

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT  
AT 30 JUNE 2014**

**(Convenience Translation of Publicly Announced  
Unconsolidated Financial Statements and  
Independent Auditor's Review Report  
Originally Issued in Turkish,  
See in Note I. of Section Three)**



**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S  
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

To the Board of Directors of Türkiye Cumhuriyeti Ziraat Bankası A.Ş.:

We have reviewed the accompanying unconsolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. ("the Bank") at 30 June 2014 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

As mentioned in Section II. Note 7.d1 of Explanations and Notes to the Unconsolidated Financial Statements; as of the balance sheet date, the accompanying financial statements include a free provision amounting to TL1.192.000 thousand (TL140.000 thousand of this provision amount was charged to the income statement as an expense in the current period), provided by the Bank management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions.

Based on our review except for the effect of the matter on the financial statements described in the paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. at 30 June 2014 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Haluk Yalçın, SMMM  
Partner

Istanbul, 11 August 2014

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

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF  
TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş. AS OF 30 JUNE 2014**

The Bank's Headquarter Address: Doğanbey Mahallesi Atatürk Bulvarı  
No: 8 06107-Altındağ/ANKARA  
Phone: (312) 584 20 00  
Facsimile: (312) 584 49 63  
Website: www.ziraatbank.com.tr

The unconsolidated financial report includes the following sections in accordance with the "Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- EXPLANATIONS ON THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND NOTES
- EXPLANATIONS ON REVIEW REPORT

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

---

Muharrem KARSLI  
Chairman of the Board of Directors,  
Member of the Audit Committee

---

Hüseyin AYDIN  
Member of the Board of Directors,  
General Manager

---

Feyzi ÇUTUR  
Member of the Board of Directors,  
Member of the Audit Committee

---

Cem İNAL  
Assistant General Manager  
Financial Coordination

---

Atakan BEKTAŞ  
Head of Financial Statements and  
Reporting Management

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

Name/Title : Kubilay ŞAHİN / Financial Statements Manager  
Telephone Number : 0312 584 59 33  
Facsimile Number : 0312 584 59 38

**SECTION ONE**  
**General Information about the Bank**

	<u>PAGE</u>
I. History of the Bank including its incorporation date, initial legal status and amendments to legal status and amendments to legal status, if any	1
II. Explanation about the Bank's capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to	1
III. Information on the Board of Directors, members of the audit committee, general manager and general managers, changes in these matters (if any) and shares of the Bank they possess	2
IV. Information about the persons and institutions that have qualified shares attributable to the Bank	2
V. Summary information on the Bank's activities and services	3
VI. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the bank and its subsidiaries or reimbursement of liabilities	3

**SECTION TWO**  
**The Bank's Unconsolidated Financial Statements**

I. Balance sheet	4
II. Statement of off-balance sheet commitments	6
III. Statement of income	7
IV. Statement of income and expense items accounted under shareholders' equity	8
V. Statement of changes in shareholders' equity	9
VI. Statement of cash flows	11

**SECTION THREE**  
**Explanations on Accounting Policies**

I. Basis of presentation	12
II. Explanations on the strategy of using financial instruments and foreign currency transactions	13
III. Explanations on investments in associates, subsidiaries and joint ventures	13
IV. Explanations on forward transactions, options and derivative instruments	14
V. Explanations on interest income and expenses	14
VI. Explanations on fee and commission income and expense	14
VII. Explanations on financial assets	14
VIII. Explanations on impairment of financial assets	17
IX. Explanations on offsetting financial assets and liabilities	17
X. Explanations on sales and repurchase agreements and securities lending transactions	17
XI. Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets	17
XII. Explanations on goodwill and other intangible assets	18
XIII. Explanations on property and equipment	18
XIV. Explanations on leasing transactions	19
XV. Explanations on provisions, contingent asset and liabilities	19
XVI. Explanations on obligations related to employee rights	20
XVII. Explanations on taxation	21
XVIII. Explanations on borrowings	23
XIX. Explanations on issuance of share certificates	23
XX. Explanations on avalized drafts and acceptances	23
XXI. Explanations on government grants	23
XXII. Cash and cash equivalents	23
XXIII. Explanations on segment reporting	23
XXIV. Explanations on other matters	23

**SECTION FOUR**  
**Explanations Related to Financial Position of the Bank**

I. Explanations on the capital adequacy standard ratio	24
II. Explanations on the market risk	31
III. Explanations on the currency risk	32
IV. Explanations on the interest rate risk	34
V. Explanations on the liquidity risk	38
VI. Explanations on the securitization position	40
VII. Risk management objectives and policies	41
VIII. Explanations on operating segments	44

**SECTION FIVE**  
**Explanations and Notes Related to Unconsolidated Financial Statements**

I. Explanations and notes related to assets	47
II. Explanations and notes related to liabilities	63
III. Explanations and notes related to the off-balance sheet accounts	70
IV. Explanations and notes related to the income statement	71
V. Explanations and notes related to the risk group of the Bank	76
VI. Explanations and notes related to subsequent events	77

**SECTION SIX**  
**Other Explanations and Notes**

I. Other explanations on the Bank's operations	78
------------------------------------------------	----

**SECTION SEVEN**  
**Explanations on the Independent Auditors' Review Report**

I. Explanations on the independent auditors' review report	78
II. Explanations and notes prepared by the independent auditors	78

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (“Ziraat Bankası” or “the Bank”) is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. The Bank, which was given the authority to perform all the banking activities, has its head office located in Ankara and all shares of the Bank belong to the Treasury.

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

The sole shareholder of the Bank is (“Treasury”) the Republic of Turkey Prime Ministry Undersecretariat of Treasury.

CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED  
IN TURKISH, SEE NOTE I. OF SECTION THREE

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

GENERAL INFORMATION ABOUT THE BANK (Continued)

III. INFORMATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS

Name	Administrative Function
<b>Members of the Board of Directors</b>	
Muharrem KARSLI	Chairman
Hüseyin AYDIN	General Manager and Member
Yusuf DAĞCAN	Vice Chairman and Member
Fahrettin ÖZDEMİRCİ	Member
Feyzi ÇUTUR	Member
Metin ÖZDEMİR	Member
Mustafa ÇETİN	Member
Salim ALKAN	Member
Cemalettin BAŞLI*	Member
<b>Audit Committee Members</b>	
Muharrem KARSLI	Member
Feyzi ÇUTUR	Member
<b>Assistant General Managers</b>	
Alpaslan ÇAKAR	Individual Banking
Bilgehan KURU	Treasury and Strategy Management
Bülent SUER	Operational Transactions
Cem İNAL	Financial Coordination
Mehmet Cengiz GÖĞEBAKAN	Credit Policies
Musa ARDA	Credit Allocation and Management
Osman ARSLAN	International Banking and Joint Ventures
Ömer Muzaffer BAKTIR	Marketing
Peyami Ömer ÖZDİLEK	Human Resources
Yunus Uygur KOCAOĞLU	Information Technologies Management
Yüksel CESUR**	Internal Systems

\* As of 10 June 2014, Cemalettin BAŞLI has started to his mission.

\*\* As of 1 April 2014, Yüksel CESUR has started to his mission.

The directors above mentioned do not retain any shares of the Bank’s capital.

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

Name/Trade Name	Amount of Share	Percentage of Share %	Paid-in Shares	Unpaid Shares
Treasury	2.500.000	100	2.500.000	-

The sole shareholder of the Bank is the Treasury.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**GENERAL INFORMATION ABOUT THE BANK (Continued)**

**V. SUMMARY INFORMATION ON THE BANK’S ACTIVITIES AND SERVICES**

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

As of 30 June 2014, Bank carries its activities with a grand total of 1.674 branches; 1.649 branches including 5 Corporate Branches, 27 Commercial Branches, 80 Enterprising Branches, 66 Dynamic Enterprising Branch, 1.469 domestic branches and 2 mobile branches (31 December 2013: 1.636 domestic branches including 1.521 branches, 5 Corporate Branches, 27 Commercial Branches, 81 Enterprising Branches, 2 mobile branches) and 25 branches abroad including 21 branches and 4 sub branches (New York branch in United States, London branch in England, Tbilisi branch and Batumi sub branch in Georgia, Baghdad and Arbil branches in Iraq, Athens, Komotini, Xanthi and Rhodes branches in Greece, Sofia branch and Filibe/Plovdiv, Kardzhali and Varna sub branches in Bulgaria, Jeddah branch in Saudi Arabia, Lefkoşa, Girne, Güzelyurt, Gazimağusa, Gönyeli, Akdoğan, Near East University, Karaoğlanoğlu, Karakum and İskele sub branches in Turkish Republic of Northern Cyprus). The Bank also has 1 representative office in Tehran, Iran.

The Bank signed a contract with T. İş Bankası A.Ş. on 22 January 2007 to provide longer installment plan and bonus points to their credit card users and benefit from all the advantages within Maximum credit card at merchants that are a part of Maximum plan. Also with this contract the Bank has the right to register members for Maximum. Transactions between the two banks are administered by Interbank Card Centre.

Başakkart is a bank card through which demand deposit accounts and agricultural loan accounts can be linked. Bank can associate Başakkart with enterprise loans below TL50 and agricultural loan limits in line with the demands of the customers. All limits of loan accounts assigned to the Başakkart can be used via POS machines of the Bank in Başakkart Member Business points for the purchase of agricultural inputs (feed, grain, fuel, etc.). According to preferences of customers, maximum 75% of cash limits of loan accounts can be used through the branches/ATMs of the Bank. Repayments regarding the transactions with Başakkart can be made through the branches of the Bank. Agricultural products/services obtained by using Başakkart are repaid without any interest charge within the time periods defined by the Bank.

