of which are calculated at 31,398.14 tCO₂e.

Ziraat Bank 2015 Water Consumption and Footprint

Water Consumption	2015 Consumption	% Change	2014 Consumption
Water Consumption – Head Office (m ³)	77,075	-5.5	81,569.7
Total	77,075	-5.5	81,569.7

G4-12, G4-DMA, G4-EC9, G4-EN32,
G4-EN33, G4-DMA, G4-LA14, G4-LA15

MORE SUSTAINABLE AND HIGHER QUALITY PROCUREMENT

In 2015, Ziraat Bank paid out about TL 504 million to suppliers located across the country.

The Bank develops sustainable business relationships based on mutual trust and collaboration with its current and potential business partners.



Operating one of Turkey's most extensive service networks geographically, Ziraat Bank also has a huge chain of suppliers. The Bank manages procurement processes with its Procurement Management System, in addition to the Board of Directors-approved Procurement Policy and General Responsibility Principles. The Bank develops sustainable business relationships based on mutual trust and collaboration with its current and potential business partners.

Multi-Dimensional Procurement Processes

For the daily operation of its branch and head office units, Ziraat Bank must procure - from an enormous number of companies, organizations, and individuals - an extensive volume of products and services. These range from office supplies to cleaning materials, food and beverage services to employee transportation, and

maintenance & repairs to training and advertising.

For the operation of its core banking activities, the Bank must also procure a vast array of critical and essential products and services, ranging from IT services to payment-card printing, premises security to legal and valuation services.

Support for Local Economies

In order to support local economies, the Bank generally procures the needs of its branch network from locally based suppliers. However, Ziraat Bank may at times take a strategic decision and make lump purchases from a single supplier to enjoy price advantages.

In 2015, Ziraat Bank paid out about TL 504 million to suppliers located across the country. During the reporting period, all of Ziraat Bank's

direct procurements were made from suppliers based in Turkey.

In the management of its supply chain, Ziraat Bank engages in a statutorily-mandated tendering process that is scrupulous, cost-competitive, and transparent. When selecting suppliers from which to procure goods and services, simultaneous consideration is given to several interacting parameters.

Before purchasing products or services from an existing supplier and in order to identify potential suppliers from which procurements might be made in the future, the Bank focuses on the following issues, the determination of which involves a visit to the supplier's business premises:

- Previous performance if any
- Technological capabilities
- Financial standing (based on turnover, tax-assessment base, and the like)
- Management profile
- Employee qualification and training levels
- Nature/location/area of business
- Reliability
- Market position
- Machinery & equipment park
- Environmental policies and practices
- References
- Delivery capabilities
- Evidence of service quality and/or management competencies (ISO certification, and similar)

Environmental and Social Control in Procurement

Ziraat Bank works to identify any environmental and/or social risks inherent in its goods and services procurements and stipulates these in its technical specifications. Examples of the Bank's adherence to this practice are seen in the following requirements: cleaning service

provider staff garments must not contain azo dyes or other carcinogens; thermal paper must be used for printing ATM and POS receipts; and IT equipment must be rated energy-efficient.

The Bank seeks to fully comply with the requirements of applicable laws, rules and regulations in all aspects of its supply chain management. Such compliance is an integral part of all the contracts that the Bank enters into with its suppliers.

Full Compliance with Universal Standards

When selecting suppliers, Ziraat Bank evaluates their compliance with laws, rules and regulations pertaining to human rights and to workplace, employee health and safety standards. The Bank also weighs their attitudes toward the prevention of forced labor and exploitation, child labor, discrimination, and similar abuses. If the Bank uncovers any evidence of any violations of such universally accepted norms, it severs its contractual relationship with the supplier and may even impose sanctions, such as banning the suppliers from bidding in future tenders.

During the reporting period, Ziraat Bank did not knowingly work with any supplier whose activities were subject to investigation for human rights or environmental issues.

In its supplier relations, Ziraat Bank is subject to contractual law in general as well as particular rules set out in the "Regulation Concerning the Outsourcing of Support Services by Banks and the Authorization of Organizations Providing Such Services" published by the Banking Regulation and Supervision Agency (BRSA). Ziraat Bank periodically reviews its suppliers' performance to ensure that they are in compliance with the requirements of this regulation.

G4-DMA, G4-12, G4-EC9, G4-EN32,
G4-EN33, G4-DMA, G4-LA14, G4-LA15

During the reporting period, Ziraat Bank did not work with any supplier whose activities were subject to investigation for human rights or environmental issues.

ZİRAAT BANK IDENTIFIES ANY ENVIRONMENTAL AND/ OR SOCIAL RISKS INHERENT IN ITS GOODS AND SERVICES PROCUREMENTS AND STIPULATES THESE IN ITS TECHNICAL SPECIFICATIONS.

HOPE FUELED FROM A TREASURE CHEST



There is much work to do for the society and the environment. In order to leave a more livable world for future generations, we inspire hope with our projects such as “paperless banking.” We place a special emphasis on children, whom we see as our future hope. We wish to contribute to their development with educational storybooks, the first of which we published this year.

