Supplemental Letter No. 2

TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş.

August 22, 2013

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 8275-1R
(Third Access to Finance for Small and Medium Enterprises Project)
Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to the Loan Agreement of even date herewith between TÜRKİYE CUMHURİYETİ ZIRAAT BANKASI A.Ş. (the Borrower) and the International Bank for Reconstruction and Development (the Bank). The Borrower hereby confirms to the Bank that the indicators set out in this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives:

1. Key indicators for measuring the project development objective (PDO) include:
   (a) Ratio of the average maturity of sub-loans financed under the project, over the Participating Financial Institutions (PFIs) average maturity of Small and Medium Enterprises (SME) leasing portfolio.
   (b) Number of SME beneficiaries financed by PFIs under the project (cumulative).
   (c) Number of new SME beneficiaries financed by PFIs under the project (that have not received financing from the PFI in the past) as a percentage of the total number of SME beneficiaries financed by PFIs.
   (d) Number of PFIs introducing new leasing products (cumulative).
   (e) Number of new PFIs under the project (that have not received funding from International Financial Institutions in the past, cumulative).

2. Key Intermediate Results indicators include:
   (a) Number of PFIs under the project (cumulative).
   (b) Volume of Bank Support (cumulative, US$ million).
(c) Outstanding SME loan portfolio (US$ million). The indicator will be reported by PFI, both for their entire portfolio and the Bank-financed portion only.

(d) Number of active SME loan accounts (not cumulative). The indicator will be reported by PFI, both for their entire portfolio and the Bank-financed portion only.

(e) Portfolio at risk. The indicator will follow the local definition for NPLs, as regulated by BRSA. The indicator will be reported for Ziraat and by PFI, both their entire portfolio and the Bank-financed portion only.

(f) Return on Assets (%). The indicator will be reported for Ziraat and by PFI.

(g) Return on Equity (%). The indicator will be reported for Ziraat and by PFI.

(h) Compliance with prudential regulation. The indicator will be reported for Ziraat and by PFI.

3. In addition to the above indicators, the project will monitor some additional indicators. These indicators will be monitored for analytical purposes only and will serve as useful inputs to define policies and projects aimed at further improving SMEs’ access to credit in Turkey:

(a) Performance of SMEs under the project: (i) Increase in employment; (ii) Increase in sales.

(b) Profile of SMEs under the project: (i) Size of SMEs; (ii) Economic sector; (iii) Geographical location; (iv) Female owner or shareholder; (v) Female in management team.

(c) Profile of finance under the project: (i) Size of sub-loan; (ii) Maturity of sub-loan; (iii) Interest on sub-loan.

Very truly yours,

TÜRKİYE CUMHURIYETI ZIRAAT BANKASI A.Ş.

By Authorized Representative