**VI. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE IMMEDIATE TRANSFER OF SHAREHOLDER’S EQUITY BETWEEN THE BANK AND ITS SUBSIDIARIES OR REIMBURSEMENT OF LIABILITIES.**

None.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 JUNE 2014**

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

**SECTION TWO**

**THE BANK'S UNCONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Current Period (30/06/2014)			Prior Period (31/12/2013)					
		ASSETS			TL	FC	Total	TL	FC	Total
		TL	FC	Total	TL	FC	Total	TL	FC	Total
<b>I. CASH BALANCES WITH THE CENTRAL BANK OF TURKEY</b>	(1)	2.086.097	27.273.811	29.359.908	3.664.488	22.937.925	26.602.413			
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)</b>	(2)	288.248	34.535	322.783	304.618	149.319	453.937			
2.1 Financial Assets Held for Trading		288.248	34.535	322.783	304.618	149.319	453.937			
2.1.1 Public Sector Debt Securities		16.338	3.512	19.850	10.878	4.432	15.310			
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-			
2.1.3 Derivative Financial Assets Held for Trading		271.910	31.023	302.933	293.740	144.887	438.627			
2.1.4 Other Marketable Securities		-	-	-	-	-	-			
2.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-			
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-			
2.2.2 Securities Representing a Share in Capital		-	-	-	-	-	-			
2.2.3 Loans		-	-	-	-	-	-			
2.2.4 Other Marketable Securities		-	-	-	-	-	-			
<b>III. BANKS</b>	(3)	409.387	1.359.674	1.769.061	512.104	1.952.907	2.465.011			
<b>IV. MONEY MARKET PLACEMENTS</b>		-	-	-	-	-	-			
4.1 Interbank Money Market Placements		-	-	-	-	-	-			
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-			
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-			
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	44.910.723	7.347.757	52.258.480	40.238.476	6.445.321	46.683.797			
5.1 Securities Representing a Share in Capital		131.830	205.968	337.798	130.405	232.190	362.595			
5.2 Public Sector Debt Securities		44.772.211	6.965.971	51.738.182	40.097.373	6.081.524	46.178.897			
5.3 Other Marketable Securities		6.682	175.818	182.500	10.698	131.607	142.305			
<b>VI. LOANS AND RECEIVABLES</b>	(5)	101.432.572	22.920.334	124.352.906	90.418.006	20.629.967	111.047.973			
6.1 Loans and Receivables		100.658.211	22.920.325	123.578.536	89.623.480	20.629.955	110.253.435			
6.1.1 Loans Granted to Risk Group of The Bank		135.207	591.204	726.411	116.829	550.432	667.261			
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-			
6.1.3 Other		100.523.004	22.329.121	122.852.125	89.506.651	20.079.523	109.586.174			
6.2 Loans under Follow-up		2.498.540	7.328	2.505.868	2.396.871	20.570	2.417.441			
6.3 Specific Provisions (-)		1.724.179	7.319	1.731.498	1.602.345	20.558	1.622.903			
<b>VII. FACTORING RECEIVABLES</b>		-	-	-	-	-	-			
<b>VIII. INVESTMENTS HELD TO MATURITY (Net)</b>	(6)	6.708.059	4.737.717	11.445.776	10.529.555	5.130.795	15.660.350			
8.1 Public Sector Debt Securities		6.696.951	4.737.093	11.434.044	10.520.533	5.130.175	15.650.708			
8.2 Other Marketable Securities		11.108	624	11.732	9.022	620	9.642			
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	94.912	-	94.912	65.452	-	65.452			
9.1 Accounted with Equity Method		-	-	-	-	-	-			
9.2 Unconsolidated Associates		94.912	-	94.912	65.452	-	65.452			
9.2.1 Financial Associates		88.846	-	88.846	59.386	-	59.386			
9.2.2 Non-financial Associates		6.066	-	6.066	6.066	-	6.066			
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	432.478	977.494	1.409.972	382.478	768.828	1.151.306			
10.1 Unconsolidated Financial Subsidiaries		426.241	977.494	1.403.735	376.241	768.828	1.145.069			
10.2 Unconsolidated Non-Financial Subsidiaries		6.237	-	6.237	6.237	-	6.237			
<b>XI. ENTITIES UNDER COMMON CONTROL (Net)</b>	(9)	-	109.766	109.766	-	81.362	81.362			
11.1 Accounted with Equity Method		-	-	-	-	-	-			
11.2 Unconsolidated Entities Under Common Control		-	109.766	109.766	-	81.362	81.362			
11.2.1 Financial Entities Under Common Control		-	109.766	109.766	-	81.362	81.362			
11.2.2 Non Financial Entities Under Common Control		-	-	-	-	-	-			
<b>XII. RECEIVABLES FROM LEASING TRANSACTIONS</b>	(10)	-	-	-	-	-	-			
12.1 Finance Lease Receivables		-	-	-	-	-	-			
12.2 Operating Lease Receivables		-	-	-	-	-	-			
12.3 Other		-	-	-	-	-	-			
12.4 Unearned Income (-)		-	-	-	-	-	-			
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(11)	-	-	-	-	-	-			
13.1 Fair Value Hedges		-	-	-	-	-	-			
13.2 Cash Flow Hedges		-	-	-	-	-	-			
13.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-			
<b>XIV. TANGIBLE ASSETS (Net)</b>	(14)	4.702.451	6.931	4.709.382	1.042.246	7.406	1.049.652			
<b>XV. INTANGIBLE ASSETS (Net)</b>		131.114	4.009	135.123	130.238	4.690	134.928			
15.1 Goodwill		-	-	-	-	-	-			
15.2 Other		131.114	4.009	135.123	130.238	4.690	134.928			
<b>XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)</b>	(12)	-	-	-	-	-	-			
<b>XVII. TAX ASSET</b>		175.504	-	175.504	334.067	-	334.067			
17.1 Current Tax Asset		66	-	66	551	-	551			
17.2 Deferred Tax Asset		175.438	-	175.438	333.516	-	333.516			
<b>XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)</b>	(13)	149.857	-	149.857	104.952	-	104.952			
18.1 Held for Sale		149.857	-	149.857	104.952	-	104.952			
18.2 Held from Discontinued Operations		-	-	-	-	-	-			
<b>XIX. OTHER ASSETS</b>		1.421.502	290.020	1.711.522	963.959	730.795	1.694.754			
<b>TOTAL ASSETS</b>		162.942.904	65.062.048	228.004.952	148.690.639	58.839.315	207.529.954			

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 JUNE 2014**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five II)	Current Period (30/06/2014)			Prior Period (31/12/2013)				
			LIABILITIES AND EQUITY		TL	FC	Total	TL	FC	Total
			TL	FC	Total	TL	FC	Total		
<b>I.</b>	<b>DEPOSITS</b>	(1)	<b>102.111.265</b>	<b>42.994.607</b>	<b>145.105.872</b>	<b>100.601.120</b>	<b>41.134.026</b>	<b>141.735.146</b>		
1.1	Deposits Held By the Risk Group of the Bank		259.217	337.660	596.877	136.144	125.813	261.957		
1.2	Other		101.852.048	42.656.947	144.508.995	100.464.976	41.008.213	141.473.189		
<b>II.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	<b>57.117</b>	<b>189.165</b>	<b>246.282</b>	<b>18.520</b>	<b>36.144</b>	<b>54.664</b>		
<b>III.</b>	<b>FUNDS BORROWED</b>	(3)	<b>1.120.680</b>	<b>9.624.141</b>	<b>10.744.821</b>	<b>1.081.962</b>	<b>7.477.367</b>	<b>8.559.329</b>		
<b>IV.</b>	<b>MONEY MARKET BALANCES</b>		<b>17.581.317</b>	<b>13.056.073</b>	<b>30.637.390</b>	<b>12.509.222</b>	<b>12.061.628</b>	<b>24.570.850</b>		
4.1	Interbank Money Market Borrowings		-	-	-	-	-	-		
4.2	Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-		
4.3	Funds Provided under Repurchase Agreements		17.581.317	13.056.073	30.637.390	12.509.222	12.061.628	24.570.850		
<b>V.</b>	<b>MARKETABLE SECURITIES ISSUED (Net)</b>		<b>1.494.595</b>	-	<b>1.494.595</b>	<b>2.636.887</b>	-	<b>2.636.887</b>		
5.1	Bills		1.494.595	-	1.494.595	2.404.051	-	2.404.051		
5.2	Asset-backed Securities		-	-	-	-	-	-		
5.3	Bonds		-	-	-	232.836	-	232.836		
<b>VI.</b>	<b>FUNDS</b>		<b>4.798.711</b>	-	<b>4.798.711</b>	<b>4.036.491</b>	-	<b>4.036.491</b>		
6.1	Borrower Funds		-	-	-	-	-	-		
6.2	Other		4.798.711	-	4.798.711	4.036.491	-	4.036.491		
<b>VII.</b>	<b>MISCELLANEOUS PAYABLES</b>		<b>1.417.153</b>	<b>540.704</b>	<b>1.957.857</b>	<b>1.055.333</b>	<b>297.595</b>	<b>1.352.928</b>		
<b>VIII.</b>	<b>OTHER LIABILITIES</b>	(4)	<b>1.833.123</b>	<b>430.367</b>	<b>2.263.490</b>	<b>1.418.521</b>	<b>455.598</b>	<b>1.874.119</b>		
<b>IX.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-		
<b>X.</b>	<b>PAYABLES FROM LEASING TRANSACTIONS (Net)</b>	(5)	-	-	-	-	<b>941</b>	<b>941</b>		
10.1	Finance Lease Payables		-	4	4	-	959	959		
10.2	Operating Lease Payables		-	-	-	-	-	-		
10.3	Other		-	-	-	-	-	-		
10.4	Deferred Finance Lease Expenses ( - )		-	(4)	(4)	-	18	18		
<b>XI.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING</b>	(6)	-	-	-	-	-	-		
11.1	Fair Value Hedges		-	-	-	-	-	-		
11.2	Cash Flow Hedges		-	-	-	-	-	-		
11.3	Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-		
<b>XII.</b>	<b>PROVISIONS</b>	(7)	<b>4.325.781</b>	<b>24.938</b>	<b>4.350.719</b>	<b>3.940.036</b>	<b>18.259</b>	<b>3.958.295</b>		
12.1	General Provisions		2.109.115	7.752	2.116.867	1.962.430	7.663	1.970.093		
12.2	Restructuring Provisions		-	-	-	-	-	-		
12.3	Employee Benefits Provisions		820.799	-	820.799	701.643	-	701.643		
12.4	Insurance Technical Reserves (Net)		-	-	-	-	-	-		
12.5	Other Provisions		1.395.867	17.186	1.413.053	1.275.963	10.596	1.286.559		
<b>XIII.</b>	<b>TAX LIABILITY</b>	(8)	<b>734.459</b>	<b>318</b>	<b>734.777</b>	<b>383.219</b>	<b>406</b>	<b>383.625</b>		
13.1	Current Tax Liability		734.459	318	734.777	383.219	406	383.625		
13.2	Deferred Tax Liability		-	-	-	-	-	-		
<b>XIV.</b>	<b>LIABILITIES FOR ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-		
14.1	Held for Sale		-	-	-	-	-	-		
14.2	Held from Discontinued Operations		-	-	-	-	-	-		
<b>XV.</b>	<b>SUBORDINATED LOANS</b>		-	-	-	-	-	-		
<b>XVI.</b>	<b>SHAREHOLDERS' EQUITY</b>	(9)	<b>24.837.740</b>	<b>832.698</b>	<b>25.670.438</b>	<b>18.181.872</b>	<b>184.807</b>	<b>18.366.679</b>		
16.1	Paid-in Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000		
16.2	Capital Reserves		4.663.604	832.698	5.496.302	(282.183)	184.807	(97.376)		
16.2.1	Share Premium		-	-	-	-	-	-		
16.2.2	Share Cancellation Profits		-	-	-	-	-	-		
16.2.3	Marketable Securities Valuation Differences		513.009	832.698	1.345.707	(826.752)	184.807	(641.945)		
16.2.4	Tangible Assets Revaluation Reserves		3.669.029	-	3.669.029	-	-	-		
16.2.5	Intangible Assets Revaluation Reserves		-	-	-	-	-	-		
16.2.6	Revaluation Reserves of Real Estates for Investment Purpose		-	-	-	-	-	-		
16.2.7	Bonus Shares of Subsidiaries, Associates and Entities Under Common Control		17.388	-	17.388	17.388	-	17.388		
16.2.8	Hedging Funds (Effective Portion)		-	-	-	-	-	-		
16.2.9	Value Increase on Assets Held for Sale		-	-	-	-	-	-		
16.2.10	Other Capital Reserves		464.178	-	464.178	527.181	-	527.181		
16.3	Profit Reserves		15.504.264	-	15.504.264	12.474.183	-	12.474.183		
16.3.1	Legal Reserves		2.725.124	-	2.725.124	2.541.114	-	2.541.114		
16.3.2	Statutory Reserves		-	-	-	-	-	-		
16.3.3	Extraordinary Reserves		11.857.162	-	11.857.162	9.011.091	-	9.011.091		
16.3.4	Other Profit Reserves		921.978	-	921.978	921.978	-	921.978		
16.4	Profit or Loss		2.169.872	-	2.169.872	3.489.872	-	3.489.872		
16.4.1	Prior Years Profit/Loss		159.798	-	159.798	159.798	-	159.798		
16.4.2	Net Period Profit/Loss		2.010.074	-	2.010.074	3.330.074	-	3.330.074		
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>160.311.941</b>	<b>67.693.011</b>	<b>228.004.952</b>	<b>145.863.183</b>	<b>61.666.771</b>	<b>207.529.954</b>		