A SOCIETY WITH HIGHER LIVING STANDARDS

Ziraat Bank has made Turkish sports history as the Turkish Cup name sponsor for seven consecutive seasons.

Positioning itself as an exemplary corporate citizen, Ziraat Bank is committed to executing social responsibility projects that reflect its prestigious corporate identity.



Positioning itself as an exemplary corporate citizen, Ziraat Bank is committed to executing social responsibility projects that reflect its prestigious corporate identity. In 2015, the Bank carried out the following projects and activities:

Ziraat Bank's Support to Sports

Making immense contributions to the advancement of sports in Turkey, Ziraat Bank has made Turkish sports history as the Turkish Cup name sponsor for seven consecutive seasons. In addition, the Bank has continued to sponsor its sports club, which has represented the Ziraat brand with great success in the Turkish Men's Volleyball Primary League since the 2007-2008 season.

"Ten National Athletes in Ten Provinces" Project

A leading force in Turkish volleyball, Ziraat Bank Sports Club strives to introduce volleyball to the wider masses and contribute to children's happiness and well-being. For this purpose, the Club opened free-of-charge sports schools in 10 provinces (Kahramanmaraş, Bartın, Eskişehir, Konya, Mersin, Adana, Kocaeli, Tekirdağ, Diyarbakır, Hatay) and reached out to some 400 youth. In the second phase of the initiative, the Club raised the bar higher, aiming to train athletes worthy of wearing the national jersey. As a result, four young athletes joined the national teams thanks to the project "Ten National Athletes in Ten Provinces."

The First Banking Museum in Turkey

Turkey's first museum on banking - Ziraat Bank Banking Museum - occupies the ceremonial hall of the Bank's original head office building in the Ulus district of Ankara. The museum opened its doors to the public on November 20, 1981 and sheds light on the Bank's rich 152-year history, which includes all phases of the Turkish Republic.

The Ziraat Bank Banking Museum provides an impressive look at the commercial, economic, political, cultural, artistic and educational progress and development of banking in Turkey. The institution also displays examples of objects used in the Turkish banking industry within its historical atmosphere.

Ziraat's Culture & Arts Program: "For Art, Through Art"

Since its founding and guided by the slogan "For Art, Through Art," Ziraat Bank has demonstrated its support for the arts and artists. In 2015, the Bank sponsored a number of arts organizations. The Bank provides venues for artists and art lovers, such as Kuğulu, Tünel, and Kızıltan Ulukavak art galleries and the Ömer Nafi Güvenli Exhibition Hall. The 21 exhibitions that were held by the Bank drew more than 25 thousand visitors.

The Bank has expanded its support for culture and the arts to the realm of theater. In collaboration with the General Directorate of State Theaters, the Ziraat Bank Mithat Paşa Culture Center has entered the service of the catergoers under the name "State Theaters - Ziraat Stage."

An Art Collection that Bolsters Ziraat's Brand Recognition

Since its founding, Ziraat Bank has stood by the arts and owns one of the most prominent painting and sculpture

collections in the country. A pioneer of corporate art collections in Turkey, the Bank regularly showcases the pieces in its extensive collection using both the collection catalogue and comprehensive exhibitions which abide by artistic criteria, methods and systems. The Bank also provides key documentation on the meaning and results of sophisticated and sound art collections. The Ziraat Bank art collection consists of nearly 2,500 works, the majority of which are oil paintings but which also include water colors, gouaches, pastels, prints, ceramics, and sculptures. The collection continues to be enriched through acquisitions from among works exhibited by artists at Ziraat Bank's galleries. An initiative is currently under way to restore a bank-owned 19th-century building in İstanbul's Cağaloğlu district, set to serve as the Ziraat Bank Museum of Painting and Sculpture. The Bank plans to use this venue to make the works in its collection accessible to art lovers.

Ziraat Bank Protects Its Architectural Heritage

Ziraat Bank is the owner of key buildings - located in Ankara, İstanbul and many other cities - that are important in the history of Turkish architecture. The Bank regards and protects these structures as valuable assets of the country's cultural heritage. Fifty-two of the buildings belonging to the Bank are listed monuments that were erected after 1910 and are still in active use today. Ziraat Bank plays a part in protecting Turkey's cultural heritage by carrying out maintenance and repair work that is faithful to the structures' original architectural spirit. In order to make more efficient use of Ziraat Bank's original headquarters building, also a symbol of the Bank itself, and to turn the entire edifice into museum, architectural restitution and restoration efforts will be completed in 2016.

Support for Scientific Publications

Under the "Yunus Emre Institute's 100 Turkish Libraries" project, launched in 2012, Ziraat Bank continued making an important contribution to scholarly research by

Since its founding and guided by the slogan "Through Art for Art," Ziraat Bank has demonstrated its support for the arts and artists, and continued to do so in 2015.

52

structures

NUMBER OF CERTIFIED HISTORICAL BUILDINGS OWNED BY ZİRAAT BANK

Over 25 thousand persons

NUMBER OF VISITORS TO ZİRAAT BANK ART GALLERIES

A SOCIETY WITH HIGHER LIVING STANDARDS

In keeping with its exemplary approach to sustainability, the Bank once again participated in and provided support to many different arts & culture festivals and other events in 2015.