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS AS OF 30 JUNE 2014  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)**

II. STATEMENT OF OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period (30/06/2014)			Prior Period (31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>A OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>	<b>(I)</b>	<b>52.617.006</b>	<b>76.819.706</b>	<b>129.436.712</b>	<b>47.672.612</b>	<b>72.559.005</b>	<b>120.231.617</b>
<b>I. GUARANTEES AND WARRANTIES</b>		<b>12.978.844</b>	<b>21.365.555</b>	<b>34.344.399</b>	<b>10.835.207</b>	<b>19.379.847</b>	<b>30.215.054</b>
1.1 Letters of Guarantee		12.815.712	13.630.848	26.446.560	10.747.008	12.785.744	23.532.752
1.1.1 Guarantees Subject to State Tender Law		807.902	13.236.128	14.044.030	741.194	12.209.334	12.950.528
1.1.2 Guarantees Given for Foreign Trade Operations		11.277.873	-	11.277.873	9.275.313	-	9.275.313
1.1.3 Other Letters of Guarantee		729.937	394.720	1.124.657	730.501	576.410	1.306.911
1.2 Bank Acceptances		93.278	3.363.110	3.456.388	68.438	2.360.400	2.428.838
1.2.1 Import Letter of Acceptance		93.278	3.362.533	3.455.811	68.438	2.360.400	2.428.838
1.2.2 Other Bank Acceptances		-	577	577	-	-	-
1.3 Letters of Credit		69.854	4.371.597	4.441.451	19.761	4.233.703	4.253.464
1.3.1 Documentary Letters of Credit		69.854	4.047.019	4.116.873	19.761	3.854.687	3.874.448
1.3.2 Other Letters of Credit		-	324.578	324.578	-	379.016	379.016
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	-	-	-	-	-
1.9 Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(I)</b>	<b>37.432.291</b>	<b>32.470.853</b>	<b>69.903.144</b>	<b>34.679.496</b>	<b>32.541.574</b>	<b>67.221.070</b>
2.1 Irrevocable Commitments		13.430.463	2.027.308	15.457.771	12.271.120	5.025.779	17.296.899
2.1.1 Asset Purchase and Sale Commitments		221.171	440.410	661.581	326.682	4.140.216	4.466.898
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		50.000	-	50.000	-	-	-
2.1.4 Loan Granting Commitments		1.556.658	120.932	1.677.590	1.020.202	125.054	1.145.256
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		2.714.427	-	2.714.427	2.513.009	-	2.513.009
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		6.506.372	-	6.506.372	6.275.095	-	6.275.095
2.1.10 Commitments for Credit Cards and Banking Services Promotions		13.691	-	13.691	13.049	-	13.049
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		2.368.144	1.465.966	3.834.110	2.123.083	760.509	2.883.592
2.2 Revocable Commitments		24.001.828	30.443.545	54.445.373	22.408.376	27.515.795	49.924.171
2.2.1 Revocable Loan Granting Commitments		24.001.816	30.443.545	54.445.361	22.408.364	27.515.795	49.924.159
2.2.2 Other Revocable Commitments		12	-	12	12	-	12
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>2.205.871</b>	<b>22.983.298</b>	<b>25.189.169</b>	<b>2.157.909</b>	<b>20.637.584</b>	<b>22.795.493</b>
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		2.205.871	22.983.298	25.189.169	2.157.909	20.637.584	22.795.493
3.2.1 Forward Foreign Currency Buy/Sell Transactions		501.766	535.963	1.037.729	357.260	363.104	720.364
3.2.1.1 Forward Foreign Currency Transactions-Buy		251.003	267.997	519.000	178.811	181.566	360.377
3.2.1.2 Forward Foreign Currency Transactions-Sell		250.763	267.966	518.729	178.449	181.538	359.987
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		1.688.325	22.431.803	24.120.128	1.800.649	20.274.480	22.075.129
3.2.2.1 Foreign Currency Swap-Buy		-	12.112.777	12.112.777	-	11.220.359	11.220.359
3.2.2.2 Foreign Currency Swap-Sell		1.688.325	10.319.026	12.007.351	1.800.649	9.054.121	10.854.770
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		15.780	15.532	31.312	-	-	-
3.2.3.1 Foreign Currency Options-Buy		11.400	4.211	15.611	-	-	-
3.2.3.2 Foreign Currency Options-Sell		4.380	11.321	15.701	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>384.191.913</b>	<b>47.565.072</b>	<b>431.756.985</b>	<b>319.358.128</b>	<b>31.851.701</b>	<b>351.209.829</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>59.836.089</b>	<b>7.482.430</b>	<b>67.318.519</b>	<b>46.955.962</b>	<b>6.141.575</b>	<b>53.097.537</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		26.318.431	2.922.374	29.240.805	20.973.487	2.922.058	23.895.545
4.3 Checks Received for Collection		2.581.752	181.404	2.763.156	1.790.488	124.295	1.914.783
4.4 Commercial Notes Received for Collection		4.224.047	207.125	4.431.172	3.606.962	130.038	3.737.000
4.5 Other Assets Received for Collection		8.723	8.723	8.723	8.445	-	8.445
4.6 Assets Received for Public Offering		26.390.379	110	26.390.489	20.295.171	112	20.295.283
4.7 Other Items Under Custody		311.108	4.171.417	4.482.525	279.760	2.965.072	3.244.832
4.8 Custodians		1.649	-	1.649	1.649	-	1.649
<b>V. PLEDGES RECEIVED</b>		<b>324.332.751</b>	<b>39.496.095</b>	<b>363.828.846</b>	<b>272.389.147</b>	<b>25.164.097</b>	<b>297.553.244</b>
5.1 Marketable Securities		953.314	11.135	964.449	933.047	18.700	951.747
5.2 Guarantee Notes		11.281.452	692.836	11.974.288	10.095.965	607.373	10.703.338
5.3 Commodity		1.188.462	23.700	1.212.162	1.263.180	18.155	1.281.335
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		289.770.343	28.824.687	318.595.030	242.084.954	21.391.097	263.476.051
5.6 Other Pledged Items		21.133.971	9.935.581	31.069.552	18.006.792	3.120.499	21.127.291
5.7 Pledged Items-Depository		5.209	8.156	13.365	5.209	8.273	13.482
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>23.073</b>	<b>586.547</b>	<b>609.620</b>	<b>13.019</b>	<b>546.029</b>	<b>559.048</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>436.808.919</b>	<b>124.384.778</b>	<b>561.193.697</b>	<b>367.030.740</b>	<b>104.410.706</b>	<b>471.441.446</b>

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF INCOME AS OF 30 JUNE 2014  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)**

<b>III. INCOME STATEMENT</b>						
<b>INCOME AND EXPENSE ITEMS</b>		<b>Note (Section Five IV)</b>	<b>Current Period 1/1-30/06/2014</b>	<b>Prior Period 1/1-30/06/2013</b>	<b>Current Period 1/4-30/06/2014</b>	<b>Prior Period 1/4-30/06/2013</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>(1)</b>	<b>8.784.552</b>	<b>6.783.222</b>	<b>4.570.490</b>	<b>3.354.815</b>
1.1	Interest Income from Loans		5.966.744	4.438.457	3.123.057	2.230.662
1.2	Interest Income From Reserve Deposits		955	732	592	382
1.3	Interest Income from Banks		29.519	13.935	15.187	8.049
1.4	Interest Income from Money Market Placements		4	1	2	-
1.5	Interest Income from Marketable Securities		2.777.038	2.322.850	1.428.361	1.113.384
1.5.1	Financial Assets Held for Trading		1.729	639	960	271
1.5.2	Financial Assets at Fair Value through Profit and Loss		-	1	-	1
1.5.3	Financial Assets Available-for-Sale		2.140.544	1.327.871	1.136.212	649.607
1.5.4	Investments Held-to-Maturity		634.765	994.339	291.189	463.505
1.6	Finance Lease Income		-	-	-	-
1.7	Other Interest Income		10.292	7.247	3.291	2.338
<b>II.</b>	<b>INTEREST EXPENSES</b>	<b>(2)</b>	<b>4.828.664</b>	<b>3.024.640</b>	<b>2.545.257</b>	<b>1.466.048</b>
2.1	Interest Expense on Deposits		3.771.670	2.684.379	1.988.531	1.285.588
2.2	Interest on Borrowings		120.585	61.141	64.019	35.566
2.3	Interest on Money Market Borrowings		829.644	180.428	440.117	97.279
2.4	Interest on Marketable Securities Issued		85.319	69.728	38.404	36.505
2.5	Other Interest Expense		21.446	28.964	14.186	11.110
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSES (I - II)</b>		<b>3.955.888</b>	<b>3.758.582</b>	<b>2.025.233</b>	<b>1.888.767</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>515.530</b>	<b>446.913</b>	<b>255.379</b>	<b>241.400</b>
4.1	Fees and Commissions Received		654.236	545.045	334.318	295.110
4.1.1	Non-cash Loans		78.764	42.012	40.690	21.277
4.1.2	Other		575.472	503.033	293.628	273.833
4.2	Fees and Commissions Paid		138.706	98.132	78.939	53.710
4.2.1	Non-cash Loans		37	11	12	5
4.2.2	Other		138.669	98.121	78.927	53.705
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>184.902</b>	<b>256.136</b>	<b>184.544</b>	<b>256.086</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>(3)</b>	<b>14.797</b>	<b>(27.741)</b>	<b>(17.900)</b>	<b>(49.304)</b>
6.1	Profit/Loss from Capital Market Operations		42.990	26.746	33.952	11.785
6.2	Profit/losses on Derivative Financial Transactions	<b>(4)</b>	(232.484)	335.028	(371.995)	459.765
6.3	Profit/Loss from Foreign Exchanges		204.291	(389.515)	320.143	(520.854)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>(5)</b>	<b>521.251</b>	<b>482.685</b>	<b>258.175</b>	<b>215.396</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOMES/EXPENSES (III+IV+V+VI+VII)</b>		<b>5.192.368</b>	<b>4.916.575</b>	<b>2.705.431</b>	<b>2.552.345</b>
<b>IX.</b>	<b>PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)</b>	<b>(6)</b>	<b>671.304</b>	<b>927.299</b>	<b>367.378</b>	<b>560.006</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES(-)</b>	<b>(7)</b>	<b>1.976.103</b>	<b>1.682.135</b>	<b>981.332</b>	<b>853.798</b>
<b>XI.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>2.544.961</b>	<b>2.307.141</b>	<b>1.356.721</b>	<b>1.138.541</b>
<b>XII.</b>	<b>GAINS RECORDED AFTER MERGER</b>		-	-	-	-
<b>XIII.</b>	<b>PROFIT/LOSS ON EQUITY METHOD</b>		-	-	-	-
<b>XIV.</b>	<b>GAIN/LOSS ON NET MONETARY POSITION</b>		-	-	-	-
<b>XV.</b>	<b>INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>(8)</b>	<b>2.544.961</b>	<b>2.307.141</b>	<b>1.356.721</b>	<b>1.138.541</b>
<b>XVI.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>(9)</b>	<b>(534.887)</b>	<b>(512.675)</b>	<b>(276.707)</b>	<b>(246.510)</b>
16.1	Current Tax Provision		(801.578)	(246.934)	(458.946)	(25.776)
16.2	Deferred Tax Provision		266.691	(265.741)	182.239	(220.734)
<b>XVII.</b>	<b>NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)</b>	<b>(10)</b>	<b>2.010.074</b>	<b>1.794.466</b>	<b>1.080.014</b>	<b>892.031</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
18.1	Income from Non-current Assets Held for Sale		-	-	-	-
18.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-	-	-
18.3	Other Income From Discontinued Operations		-	-	-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
19.1	Expenses for Non-current Assets Held for Sale		-	-	-	-
19.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-	-	-
19.3	Other Expenses From Discontinued Operations		-	-	-	-
<b>XX.</b>	<b>PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-	-	-
<b>XXI.</b>	<b>PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
21.1	Current tax provision		-	-	-	-
21.2	Deferred tax provision		-	-	-	-
<b>XXII.</b>	<b>NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSSES (XVII+XXII)</b>	<b>(11)</b>	<b>2.010.074</b>	<b>1.794.466</b>	<b>1.080.014</b>	<b>892.031</b>
	Earnings/Loss per Share (TL)		0,804	0,718	0,432	0,357

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF INCOME AS OF 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

<b>IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>		
<b>PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY</b>	<b>Current Period (30/06/2014)</b>	<b>Prior Period (30/06/2013)</b>
<b>I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS</b>	<b>3.119.592</b>	<b>(1.983.190)</b>
<b>II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES</b>	<b>3.669.029</b>	-
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS</b>	<b>(5.489)</b>	<b>(424)</b>
<b>V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Differences)</b>	-	-
<b>VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)</b>	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS</b>	-	-
<b>VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS</b>	<b>62.171</b>	<b>(13.270)</b>
<b>IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES</b>	<b>(440.596)</b>	<b>260.158</b>
<b>X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	<b>6.404.707</b>	<b>(1.736.726)</b>
<b>XI. CURRENT YEAR PROFIT/LOSS</b>	<b>(748.026)</b>	<b>737.873</b>
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	<b>(751.443)</b>	734.937
11.2 Reclassification of cash flow hedge transactions and presentation of the related under income statement	-	-
11.3 Reclassification of foreign net investment hedge transactions and presentation of the related part under income statement	-	-
11.4 Other	3.417	2.936
<b>XII. TOTAL PROFIT/LOSS RELATED TO THE PERIOD (X±XI)</b>	<b>5.656.681</b>	<b>(998.853)</b>

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2013**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY																	
30 June 2013	Note (Section Five V)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancl. Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
<b>I.</b>	<b>Balance at the Beginning of the Period</b>	2.500.000	577.566	-	-	2.408.490	-	7.041.211	634.041	-	2.810.226	1.178.587	-	17.369	-	-	17.167.490
<b>II.</b>	<b>Corrections according to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	The Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	The Effect of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III.</b>	<b>New Balance (I+II)</b>	2.500.000	577.566	-	-	2.408.490	-	7.041.211	634.041	-	2.810.226	1.178.587	-	17.369	-	-	17.167.490
<b>IV.</b>	<b>Changes During the Period</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V.</b>	<b>Increase/Decrease Related to Merger</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI.</b>	<b>Marketable Securities Valuation Differences</b>	-	-	-	-	-	-	-	-	-	-	(980.886)	-	-	-	-	(980.886)
<b>VII.</b>	<b>Hedging Funds (Active Part)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedges for Investments Made in Foreign Countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII.</b>	<b>Revaluation Differences of Tangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Revaluation Differences of Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X.</b>	<b>Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)</b>	-	-	-	-	-	-	-	-	-	-	-	-	19	-	-	19
<b>XI.</b>	<b>Foreign Exchange Differences</b>	-	(34.084)	-	-	-	-	-	-	-	-	(7.351)	-	-	-	-	(41.435)
<b>XII.</b>	<b>Changes Resulted from Disposal of Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII.</b>	<b>Changes Resulted from Reclassification of Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV.</b>	<b>Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV.</b>	<b>Increase in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	From Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI.</b>	<b>Issuance of Share Certificates</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII.</b>	<b>Share Cancellation Profits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII.</b>	<b>Adjustment to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIX.</b>	<b>Other</b>	-	-	-	-	-	-	-	(10.616)	-	-	-	-	-	-	-	(10.616)
<b>XX.</b>	<b>Net Profit or Losses</b>	-	-	-	-	-	-	-	-	1.794.466	-	-	-	-	-	-	1.794.466
<b>XXI.</b>	<b>Profit Distribution</b>	-	-	-	-	132.624	-	1.959.867	287.937	-	(2.650.428)	-	-	-	-	-	(270.000)
20.1	Dividend Distributed	-	-	-	-	-	-	-	-	-	(270.000)	-	-	-	-	-	(270.000)
20.2	Transfers to Legal Reserves	-	-	-	-	132.624	-	1.959.867	287.937	-	(2.380.428)	-	-	-	-	-	-
20.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balance at the end of the period (I+II+III+.....+XVIII+XIX+XX)</b>	2.500.000	543.482	-	-	2.541.114	-	9.001.078	911.362	1.794.466	159.798	190.350	-	17.388	-	-	17.659.038