Under the “Kids on Vacation/Schools under Repair” initiative, Ziraat Bank implemented activities to rehabilitate the schools located in development priority regions.



supporting the establishment of 100 Turkish libraries in different countries around the world. The Bank also contributes to the Z library project, which the Ministry of Education plans to extend to all of Turkey's provinces. In addition, the Bank sponsored the film "The Last Letter" on the Gallipoli War, and Yunus Emre Institute's project titled "Voice of 1,000 Years: Turkish Language Festival," introducing the Turkish language and culture to the world.

Kids on Vacation/Schools under Repair

Under the "Kids on Vacation/Schools under Repair" project, schools located in development priority regions undergo repairs and refurbishment. Ziraat Bank is committed to continuing this project in the coming period, owing to its belief that children represent Turkey's future.

ZİRAAT BANK SPONSORED YUNUS EMRE INSTITUTE'S PROJECT TITLED "VOICE OF 1,000 YEARS: TURKISH LANGUAGE FESTIVAL."

"Traveler: Footsteps of the Plane Tree"

Launched in 2012 with Ziraat Bank support, the "Traveler: Footsteps of the Plane Tree" initiative contributes to the personal and social development of economically deprived children and youth by taking them on trips to interesting places around the country. This project continued to help disadvantaged young people in 2015.

Participation in Conferences and Events

In keeping with its exemplary approach to sustainability, the Bank once again participated in and provided support to many different arts & culture festivals and other events in 2015. During the year, the Bank contributed to World Food Day, World Environment Days, the annual "Golden Pen Awards" ceremony organized by business journalists, the 505 Women Entrepreneurs Project, and numerous local festivals.



GRI INDICATORS INDEX

This report covers Ziraat Bank's activities in the areas of economic, environmental and social sustainability from the standpoints of its stakeholders, corporate structure, banking business, environment, human resources, and its community.

Report Profile

G4-28
G4-29
G4-30
G4-31
G4-32

This is the third sustainability report to be published by Türkiye Cumhuriyeti Ziraat Bankası AŞ (Ziraat Bank / "the Bank"), a financial institution that has been contributing to the economic development of Turkey since 1863. This report summarizes the performance which the Bank achieved during the reporting period (1 January to 31 December 2015) with respect to priorities which it had ascertained based on stakeholder feedback and presents the Bank's goals and plans for the future. The report covers Ziraat Bank's activities in the areas of economic, environmental and social sustainability from the standpoints of its stakeholders, corporate structure, banking business, environment, human resources, and its community.

The Report's Compatibility Level, Scope, and Limits

This report has been prepared so as to be compatible with the G4 ("Comprehensive") option of G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI). A copy of the GRI G4 Content Index may be found on page 97 of this report. The scope of this report is limited exclusively to the

activities and operations of Ziraat Bank itself and does not cover those of its subsidiaries.

The Reporting Period

Unless otherwise indicated, this report covers only the period beginning on 1 January 2015 and ending on 31 December 2015. Specific data points cited in this report will serve as benchmarks for any future sustainability reports that Ziraat Bank may publish. The most recent previous sustainability published by the Bank report was concerned with 2014.

The Reporting Cycle

Ziraat Bank will continue reporting its sustainability performance on a yearly basis.

Reporting Language and Format

The Ziraat Bank 2015 Sustainability Report is being published in Turkish and English.

Because it regards the conservation of natural resources as a fundamental duty and in order to help save on the use of paper, Ziraat Bank is not publishing its 2015 sustainability report in printed form. Online and PDF versions of the report may be found at the link given below.

Contact information concerning this report is provided in the GRI Index on page 99.

GRI Content Index of Ziraat Bank 2015 Sustainability Report, in compliance with the GRI Reporting Guide is presented below.



G4-32

GRI G4 Content Index - Comprehensive					
GENERAL STANDARD DISCLOSURES	General Standard Disclosures	Explanation/Page	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)
STRATEGY AND ANALYSIS					
	G4-1	Chairman's Message, page: 10-13, CEO's Message, page: 14-17			Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the Organization's strategy for addressing sustainability
	G4-2	Chairman's Message, page: 10-13 CEO's Message, page: 14-17			Key impacts, risks, and opportunities
ORGANIZATIONAL PROFILE					
	G4-3	T.C. Ziraat Bankası A.Ş.			The name of the organization
	G4-4	Ziraat Bank in Brief, page: 20 Anafartalar Mahallesi, Atatürk Bulvari No: 8, Altındağ, Ankara/TURKEY			Primary brands, products, and services Location of the organization's headquarters
	G4-5				The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report
	G4-6	Our Global Service Network, page: 22-23 Our Service Network across Turkey, page: 24-25			The nature of ownership and legal form
	G4-7	Ziraat Bank is a wholly-owned entity of the Undersecretariat of the Treasury of the Republic of Turkey.			The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)
	G4-8	Our Global Service Network, page: 22-23 Our Service Network across Turkey, page: 24-25			The scale of the organization
	G4-9	Our Sustainability Performance, page: 18-19			The total number of employees by employment contract and gender
	G4-10	Key Human Resources Indicators, page: 77-81			The percentage of total employees covered by collective bargaining agreements
	G4-11	Collective Bargaining Agreement, page: 73			The organization's supply chain
	G4-12	More Sustainable and Higher Quality Procurement, page: 88-89			Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain
	G4-13	There has not been any significant change during the reporting period.			Whether and how the precautionary approach or principle is addressed by the organization
	G4-14	Corporate Governance, page: 48-53			Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses
	G4-15	Initiatives in which Ziraat Bank takes part or which it supports, page: 47			The memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization belongs
	G4-16	Initiatives in which Ziraat Bank takes part or which it supports, page: 47			