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 JUNE 2014**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY																	
30 June 2014	Note (Section Five V)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancl. Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
<b>I. Balance at the Beginning of the Period</b>		2.500.000	543.482	-	-	2.541.114	-	9.011.091	905.677	-	3.489.872	(641.945)	-	17.388	-	-	18.366.679
<b>II. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. The Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. The Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		2.500.000	543.482	-	-	2.541.114	-	9.011.091	905.677	-	3.489.872	(641.945)	-	17.388	-	-	18.366.679
Changes During the Period																	
<b>IV. Increase/Decrease Related to Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Marketable Securities Valuation Differences</b>		-	-	-	-	-	-	-	-	-	-	1.825.153	-	-	-	-	1.825.153
<b>VI. Hedging Funds (Active Part)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Revaluation Differences of Tangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	3.669.029	-	-	-	3.669.029
<b>VIII. Revaluation Differences of Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Foreign Exchange Differences</b>		-	-	-	-	-	-	-	-	-	-	162.499	-	-	-	-	162.499
<b>XI. Changes Resulted from Disposal of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XII. Changes Resulted from Reclassification of Assets</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIV. Increase in Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 From Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XV. Issuance of Share Certificates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVI. Share Cancellation Profits</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVII. Adjustment to Paid-in Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XVIII. Other</b>		-	-	-	-	-	-	-	(63.003)	-	7	-	-	-	-	-	(62.996)
<b>XIX. Net Profit or Losses</b>		-	-	-	-	-	-	-	-	2.010.074	-	-	-	-	-	-	2.010.074
<b>XX. Profit Distribution</b>		-	-	-	-	184.010	-	2.846.071	-	-	(3.330.081)	-	-	-	-	-	(300.000)
20.1 Dividend Distributed		-	-	-	-	-	-	-	-	-	(300.000)	-	-	-	-	-	(300.000)
20.2 Transfers to Legal Reserves		-	-	-	-	184.010	-	2.846.071	-	-	(3.030.081)	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period (I+II+III+.....+XVIII+XIX+XX)</b>		2.500.000	543.482	-	-	2.725.124	-	11.857.162	842.674	2.010.074	159.798	1.345.707	3.669.029	17.388	-	-	25.670.438

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 JUNE 2014  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)**

VI. STATEMENT OF CASH FLOWS			
	Note (Section Five)	Current Period 1/1 - 30/06/2014	Prior Period 1/1 - 30/06/2013
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		2.028.424	3.158.924
1.1.1 Interest Received		6.977.452	7.910.516
1.1.2 Interest Paid		(4.587.658)	(2.983.867)
1.1.3 Dividend Received		155.442	256.136
1.1.4 Fees and Commissions Received		655.449	543.554
1.1.5 Other Income		819.182	568.247
1.1.6 Collections from Previously Written-off Loans and Other Receivables		742.947	570.791
1.1.7 Payments to Personnel and Service Suppliers		(924.741)	(884.687)
1.1.8 Taxes Paid		(601.921)	(673.014)
1.1.9 Other		(1.207.728)	(2.148.752)
1.2 Changes in Operating Assets and Liabilities		(4.570.313)	(4.858.453)
1.2.1 Net Decrease/(Increase) in Trading Securities		(4.056)	(8.272)
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3 Net Decrease in Banks		(4.377.874)	(1.334.080)
1.2.4 Net (Increase) in Loans		(13.580.419)	(19.718.078)
1.2.5 Net (Increase) in Other Assets		253.755	(273.060)
1.2.6 Net Increase/(Decrease) in Bank Deposits		6.676.438	9.743.577
1.2.7 Net (Decrease)/Increase in Other Deposits		2.539.379	3.616.685
1.2.8 Net (Decrease)/Increase in Funds Borrowed		2.165.934	2.372.045
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net (Decrease)/Increase in Other Liabilities		1.756.530	742.730
<b>I. Net Cash Provided from Banking Operations</b>		<b>(2.541.889)</b>	<b>(1.699.529)</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>1.379.646</b>	<b>376.644</b>
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control		(50.000)	(36.740)
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control		-	-
2.3 Fixed Assets Purchases		-	(86.817)
2.4 Fixed Assets Sales		7.754	29.324
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(16.515.669)	(8.941.092)
2.6 Cash Obtained from Sale of financial Assets Available for Sale		14.801.555	4.285.524
2.7 Cash Paid for Purchase of Investment Securities		(123.702)	(128.386)
2.8 Cash Obtained from sale of Investment Securities		4.266.472	5.901.308
2.9 Other		(1.006.764)	(646.477)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>(1.143.233)</b>	<b>327.958</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(1.142.292)	-
3.3 Marketable Securities Issued		-	597.961
3.4 Dividends Paid		-	(270.000)
3.5 Payments for Finance Leases		(941)	(3)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>(11.307)</b>	<b>63.426</b>
<b>V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(2.316.783)</b>	<b>(931.501)</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>		<b>6.669.577</b>	<b>7.759.851</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>		<b>4.352.794</b>	<b>6.828.350</b>

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which are effective from 1 November 2005, the Turkish Commercial Code (“TCC”) and Turkish tax legislation.

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Application and Keeping Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the BRSA (“Banking Regulation and Supervision Agency”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA (all defined as “BRSA principles”). The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 28337 dated 28 June 2012.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments applied until 31 December 2004, except for the financial assets and liabilities carried at fair value.

Balance sheet and statement of off-balance sheet accounts as of 30 June 2014 are presented comparatively with balances as of 31 December 2013 while income statement, statement of income and expense items accounted under shareholders’ equity, cash flows and changes in shareholders’ equity are presented comparatively with balances as of 30 June 2013.

Unless otherwise specified, all balances in the financial statements and footnotes are expressed in Thousand Turkish Lira (“TL”).

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

The accounting policies and valuation principles applied in the preparation of these financial statements are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II. to XXIV. below.

**Additional paragraph for convenience translation into English:**

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

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

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

Since the Bank’s total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as; Borsa Istanbul (“BIST”), Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from such a case since the Bank is a public bank with an extensive branch network.

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

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

Foreign currency capital amounts transferred to the equity participations operating abroad are evaluated and presented on the financial statements with the exchange rate on the date of the transfer.

Assets, liabilities and income statement items of abroad branches of the Bank are translated into Turkish Lira with the Bank’s prevailing counter currency buying rates at the balance sheet date.

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

Based on the TAS 27 “Turkish Accounting Standard for Consolidated and Separate Financial Statements”, Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if any.

Investments related to subsidiaries and joint ventures operating abroad in foreign currency are followed by their fair values. For these subsidiaries, fair value is determined by valuation reports, TL equivalents of investments related to subsidiaries are fixed as of revaluation date and revaluation differences added to subsidiaries’ values are recognized in “Marketable Securities Value Increase Fund” under shareholder’s equity.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

The Bank’s derivative transactions mostly include currency and precious metal swaps and foreign currency forward contracts. The Bank has no embedded derivative instruments separated from the host contract.

The derivative instruments of the Bank are classified as trading or hedging instruments in accordance with Turkish Accounting Standard on TAS 39 “Financial Instruments: Recognition and Measurement”. The Bank has no derivative instruments for hedging purposes as of the balance sheet date. Accordingly, the Bank is not subject to conditions whether derivative instruments do not meet the determination criteria for being classified as hedging instruments or whether such derivative transactions are finalized through sale, term expiry or fulfillment of obligations under the contract.

Derivative instruments are recognized at fair value on contractual date and subsequently re-valued at their fair values and associated with the income statement. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “financial assets at fair value through profit or loss” in “trading derivative financial assets” and if the fair value difference is negative, it is disclosed under “financial liabilities at fair value through profit or loss” in “trading derivative financial liabilities”. Fair value changes are recorded under “Derivative Financial Transactions Gains/Losses” in income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

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

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES**

Interest income and expenses are recognized on an accrual basis using the internal rate of return method in conformity with TAS 39 “Financial Instruments: Recognition and Measurement”. In accordance with the Communiqué on “Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions” came into force after being published in the Official Gazette numbered 26333 dated 1 November 2006, no interest accrual is calculated for non-performing loans. Realized interest accruals calculated for non-performing loans and recognized as income although not collected are reversed and interest income related to these loans is recognized as interest income only when they are collected.

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

Commission income from banking, agency, intermediary services is recognized as income on the date they are collected. Whereas, commission income from individual, corporate, commercial and entrepreneurial cash loans are recognized on an accrual basis by using internal rate of return method and transferred to the income statement in accordance with the matching principle. Other fees and commission expenses are recorded as expense on the date they are paid.

**VII. EXPLANATIONS ON FINANCIAL ASSETS**

Financial instruments comprise financial assets and liabilities and derivative instruments. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

Financial assets are classified as investments held-to-maturity, bank loans and receivables, financial assets available for sale or held-for-trading at initial recognition.

Sale and purchase transactions of financial assets are accounted for using the settlement date basis.

**a. Financial assets at fair value through profit or loss:**

Financial assets, which are classified as “financial assets at fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading securities are initially recognized at cost. The cost of the securities is recognized as fair value. Subsequently, trading securities are carried at fair value in the financial statements.

Government bonds and treasury bills included in held for trading and available for sale portfolios traded in BIST are carried at weighted average exchange prices of BIST as of the balance sheet date and those securities that are not traded in BIST are carried at prices of the Central Bank of the Republic of Turkey. Eurobonds are carried at prices in the over the counter markets. The positive difference between the cost and fair value of held for trading securities is accounted under “Other Interest and Income Accrual” and the negative difference is accounted under “Impairment Loss for Marketable Securities” account. The positive difference between the cost and amortized cost is accounted under “Interest income” account, the negative difference is accounted as “impairment loss”. The positive difference between the fair value and amortized cost is accounted under “profit from capital market operations” account and the negative difference is accounted under “Loss from capital market operations” account.

**b. Held-to-maturity financial assets:**

Investments held to maturity include financial assets other than Bank loans and receivables and those where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability, and where there are fixed or determinable payments with fixed maturity. Marketable securities classified as Financial Assets Held to Maturity may subject to exchange-repurchase bids or refundment transactions within the scope of early redemption.

Investments held to maturity are subsequently measured at amortized cost with internal rate of return, and they are accounted by setting forth provision for impairment loss (impairment loss expense) or by posting interest income accrual.

The Bank does not have any financial assets that are previously classified as investments held-to-maturity but prohibited to be classified in this portfolio for two years because of incompliance with the principles of financial assets classification.

Interests received from investments held to maturity are recognized as an interest income.

Held to maturity assets are initially recognized at cost. The cost of the securities is regarded as fair value.