GRI INDICATORS INDEX

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

a. Ziraat Sigorta A.Ş., Ziraat Hayat ve Emeklilik A.Ş., Ziraat Finansal Kiralama A.Ş., Ziraat Yatırım Menkul Değerler A.Ş., Ziraat Portföy Yönetimi A.Ş., Ziraat Bank International AG (Germany), Ziraatbank BH d.d. (Bosnia and Herzegovina), Ziraat Bank (Moscow) CJSC, Kazakhstan Ziraat International Bank (KZI Bank) (Kazakhstan), Uzbekistan-Turkish Bank (UTBank) (Uzbekistan), Turkmen Turkish JSC Bank (Turkmenistan), Arab-Turkish Bank A.Ş. All entities included in the organization's consolidated financial statements or equivalent documents.

For more information, please see Ziraat Bank 2015 Annual Report, page 220. www.ziraatbank.com.tr

<http://www.ziraat.com.tr/en/InvestorRelations/Documents/AnnualReports/AnnualReports2015.pdf>

G4-18 Our Priorities, page: 42

G4-19 Our Priorities, page: 43

G4-20 Our Priorities, page: 44

G4-21 Our Priorities, page: 44

G4-22 There is not any restatement.

G4-23 Compared to the former reporting period, there is no change in the aspect and scope boundaries of report.

STAKEHOLDER ENGAGEMENT

G4-24 Ziraat Bank's stakeholders, page: 46

G4-25 Ziraat Bank's stakeholders, page: 47

G4-26 Ziraat Bank's stakeholders, page: 46

G4-27 Key topics and concerns that have been raised through stakeholder engagement are addressed in different sections of this report in detail.

Ziraat Bank's stakeholders, page: 46

All entities included in the organization's consolidated financial statements or equivalent documents

The process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content

All the material aspects identified in the process for defining report content

The Aspect Boundary within the organization for each material aspect

The Aspect Boundary within the organization for each material aspect

The effect of any restatements of information provided in previous reports, and the reasons for such restatements

Significant changes from previous reporting periods in the Scope and Aspect Boundaries

List of stakeholder groups engaged by the organization

The basis for identification and selection of stakeholders with whom to engage

The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process

Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns

REPORT PROFILE

G4-28 1 January 2015 - 31 December 2015

Reporting period (such as fiscal or calendar year) for information provided

G4-29 1 January 2014 - 31 December 2014

Date of most recent previous report (if any)

G4-30 Annual

Reporting cycle (such as annual, biennial)

Ms. Deniz Kabukçu
dselvi@ziraatbank.com.tr
Ms. Şeyda Kulac Ünal,
skulac@ziraatbank.com.tr

The contact point for questions regarding the report or its contents

G4-32 a. Comprehensive
b. GRI G4 Index, page: 97
c. The report has not been externally assured.

a. The 'in accordance' option the organization has chosen
b. The GRI Content Index for the chosen option
c. The reference to the External Assurance Report, if the report has been externally assured.

G4-33 The report has not been externally assured.

a. The organization's policy and current practice with regard to seeking external assurance for the report
b. The scope and basis of any external assurance provided if not included in the assurance report accompanying the sustainability report

c. The relationship between the organization and the assurance providers
d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report

GOVERNANCE

G4-34 The Decision Maker in Corporate Governance Policies: Board of Directors, page: 48

The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts

G4-35 Our Sustainability Organization, page: 27

The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees

G4-36 Our Sustainability Organization, page: 27

Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body

G4-37 Our Dialogue with Stakeholders, page: 27

Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body

G4-38 The Decision Maker in Corporate Governance Policies: Board of Directors, page: 48

The composition of the highest governance body and its committees

G4-39 The duties of board chairman and CEO are performed by different individuals. The chairman of the Ziraat Bank Board of Directors has no executive duties.

Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)

G4-40 The Decision Maker in Corporate Governance Policies: Board of Directors, page: 48

The nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members

G4-41 Policies in Effect at Ziraat Bank

Processes for the highest governance body to ensure conflicts of interest are avoided and managed and whether conflicts of interest are disclosed to stakeholders

GRI INDICATORS INDEX

G4-42 The Decision Maker in Corporate Governance Policies: Board of Directors, page: 48

The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts

G4-43 Policies in Effect at Ziraat Bank, page: 48

The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics

G4-44 Our Sustainability Organization, page: 27

a. The processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, whether such evaluation is independent or not, and its frequency and whether such evaluation is a self-assessment
b. actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice

G4-45 Our Sustainability Organization, page: 27

a. The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities and the highest governance body's role in the implementation of due diligence processes
b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities

G4-46 Our Sustainability Organization, page: 27

The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics

G4-47 Our Sustainability Organization, page: 27

The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities

G4-48 Our Sustainability Organization, page: 27

The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered

G4-49 Our Sustainability Organization, page: 27

The process for communicating critical concerns to the highest governance body

G4-50 Our Sustainability Organization, page: 27

G4-51

G4-52 Remuneration Committee, page: 72

G4-53 Remuneration Committee, page: 72

G4-54

G4-55

ETHICS AND INTEGRITY

G4-56 Code of Ethics and Ziraat Bank, page: 52

G4-57 Code of Ethics and Ziraat Bank, page: 52

G4-58 Code of Ethics and Ziraat Bank, page: 52

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Identified Omission(s)	External Audit	Description
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-DMA	A Stronger Turkish Economy, page: 54-55			Generic disclosures on management approach
G4-EC1	A Stronger Turkish Economy, page: 54-55			Direct economic value generated and distributed

The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them

The remuneration policies for the highest governance body and senior executives and how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives

The process for determining remuneration, whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Any other relationships which the remuneration consultants have with the organization

How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable

The ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country

The ratio of percentage increase in annual total compensation for the organization's highest paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country

The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics

The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines

The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines

GRI INDICATORS INDEX

MATERIAL ASPECT: MARKET PRESENCE						
G4-EC2	Environmental and Social Risk Assessment of Credit Agreements, Renewable Energy Projects for Sustainable Development, page: 63					
G4-EC3	For information, please see Ziraat Bank 2015 Annual Report, page: 108-110, http://www.ziraat.com.tr/tr					
G4-EC4	Ziraat Bank does not receive any type of financial assistance from the government.					
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS						
G4-DMA	Remuneration Committee, page: 72					
G4-EC5	At Ziraat Bank, entry-level salaries are at least equal to, if not higher than, the statutory minimum.					
G4-EC6	All Ziraat Bank senior management is Turkish.					
MATERIAL ASPECT: PROCUREMENT PRACTICES						
G4-DMA	A Stronger Turkish Economy, page: 54-55					
G4-EC7	A Stronger Turkish Economy, page: 54-55					
G4-EC8	A Stronger Turkish Economy, page: 54-55					
CATEGORY: ENVIRONMENTAL						
MATERIAL ASPECT: ENERGY						
G4-DMA	Energy Consumption and Carbon Footprint, page: 87					
G4-EN3	Energy Consumption and Carbon Footprint, page: 87					
G4-EN4	Energy Consumption and Carbon Footprint, page: 87					
G4-EN5	Since the carbon footprint calculation of Ziraat Bank comprises only headquarters units, energy intensity was not calculated for the reporting period. The Bank is currently in the process of setting the carbon footprint tracking system to cover the whole organization. This is going to be done as soon as possible.					
G4-EN6	Energy intensity					
G4-EN7	Currently not available					
G4-EN8	Energy intensity					
G4-EN9	Reduction of energy consumption					
G4-EN10	Reductions in energy requirements of products and services					
MATERIAL ASPECT: WATER						
G4-DMA	Water Consumption and Footprint, page: 86					
G4-EN8	Water Consumption and Footprint, page: 86					

G4-EN9	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business.	Water sources significantly affected by withdrawal of water
G4-EN10	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business.	Percentage and total volume of water recycled and reused
MATERIAL ASPECT: EMISSIONS				
G4-DMA	Energy Consumption and Carbon Footprint, page: 87			Generic disclosures on management approach
G4-EN15	Energy Consumption and Carbon Footprint, page: 87			Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	Energy Consumption and Carbon Footprint, page: 87			Energy indirect greenhouse gas (GHG) emissions (Scope 2)
G4-EN17	Energy Consumption and Carbon Footprint, page: 87			Other indirect greenhouse gas (GHG) emissions (Scope 3)
G4-EN18	Energy Consumption and Carbon Footprint, page: 87			Greenhouse gas (GHG) emissions intensity
G4-EN19	Energy Consumption and Carbon Footprint, page: 87			Reduction of greenhouse gas (GHG) emissions
G4-EN20	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business because the Bank's business activities and operations do not generate significant emissions of these substances.	Ozone-depleting substance emissions (ODS)
G4-EN21	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business because the Bank's business activities and operations do not generate significant emissions of these substances.	NOx, SOx, and other significant air emissions
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	Waste Management at International Standards, page: 84			Generic disclosures on management approach
G4-EN22	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business because all water is discharged to public waste water treatment across its operations.	Total water discharge by quality and destination
G4-EN23	Waste Management at International Standards, page: 84			Total weight of waste by type and disposal method
G4-EN24	There have been no significant spills from any Ziraat Bank facility in the reporting period. In addition, the Bank's business activities do not have a material risk of significant spills of hazardous substances.			Total number and volume of significant spills
G4-EN25	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business.	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally
G4-EN26	The whole indicator	Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business.	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff

GRI INDICATORS INDEX

MATERIAL ASPECT: PRODUCTS AND SERVICES

G4-DMA	Special Projects to Mitigate the Environmental Footprint, page: 86	Generic disclosures on management approach
G4-EN27	Special Projects to Mitigate the Environmental Footprint, page: 86	Extent of impact mitigation of environmental impacts of products and services
G4-EN28	The whole indicator Not applicable	Ziraat Bank does not report on this indicator as the disclosure is not material to its business. Percentage of products sold and their packaging materials that are reclaimed by category

MATERIAL ASPECT: COMPLIANCE

G4-DMA	A More Livable Environment, page: 82-83	Generic disclosures on management approach
G4-EN29	There have been no fines or non-monetary sanction for noncompliance with environmental laws and regulations.	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations

MATERIAL ASPECT: TRANSPORT

G4-DMA	Fuel Consumption Criteria in Vehicle Purchase or Rental, page: 86	Generic disclosures on management approach
G4-EN30	Fuel Consumption Criteria in Vehicle Purchase or Rental, page: 86	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

MATERIAL ASPECT: OVERALL

G4-DMA	A More Livable Environment, page: 82-88	Generic disclosures on management approach
G4-EN31	A More Livable Environment, page: 82-88	Total environmental protection expenditures and investments by type

MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

G4-DMA	More Sustainable And Higher Quality Procurement page: 88-89	Generic disclosures on management approach
G4-EN32	More Sustainable And Higher Quality Procurement, page: 88-89	Percentage of new suppliers that were screened using environmental criteria
G4-EN33	More Sustainable And Higher Quality Procurement, page: 88-89	Significant actual and potential negative environmental impacts in the supply chain and actions taken

MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

G4-DMA	A More Livable Environment, page: 82-88	Generic disclosures on management approach
G4-EN34	There have been no grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms during the reporting period.	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms

CATEGORY: SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

MATERIAL ASPECT: EMPLOYMENT		
G4-DMA	More Highly Competent Employees, page: 70-73	Generic disclosures on management approach
G4-LA1	Key Human Resources Indicators, page: 78-81	Total number and rates of new employee hires and employee turnover by age group, gender and region

G4-LA2 All Ziraat Bank personnel are employed full-time.

Benefits provided to fulltime employees that are not provided to temporary or part-time employees, by significant locations of operation

G4-LA3 Parental Leave Indicators, page: 79

Return to work and retention rates after parental leave, by gender

MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS

G4-DMA	Collective Bargaining Agreement, page: 73	Generic disclosures on management approach
G4-LA4	Collective Bargaining Agreement, page: 73	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Occupational Health and Safety, page: 75	Generic disclosures on management approach
G4-LA5	Occupational Health and Safety, page: 75	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

G4-LA6 In the reporting period, there were not any work-related incidents of death or injury; or occupational diseases.

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

G4-LA7 Occupational Health and Safety, page: 75

Workers with high incidence or high risk of diseases related to their occupation

G4-LA8 Occupational Health and Safety, page: 75

Health and safety topics covered in formal agreements with trade unions

MATERIAL ASPECT: TRAINING AND EDUCATION

G4-DMA	Continuous Education Activities, page: 74-75	Generic disclosures on management approach
G4-LA9	Continuous Education Activities, page: 74-75	Average hours of training per year per employee by gender, and by employee category

G4-L10 Continuous Education Activities, page: 74-75

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

G4-LA11 Continuous Education Activities, page: 74-75

Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA	Key Human Resources Indicators, page: 77	Generic disclosures on management approach
G4-LA12	Key Human Resources Indicators, page: 77	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	Remuneration Practices, page: 72	Generic disclosures on management approach
G4-LA13	As the salary system is completely based upon performance, there is not an application that tracks the difference between male and female employees' salaries.	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

GRI INDICATORS INDEX

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-DMA	More Sustainable and Higher Quality Procurement, page: 88-89	Generic disclosures on management approach
G4-LA14	More Sustainable and Higher Quality Procurement, page: 88-89	Percentage of new suppliers that were screened using labor practices criteria
G4-LA15	More Sustainable and Higher Quality Procurement, page: 88-89	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	Ziraat Bank Information Policy, page: 51	Generic disclosures on management approach
G4-LA16	There have been no grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms during the reporting period.	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: HUMAN RIGHTS

MATERIAL ASPECT: INVESTMENT		
G4-DMA	Environmental and Social Control in Procurement, page: 58, Environmental and Social Risk Assessment, page: 64	Generic disclosures on management approach
G4-HR1	Environmental and Social Control in Procurement, page: 58, Environmental and Social Risk Assessment, page: 64	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
G4-HR2	Continuous Education Activities, page: 75	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
MATERIAL ASPECT: NON-DISCRIMINATION		
G4-DMA	Ziraat Bank does not tolerate or support discrimination of any kind.	Generic disclosures on management approach
G4-HR3	There were no incidents of discrimination reported during the reporting period.	Total number of incidents of discrimination and corrective actions taken
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-DMA	Collective Bargaining Agreement, page: 73	Generic disclosures on management approach
G4-HR4	During the reporting period, Ziraat Bank had no dealings with any supplier who, to the bank's knowledge, was in violation of their employees' union rights, which is to say their employees' right to join or not to join a trade or labor union. On the other hand, during the reporting period, there were no violations of the right to exercise freedom of association and collective bargaining at Ziraat Bank.	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
MATERIAL ASPECT: CHILD LABOR		
G4-DMA	Ziraat Bank does not tolerate the use of child labor in business. Additionally, companies which employ child labor will not be financed at all, whenever identified.	Generic disclosures on management approach
G4-HR5	There have been no incidents during 2015.	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