**c. Loans and receivables:**

Bank loans and receivables represent financial assets other than those held for trading or held for sale in a short period generated through providing cash, assets or rendering services to the debtor.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)**

**c. Loans and receivables: (Continued)**

Bank loans and receivables are initially carried at cost. Bank loans are measured at amortized cost with internal rate of return. Short-term and long-term loans are grouped as open or guaranteed; FC loans are recognized with fixed price and at period-ends revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Bank at installment date.

The Bank sets specific and general provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 26333 and dated 1 November 2006 on “Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions”. In the previous periods, the bank allocated special provisions considering the minimum rates and prudence principle stated in "Regulation on the Procedures and Principles on Determining the Characteristics of the Loans and other Receivables by the Banks and the provisions that would be Set Aside for them" regardless of such loan collaterals; however, in line with the provision of the General Directorate Authority Approval dated 29 June 2012 and of the clause (8) of Article 10 of the regulation stating that "based on the reliability and prudence assumptions defined in the Communiqué on Conceptual Framework regarding Preparation and Presentation of Financial Statements promulgated in the Official Gazette No. 25702 dated 16 January 2005, special provision may be allocated to the extent of the amount of the said non-performing receivable on condition not to be less than the special provision amounts applicable for the group in which the non-performing receivable is included regardless of the amount of collateral", the bank started to set aside special provisions corresponding to 50% of the non-performing receivable amount as of the date of including the non-performing receivables in the Third Group and special provisions corresponding to 100% of the non-performing receivable amount as of the date of including the non-performing receivables in the Fourth and Fifth Group. Allocated provisions are deducted from the income for the period. If the receivables for which provisions were set in the previous years are collected, provision for allowances are released and recognized as income under “Other Operating Income” account. Releases of current period provisions are made by the reversal of the amount from the “Provision for Impairment of Loans and Other Receivables” account.

**d. Available-for-sale financial assets:**

Available-for-sale financial assets are defined as financial assets other than the ones classified as “loans and receivables”, “held-to-maturity assets” or “financial assets at fair value through profit or loss”.

Available for sale assets are initially recognized at cost. The cost of the securities is recognized as fair value.

Available-for-sale financial assets are subsequently re-measured at fair value in financial statements.

The difference between fair value and cost of available for sale financial assets is booked as interest income or impairment provision. Furthermore, amortized cost using the effective interest method and cost is compared and the difference is booked as interest income or impairment expense. Fair value and amortized cost of these securities are compared and the difference is recognized in shareholders’ equity as “Marketable Securities Value Increase Fund”. When these financial assets are disposed of or impaired the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

When there is lack of price quotation on the basis of fair value calculations in an active market or in cases that fair value cannot be measured reliably, the fair value of available-for-sale-financial-assets is determined by using the effective interest rate method or appropriate valuation methods.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS**

A financial asset or a group of financial assets is subject to impairment loss only if there is an objective indication that the occurrence of one or more than one event (“loss event”) subsequent to the initial recognition of that asset has an effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group.

If revalued amounts of financial assets at fair value through profit/loss is less than the prior revalued amounts, initially, value of prior records regarding the value increase are adjusted according to the recent value and if the impairment loss is more than the prior value increase, difference is reflected to “Value Loss Expenses for Securities”. If there is an increase in value, initially recognized impairment loss is reversed.

If financial assets available for sale are subject to permanent impairment, the amount is charged to “Value Loss Expenses for Securities” account in accordance with the related Turkish Accounting Standard.

If subsidiaries, associates, entities under common control and assets held to maturity are subject to permanent impairment, the amount is charged to “Value Loss Expenses for Subsidiaries, Associates, and Assets Held to Maturity”.

The principles for the accounting of provisions for loans and receivables are explained in detail in Note VII. of this section.

Loans and other receivables are classified in accordance with the Communiqué on “Methods and Principles on Determining the Nature of Loans, Other Receivables, and Allocation of Provisions” published in the Official Gazette numbered 26333 and dated 1 November 2006.

**IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES**

Financial assets and liabilities shall be offset and the net amount presented in the balance sheet when, and only when the Bank currently has a legally enforceable right to set off the recognized amounts or intends either to collect/settle on a net basis or to realize the asset and settle the liability simultaneously.

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

Securities subject to repurchase agreements are classified under “held for trading”, “available for sale” and/or “held-to-maturity” portfolios and they are valued based on the revaluation principles of the related portfolios. Funds obtained by these agreements are followed under the “Funds from Repurchase Agreements” account in the balance sheet and interest expense accrual is calculated using the internal rate of return method.

Funds given against securities purchased under agreements (“Reverse Repo”) to resell are accounted under “receivables from reverse repurchase agreements” on the balance sheet and interest income accrual is calculated using internal rate of return method.

As of the balance sheet date, there are no securities lending transactions.

**XI. INFORMATION ON ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS**

Tangible assets acquired in consideration of receivables are accounted for in accordance with the requirements of the Communiqué on “Methods, Principles for Purchase and Sale of Precious Metal and Sale of Goods and Immovables obtained in Return of Receivables” published in the Official Gazette numbered 26333 and dated 1 November 2006 and these assets are subject to revaluation by no means.

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

As of the balance sheet date, the Bank has no goodwill within the financial statements.

Other intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases.

Other intangible assets are amortized by using the straight line method based on their useful lives. Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economical benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses for other intangible assets with uncertain leasing period or leasing period over 5 years and depreciation rate is proportional with period for those with certain leasing period.

The Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are added to software’s initial costs and amortized over 3 years considering the useful lives.

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT**

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. The Bank’s tangible fixed assets purchased before 1 January 2005 are carried at inflation adjusted cost in the balance sheet before 31 December 2004 and its tangible fixed assets that are purchased subsequent to 1 January 2005 are valued at historical cost. As of 31 January 2014 the Bank has changed its accounting policies and has decided to pursue the real estates registered in its portfolio at fair values. In this context, for all real estates registered in the Bank’s inventory, appraisal study was carried by independent expertise companies, and from 1 January 2014 valuation results are reflected in the accounting records. As a result of the fair valuation of the real estates which is included in tangible fixed assets, TL 3.669.029 revaluation difference is followed under shareholders’ equity as of 30 June 2014. Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and impairment loss, if any. Tangible fixed assets are amortized by using the straight-line method over their estimated useful lives. No changes made in the current period regarding depreciation method.

Applied depreciation rates are as follows;

Buildings	: 2%
Vehicles, Furniture and Fixtures	: 2 - 20%

Where the carrying amount of an asset is greater than its estimated “Net Recoverable Amount”, it is written down to its “Net Recoverable Amount” and the provision for the diminution in value is charged to the income statement.

Property and equipment has not been re-valued in order to be presented at fair value in the financial statements.

Gain or loss arising from the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of that asset and is recognized in profit or loss.

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS**

**Financial Lease**

The Bank, as the lessee, recognizes its leasing operations in accordance with the requirements of TAS 17 “Leases”. Fixed assets that are acquired under financial leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under financial leases are recognized under the tangible fixed assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under financial leasing are charged to liability account “Finance Lease Payable”, whereas interests are recognized in “Deferred Financial Leasing Expenses” account. At installment payments, principal and interest amount of installment amount are debited to “Financial Lease Payable” account, whereas interest is credited in “Deferred Financial Leasing Expenses” account and recorded to the “Other Interest Expenses”.

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

**Operational Lease**

Leases, in which the majority of risk and return of property belongs to lessor, are classified as operating lease. Payments that are made as operating leases are accounted in income statements with linear method during the lease period.

**XV. EXPLANATIONS ON PROVISIONS, CONTINGENT ASSET AND LIABILITIES**

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

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

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

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

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS**

**a. Employment Termination and Vacation Benefits**

Employee benefits liabilities are recognized in accordance with TAS 19 “Employee Benefits” and the Bank provides provision for retirement and termination liabilities by estimating the net present value of future payments of the Bank arising from the retirement of employees and reflects this provision amount in the financial statements.

Under the Turkish legislation as supplemented by union agreements, Employment Termination Benefit payments are made in case of retirement or employment termination According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, Employment Termination Benefit Provision is calculated in two ways; if the employee is a state employee, the calculation is based on retirement pension for the working period of the state employee, and if the employee is a blue-collar worker the calculation is based on the final salary at the date of retirement or leave (to the extent that the payments and/or salary amount does not exceed the Employment Termination Benefit Provision ceiling).

Communiqué on “Turkish Accounting Standard (TAS19) about Benefits for Employee (No:9)” published in Official Gazette by Public Oversight Accounting and Auditing Standards Authority (POA) on 12 March 2013 numbered 28585, was entered into force for the account periods starting after 31 December 2012 on accounting treatment of actuarial profit and loss resulting from changes in actuarial assumptions or differences between actual and actuarial assumptions. Actuarial loss amounting to TL 79.304 was classified as “Other Comprehensive Expense” in the financials.

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

The Bank is not employing its personnel by means of limited-period contracts.

**b. Pension Rights**

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Members Pension and Relief Fund which was established by 20th provisional article of Social Security Law Act numbered 506.

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

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

In an application to the Constitutional Court on 19 June 2008, the cancellation of some articles of the new law regarding the transfer of pension funds to the Social Security Institution has been requested. In its meeting dated 30 March 2011, the Constitutional Court examined the cancellation application and rejected the request to suspend the articles.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

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

**b. Pension Rights: (Continued)**

According to the new law Bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

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

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

Lastly, based on the Council of Ministers’ decree numbered 2014/6042 and issued in the Official Gazette numbered 28987, dated 30 April 2014, and 20<sup>th</sup> provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

The technical balance sheet report as of 31 December 2013 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the above mentioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

**XVII. EXPLANATIONS ON TAXATION**

**a. Current Tax**

“Corporate Tax Law” (“New Tax Law”) No. 5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% as of 1 January 2006. The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income (like affiliate gains) and other allowances. No further tax is payable unless the profit is distributed.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON TAXATION (Continued)**

**a. Current Tax (Continued)**

Dividends paid to non-resident corporations, which have a place of business or permanent attorney in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital in accordance with Corporate Tax Law or held in a special account under shareholder’s equity for five years.

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments with tax authorities. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date and the accrued tax is paid until the end of the same month. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

**b. Deferred tax**

In accordance with TAS 12 "Income Tax", the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized as deferred tax liability or asset if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**

**XVIII. EXPLANATIONS ON BORROWINGS**

The Bank accounts its debt instruments in accordance with TAS 39 "Financial Instruments: Recognition and Measurement". In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

If required, the bank borrows from domestic and foreign real people and entities with debt instruments such as bill/bond issuance. These transactions are recognized at fair value including acquisition costs at the transaction date while accounted with effective interest rate method over their discounted costs in the following periods.

The Bank has issued no convertible bonds and has no instruments representing its own borrowings.

**XIX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES**

Since the Bank does not have issued shares, there are no transaction costs related to share issue in the current period.

**XX. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES**

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

**XXI. EXPLANATIONS ON GOVERNMENT GRANTS**

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

**XXII. CASH AND CASH EQUIVALENTS**

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

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

**XXIII. EXPLANATIONS ON SEGMENT REPORTING**

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

**XXIV. EXPLANATIONS ON OTHER MATTERS**

In accordance with the decision taken in the General Assembly of the year 2013, which was carried out on 31 March 2014, the basis of distribution amounting to TL3.330.074 of the profit for the year 2013, TL166.503 is transferred to first legal reserve and TL17.500 is transferred to second legal reserve TL175.000 is distributed as dividend to employees and TL106.250 is distributed to Treasury after deducting withholding tax of 15% (TL18.750) in cash. In this context, TL2.846.071 of the profit is preserved; dividend payment made to Treasury on 15 April 2014, and within the framework of the dividend to be distributed to employees, at total TL151.338 is paid.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

**SECTION FOUR**

**EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK**

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO**

**1. The Bank’s unconsolidated capital adequacy ratio, reasons and anticipated solutions in case the ratio is lower than the amount pre-determined by the Communiqué:**

The Bank’s unconsolidated capital adequacy ratio calculated in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” is 18,70% (31 December 2013: 13,21%).

**2. The risk measurement methods used for calculation of capital adequacy ratio:**

Capital Adequacy Standard Ratio is calculated in accordance with "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and “Communiqué on Credit Risk Mitigation Techniques” published in the Official Gazette dated 28 June 2012 numbered 28337.

Counterparties/operations related to the credit risk were separated on the basis of risk classes mentioned in "Communiqué on Measurement and Assessment of Capital Adequacy of Banks" and each of them is assigned by the weight of risk. After, they are subject to risk reduction in accordance with the principles of “Communiqué on Credit Risk Mitigation Techniques”, their risk-weighted amount is calculated by multiplying risk weights.

Non-cash loans and commitments, after deduction of specific provisions from them in accordance with “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” are included to the calculation of credit risk weighted amount with loan conversion rates presented in article 5 of “Communique on Measurement and Assessment of Capital Adequacy of Banks”. Assets subject to depreciation and impairment are calculated over their net book values after deducting the relative depreciations and provisions.

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

Calculations regarding to the counter party credit risk, are made for repurchase agreement and derivative transactions. These transactions are added to the accounts with rates as applied that presented in the amendments of the “Communique on Measurement and Assessment of Capital Adequacy of Banks” and “Communique on Credit Risk Mitigation Techniques”. Repurchase agreements and derivative transactions that are presented in the banking accounts are added to calculation of the basis of the value at credit risk.

Calculations regarding counter parties credit risks are made with method of basic financial collateral for banking accounts, and for purchase-sale accounts are made with method of extensive collateral. Counter party credit risk amount calculated for purchase-sale accounts is included in the calculations of the amount subject to total market risk.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Information related to capital adequacy ratio:**

Current Period	Risk Weights										
	Bank Only										
	0%	10%	20%	50% Real Est. Mort. Coll.	50%	75%	100%	150%	200%	250%	1250%
<b>Credit Risk Based Amount – 30 June 2014</b>	<b>76.167.933</b>	-	<b>20.528.759</b>	-	<b>19.667.307</b>	<b>50.600.055</b>	<b>70.472.145</b>	<b>3.608.679</b>	<b>17.557.455</b>	<b>178.450</b>	-
Risk Classes											
Conditional and unconditional receivables from central governments or central banks	69.844.534	-	-	-	9.587.666	-	214.396	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	317.369	-	78	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	379.595	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	19.048.500	-	7.755.137	-	598.858	-	-	-	-
Conditional and unconditional corporate receivables	-	-	1.162.881	-	2.324.424	-	61.109.519	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	2	40.360.793	615.795	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-	10.239.262	218.285	-	-	-	-
Past due receivables	-	-	-	-	-	-	578.177	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	3.608.679	17.557.455	178.450	-
Securities collateralised by mortgages	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	56.810	-	-	-	-
Other receivables	6.323.393	-	9	-	-	-	6.700.710	-	-	-	-

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Information related to capital adequacy ratio: (Continued)**

Prior Period	Risk Weights										
	Bank Only										
	0%	10%	20%	50% Real Est. Mort. Coll.	50%	75%	100%	150%	200%	250%	1250%
<b>Credit Risk Based Amount – 31 December 2013</b>	<b>72.326.224</b>	-	<b>25.979.031</b>	-	<b>20.540.912</b>	<b>45.308.880</b>	<b>58.020.949</b>	<b>3.269.187</b>	<b>17.464.372</b>	<b>9.215</b>	-
Risk Classes											
Conditional and unconditional receivables from central governments or central banks	66.553.362	-	-	-	10.882.453	-	244.666	-	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	138.899	-	132	-	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	383.439	-	-	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	25.254.905	-	7.524.260	-	394.401	-	-	-	-
Conditional and unconditional corporate receivables	-	-	585.222	-	2.134.065	-	52.532.583	-	-	-	-
Conditional and unconditional retail receivables	-	-	-	-	2	37.720.339	651.189	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-	7.588.541	236.898	-	-	-	-
Past due receivables	-	-	-	-	-	-	545.855	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	3.269.187	17.464.372	9.215	-
Securities collateralised by mortgages	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	52.987	-	-	-	-
Other receivables	5.772.856	-	5	-	-	-	2.978.931	-	-	-	-

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

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Summary Information Related To The Capital Adequacy Ratio:**

	<b>Current Period</b>	<b>Prior Period</b>
Capital Requirement for Credit Risk (Value at Credit Risk*0,08) (CRCR)	10.087.523	11.222.068
Capital Requirement for Market Risk (CRMV)	915.391	657.522
Capital Requirement for Operational Risk (CROR)	1.098.374	960.999
Shareholders' Equity	28.293.224	21.197.616
Shareholders' Equity/((CRCR+CRMV+CROR)*12,5)*100	18,70	13,21
Tier 1 Capital/((CRCR+CRMV+CROR)*12,5)*100	17,68	-
Common Equity Tier 1 Capital/((CRCR+CRMV+CROR)*12,5)*100	17,72	-

**Information Related To the Components of Shareholders' Equity:**

	<b>Current Period</b>
<b>Common Equity Tier 1 Capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	3.043.482
Share Premium	-
Share Cancellation Profits	-
Reserves	15.424.960
Income recognized under equity in accordance with TAS	5.014.736
Profit	2.169.872
Current Period's Profit	2.010.074
Prior Period's Profit	159.798
General Reserves for Possible Losses	1.203.624
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	17.388
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>26.874.062</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS (-)	-
Leasehold Improvements on Operational Leases (-)	62.392
Goodwill and intangible asset and the related deferred tax liability (-)	14.546
Net Deferred Tax Asset / Liability (-)	-
Excess amount expressed in the law (Article 56 4th paragraph) (-)	-
Bank's direct or indirect investments on its own Tier 1 Capital (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph (-)	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
Amounts related to mortgage servicing rights (-)	-
Excess amount of deferred tax assets from temporary differences (-)	-
Other Items Determined by BRSA (-)	-
The amount to be deducted from common equity tier 1 capital (-)	-
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>76.938</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>26.797.124</b>
<b>Additional Tier 1 Capital</b>	
Premiums that are not included in Common Equity Tier 1 capital	-
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	-
<b>Additional Tier 1 Capital before Deductions</b>	<b>-</b>
	<b>-</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**II. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Information Related To the Components of Shareholders' Equity: (Continued)**

<b>Deductions from Additional Tier 1 Capital</b>	<b>Current Period</b>
Bank's a direct or indirect investment in Tier 1 Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-
Other Items Determined by BRSA (-)	-
The amount to be deducted from Additional Tier 1 Capital (-)	-
<b>Total Deductions from Additional Tier 1 Capital</b>	-
<b>Total Additional Tier 1 Capital</b>	-
<b>Deductions From Tier 1 Capital</b>	<b>58.185</b>
The amount related to goodwill or other intangible assets not deducted from Common Equity Tier 1 Capital (-)	58.185
The amount related to deferred tax assets not deducted from Common Equity Tier 1 Capital (-)	-
<b>Tier 1 Capital</b>	<b>26.738.939</b>
<b>Tier 2 Capital</b>	
Bank's borrowing instruments and related issuance premium (issued after 1.1.2014 )	-
Bank's borrowing instruments and related issuance premium (issued before 1.1.2014 )	-
Pledged assets of the shareholders to be used for the Bank's capital increases	-
General Provisions	1.576.175
<b>Tier 2 Capital Before Deductions</b>	<b>1.576.175</b>
<b>Deductions From Tier 2 Capital</b>	
Bank's direct or indirect investment in Tier 2 capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-
Other Items Determined by BRSA (-)	-
<b>Total Deductions From Tier 2 Capital</b>	-
<b>Tier 2 Capital</b>	<b>1.576.175</b>
<b>TOTAL CAPITAL BEFORE REGULATORY DEDUCTIONS</b>	<b>28.315.114</b>
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	664
Loans extended to banks, financial institutions (domestic and abroad) and qualified shareholders, like secondary subordinated loan and debt instruments purchased from these institutions issued, like primary and secondary subordinated loan (-)	21.054
Securitization positions that is deducted -preferably- from the shareholders' equity (Article 20 paragraph 2 ) (-)	-
Other items to be defined by BRSA (-)	172
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%, but exceeding 10% of Common Equity Tier I not deducted from Common Equity Tier 1, Tier 1 or Tier 2 (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of the bank (-)	-
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%, but exceeding 10% of bank(-)	-
<b>TOTAL CAPITAL</b>	<b>28.293.224</b>
<b>Amounts below deduction thresholds</b>	
The sum of partnership share on banks and financial institutions, with shareholding of less than 10%	331.568
The sum of partnership share on banks and financial institutions, with shareholding of more than 10%	-
Mortgage servicing rights	-
Deferred tax assets arising from temporary differences (net of related tax liability) (-)	175.438