MATERIAL ASPECT: FORCED OR COMPULSORY LABOR

G4-DMA	Ziraat Bank does not tolerate or support the use of forced or compulsory labor.	Generic disclosures on management approach
G4-HR6	There have been no incidents during 2015.	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

MATERIAL ASPECT: SECURITY PRACTICES

G4-DMA	Ziraat Bank ensures the safety of employees and customers and takes all necessary precautions.	Generic disclosures on management approach
G4-HR7	Every kind of training for security personnel, as per the laws numbered 5188 and 6136, at Ziraat Bank is under the responsibility of the supplier company which provides the Bank with Private Security Personnel service. Ziraat Bank always procures the security services from suppliers who strictly adhere to the requirements of laws and regulations pertaining to private security services in Turkey.	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

MATERIAL ASPECT: ASSESSMENT

G4-DMA	Policies Applicable to Ziraat Bank, page: 40	Generic disclosures on management approach
G4-HR9	No operations have been subject to human rights reviews and/or impact assessments during the reporting period.	Total number and percentage of operations that have been subject to human rights reviews or impact assessments

MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-DMA	More Sustainable and Higher Quality Procurement, page: 88-89	Generic disclosures on management approach
G4-HR10	More Sustainable and Higher Quality Procurement, page: 88-89	Percentage of new suppliers that were screened using human rights criteria
G4-HR11	More Sustainable and Higher Quality Procurement, page: 88-89	Significant actual and potential negative human rights impacts in the supply chain and actions taken

MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-DMA	Ziraat Bank Information Policy page: 51	Generic disclosures on management approach
G4-HR12	There have been no grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms during the reporting period.	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: SOCIETY

MATERIAL ASPECT: LOCAL COMMUNITIES		
G4-DMA	Environmental and Social Risk Assessment, page: 65	Generic disclosures on management approach
G4-SO1	In the projects that Ziraat Bank financed in 2015, careful attention was given not just to their contributions to Turkey's economic development but also to their environmental and social benefits as well. Examples of such undertakings include financing projects that enhance local producers' ability to compete and projects to increase local employment through the creation of new production opportunities.	Percentage of operations with implemented local community engagement, impact assessments, and development programs
G4-SO2	There have been no operations with significant actual and potential negative impacts on local communities during the reporting period.	Operations with significant actual and potential negative impacts on local communities
G4-FS13	Ziraat Bank is the unique bank that operates in over 400 districts of Turkey.	Access points in low-populated or economically disadvantaged areas by type
G4-FS14	Measures to Boost Disabled Customers' Financial Access, page: 67, Financial Literacy, page: 68	Initiatives to improve access to financial services for disadvantaged people

GRI INDICATORS INDEX

MATERIAL ASPECT: ANTI-CORRUPTION

G4-DMA	Code of Ethics and Ziraat Bank, page: 52	Generic disclosures on management approach
G4-SO3	No corruptive practices were encountered in 2015, so there were no operations assessed for risks related to corruption.	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
G4-SO4	Policies Applicable to Ziraat Bank, page: 40	Communication and training on anti-corruption policies and procedures
G4-SO5	There have been no confirmed incidents of corruption and actions taken during the reporting period.	Confirmed incidents of corruption and actions taken

MATERIAL ASPECT: PUBLIC POLICY

G4-DMA	Ziraat Bank is not a participant in the political and public policy making process.	Generic disclosures on management approach
G4-SO6	Ziraat Bank is not providing any financial and in-kind assistance to political party, politician or to relevant institutions.	Total value of political contributions by country and recipient/beneficiary

MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR

G4-DMA	Code of Ethics and Ziraat Bank, page: 52	Generic disclosures on management approach
G4-SO7	There have been no legal actions for anti-competitive behavior, anti-trust, and monopoly practices during the reporting period.	Total number of legal actions for anti-competitive behavior, antitrust, and monopoly practices and their outcomes

MATERIAL ASPECT: COMPLIANCE

G4-DMA	Code of Ethics and Ziraat Bank, page: 52	Generic disclosures on management approach
G4-SO8	There have been no fines or non-monetary sanction for non-compliance with laws and regulations.	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-DMA	More Sustainable and Higher Quality Procurement, page: 88-89	Generic disclosures on management approach
G4-SO9	More Sustainable and Higher Quality Procurement, page: 88-89	Percentage of new suppliers that were screened using criteria for impacts on society
G4-SO10	More Sustainable and Higher Quality Procurement, page: 88-89	Significant actual and potential negative impacts on society in the supply chain and actions taken

MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-DMA	Environmental and Social Control in Procurement, page: 58, Environmental and Social Risk Assessment, page: 65	Generic disclosures on management approach
G4-SO11	There have been no grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms during reporting period.	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

SUB-CATEGORY: PRODUCT RESPONSIBILITY

MATERIAL ASPECT: PRODUCT AND SERVICE LABELING		
G4-DMA	Ziraat Bank complies with all the laws and regulations currently in force in Turkey related to product and service information.	Generic disclosures on management approach
G4-PR3	Ziraat Bank complies with laws and regulations relating to the disclosure of information about the products and services it provides. For example, the Bank is obliged to provide product disclaimer statements, terms and conditions and offer copies of legally binding documentation to consumers. The Bank also assists customers in comparing its products to peers' products available in the market by providing objective, transparent and understandable information and consultancy.	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

G4-PR4	There have been no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling during the reporting period.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes
G4-PR5	Social Media-Centred Customer Relationship Management, page: 57	Results of surveys measuring customer satisfaction

MATERIAL ASPECT: MARKETING COMMUNICATION

G4-DMA	Marketing Communication in Line with Ethical Principles	Generic disclosures on management approach
G4-PR6	The whole indicator	Not applicable
G4-PR7	Marketing Communication in Line with Ethical Principles, page: 69	Ziraat Bank does not report on this indicator as the disclosure is not material to its business.

MATERIAL ASPECT: CUSTOMER PRIVACY

G4-DMA	Ziraat Bank complies with all the laws and regulations currently in force in Turkey related to customer privacy.	Generic disclosures on management approach
G4-PR8	There were no complaints regarding breaches of customer privacy and loss of customer data during the reporting period.	Total number of substantiated complaints regarding breaches of customer privacy and loss of customer data

MATERIAL ASPECT: COMPLIANCE

G4-DMA	Ziraat Bank complies with all the laws and regulations currently in force in Turkey related to the provision and use of products and services.	Generic disclosures on management approach
G4-PR9	There have been no fines or non-monetary sanction for non-compliance with laws and regulations concerning the provision and use of products and services during the reporting period.	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

GRI INDICATORS INDEX

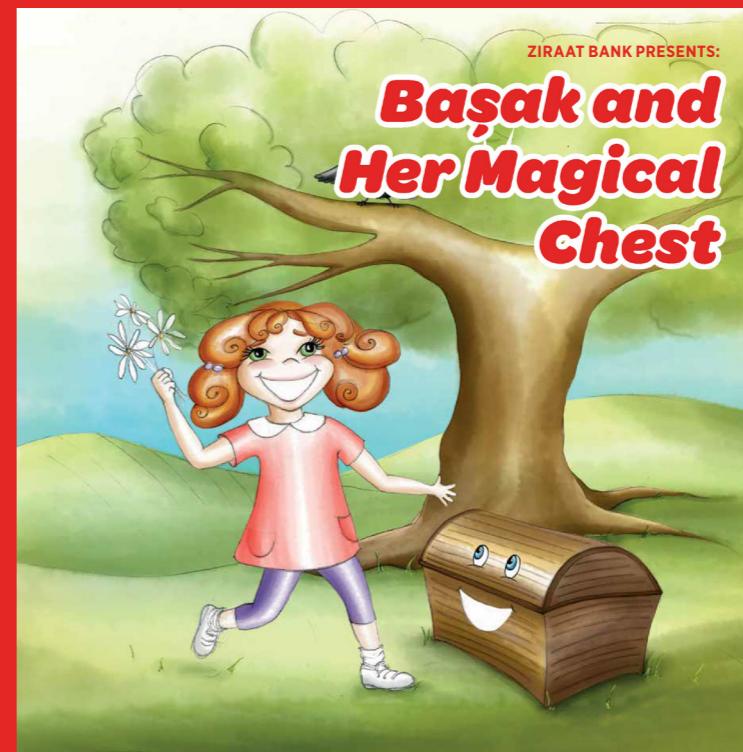
MATERIAL ASPECT: PRODUCT PORTFOLIO	
G4-DMA	Happier Customers, page: 56
G4-FS6	Happier Customers, page: 56
G4-FS7	Agricultural Sector, page: 61-63
G4-FS8	Efficient Financing Facilities for Energy Projects, page: 64
MATERIAL ASPECT: AUDIT	
G4-DMA	Corporate Governance
MATERIAL ASPECT: ACTIVE OWNERSHIP	
G4-DMA	Corporate Governance
G4-FS10	Environmental and Social Commitment Obligation for Customers, page: 63-64
G4-FS11	Environmental and Social Commitment Obligation for Customers, page: 63-64

A SPECIAL SUSTAINABILITY PROJECT FOR CHILDREN

As the bank of all generations, we wanted to develop a special project for children this year. So we published an e-storybook, enclosed with this Sustainability Report. This is the first edition of our e-storybook, which will be published periodically in a sustainable format.

Our protagonist Başak is a helpful young girl who respects people and the environment, and is much loved by everyone. Başak's adventures will highlight various aspects of our sustainability approach. The e-storybook is accessible exclusively online at:

<http://www.ziraatbank.com.tr/en/OurBank/Sustainability/Pages/StorybooksforChildren.aspx>



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