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Information Related To the Components of Shareholders' Equity: (Continued)**

	<b>Prior Period</b>
<b>CORE CAPITAL</b>	
Paid-in Capital	2.500.000
Nominal Capital	2.500.000
Capital Commitments (-)	-
Inflation Adjustments to Paid-in Capital	543.482
Share Premium	-
Share Cancellation Profits	-
Reserves	12.457.882
Inflation Adjustments to Reserves	-
Profit	3.489.872
Current Period's Profit	3.330.074
Prior Period's Profit	159.798
Provision for Possible Losses (up to 25% of Core Capital)	1.017.586
Income on Sale of Equity Shares and Real Estates	-
Primary Subordinated Debts (up to 15% of Core Capital) <sup>(1)</sup>	-
Loss (-) (in excess of Reserves)	-
Current Period's Losses	-
Prior Period's Losses	-
Leasehold Improvements on Operational Leases (-)	59.550
Intangible Assets (-)	75.378
Deferred Tax Asset in excess of 10% of Core Capital (-)	-
Limit excesses as per the 3rd Paragraph of the Article 56 of the Banking Law (-)	-
<b>Total Core Capital</b>	<b>19.873.894</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General Provisions	1.970.093
45% of Revaluation Surplus on Movables	-
45% of Revaluation Surplus on Immovables	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	17.388
Primary Subordinated Debts excluding the portion included in Core Capital	-
Secondary Subordinated Debts	-
45% of Securities Value Increase Fund	(641.945)
Inflation Adjustments to Other Capital and Profit Reserves and Prior Periods' Profit/Loss (excluding inflation adjustment of reserves)	-
<b>Total Supplementary Capital</b>	<b>1.345.536</b>
<b>CAPITAL</b>	<b>21.219.430</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>21.814</b>
Unconsolidated investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at 10% or more	-
Investments in Entities (domestic/foreign) operating in Banking and Financial Sectors at less than 10% exceeding 10% or more of the Total Core and Supplementary Capitals	-
Loans to Banks, Financial Institutions (domestic/foreign) or Qualified Shareholders in the form of Secondary Subordinated Debts and Debt Instruments purchased from Such Parties qualified as Primary or Secondary Subordinated Debts	21.300
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Immovables exceeding 50% of the Capital and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained more than Five Years	409
Other Deduction Items	105
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>21.197.616</b>

<sup>(1)</sup> Accordingly “Regulation on the Amendment of Regulation on Banks' Equity” which is published in the Official Gazette dated 10 March 2011 and numbered 27870, the name of the related line is changed as “Primary Subordinated Debts can not Exceed the Limits Listed in Eighth Paragraph”.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (Continued)**

**Information Related to the Components which Subject to Temporary Implementation in the Calculation of Equity:**

None.

**Information Related to the Debt Instruments which will be Included in the Calculation of Equity:**

None.

**3. Applied approaches in order to evaluate internal capital adequacy within the scope of internal capital adequacy evaluation of internal capital requirement in terms of future and current activities:**

Bank determined the capital adequacy policy within the scope of internal capital adequacy evaluation process, fixed the minimum factors to be considered in the capital adequacy determination.

Therefore, in the Bank,

- Being evaluated within the scope of capital adequacy of financial situation of the Bank in prior period, legal ratios and economic capital analysis.
- Being analysed within the scope of the accord to legal ratios and legal capital adequacy of budget considering imposed risks.
- Analyzing operations with stress tests are carried out the preservation potential against financial fluctuations of budget and convenience to capital adequacy policy in the process of these fluctuations.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**II. EXPLANATIONS ON THE MARKET RISK**

**a) Whether measures are taken to hedge against market risk under the framework of the Bank’s risk management policies, measures taken for the risk management by the Board of Directors when the Bank is exposed to market risks, methods used to measure market risk and timing of market risk measurement:**

The Bank has established market risk management operations and taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with “Measurement and Assessment of the Capital Adequacy of Banks” and “Regulation for Internal System of Banks”.

Market risk management strategy policy and implementation procedures of the Bank are determined within the context of “Regulation for Market Risks Management” which is approved by the Board of Directors.

In order to manage the market risk, the Bank performs monitoring, limiting, stress testing and scenario analysis activities suitable to its position structure and complexity, and periodically reports the results. Operations are carried out through a trading portfolio defined by the Treasury Management of the Bank. New products and services are evaluated from the point of market risk.

The amount subject to the total market risk in the Bank is calculated by using Standard Method as per monthly periods within the context of legal reporting. This amount is included in the calculation of Bank’s Standard Capital Adequacy Ratio.

Excluding Standard Method, Daily Value at Risk (“VAR”) forecasts are made for the purchase – sell accounts and is reported to the related units. Historical Simulation Method is used in daily reporting and limit allocation. VAR results, calculated with Parametric and Monte Carlo Methods, are used for monitoring. Backward testing is performed in order to measure performance of used model. Besides, Bank performs daily and monthly stress tests and scenario analysis in order to observe the effect of excessive market fluctuations that are not covered by models over the Bank’s financial position.

Bank limits market risk exposure by VAR based limit (interest rate and currency risk limit) within the context of “Regulation for Market Risk Management”.

**Information Related to Market Risk:**

	<b>Current Period</b>
(I) Capital Requirement Calculated for General Market Risk - Standard Method	449.767
(II) Capital Requirement Calculated for Specific Risk - Standard Method	68.912
Capital requirement Calculated for Specific Risks of Securitisation Positions– Standard Method	-
(III) Capital Requirement Calculated for Currency Risk - Standard Method	362.811
(IV) Capital Requirement Calculated for Commodity Risk - Standard Method	-
(V) Capital Requirement Calculated for Exchange Risk - Standard Method	-
(VI) Capital Requirement Calculated for Market Risk Resulting From Options - Standard Method	-
(VII) Capital requirement Calculated for the Counterparty Credit Risks - Standard Method	33.901
(VIII) Capital Requirement Calculated for Market Risk of Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement Calculated for Market Risk (I+II+III+IV+V+VI)	915.391
<b>(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>11.442.388</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**III. EXPLANATIONS ON THE CURRENCY RISK**

- a) **Whether the Bank is exposed to foreign currency risk, whether the effects of this matter are estimated, whether limits for the daily followed positions are determined by the Board of Directors:**

The Bank’s policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, VAR is calculated for daily foreign exchange position and reported to the related departments. VAR based currency risk limit is also daily followed which was approved by Board of Directors.

Moreover, dealer’s positions and limits for foreign exchange transactions are under the authorization of the Board of Directors.

- b) **Hedge against foreign exchange debt instruments and net foreign exchange investments by hedging derivative instruments, if material:**

None.

- c) **Management policy for foreign currency risk:**

“Liquidity Gap Analysis”, “Repricing Gap Analysis” and “Structural Liquidity Gap Analysis” which takes into account historical repricing rates of foreign currency accounts, are prepared periodically in order to define liquidity and interest rate risks at US Dollar (“USD”) and EUR, which are mainly used by the Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders’ Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

- d) **Current foreign exchange bid rates of the Bank for the last 5 business days prior to the financial statement date:**

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
23.06.2014	2,1208	2,8810	2,0044	0,3877	0,3171	2,3766	1,9824	0,3464	3,6188	0,5672	2,0883
24.06.2014	2,1158	2,8768	1,9899	0,3873	0,3154	2,3729	1,9767	0,3462	3,6027	0,5659	2,0789
25.06.2014	2,1163	2,8853	1,9927	0,3884	0,3153	2,3806	1,9800	0,3448	3,6067	0,5660	2,0865
26.06.2014	2,1129	2,8711	1,9924	0,3864	0,3140	2,3701	1,9783	0,3435	3,6067	0,5651	2,0870
27.06.2014	2,1089	2,8739	1,9917	0,3869	0,3137	2,3739	1,9823	0,3435	3,6004	0,5642	2,0871
30.06.2014	2,1054	2,8767	1,9879	0,3873	0,3157	2,3763	1,9796	0,3433	3,6057	0,5632	2,0839

- e) **Simple arithmetic average of the Bank’s current foreign exchange bid rates for the last 30 days prior to the balance sheet date:**

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
2,1015	2,8561	1,9739	0,3843	0,3153	2,3538	1,9476	0,3478	3,5652	0,5621	2,0664

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**III. EXPLANATIONS ON THE CURRENCY RISK (Continued)**

**Information on the foreign currency risk of the Bank:**

	EUR	USD	Other FC <sup>(1)</sup>	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	10.590.354	10.205.499	6.477.958	27.273.811
Banks	262.007	947.021	150.646	1.359.674
Financial Assets at Fair Value Through Profit and Loss	-	3.512	-	3.512
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	3.375.174	3.968.063	4.520	7.347.757
Loans <sup>(2)</sup>	6.601.940	16.396.506	60.167	23.058.613
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) <sup>(4)</sup>	667.141	420.119	-	1.087.260
Investments Held-to-Maturity	1.360.509	3.376.793	415	4.737.717
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	4.271	1.335	1.325	6.931
Intangible Assets	926	2.136	947	4.009
Other Assets	111.281	162.859	12.348	286.488
<b>Total Assets</b>	<b>22.973.603</b>	<b>35.483.843</b>	<b>6.708.326</b>	<b>65.165.772</b>
<b>Liabilities</b>				
Interbank Deposits	2.024.324	2.624.474	30.279	4.679.077
Foreign Currency Deposits	23.784.352	11.721.645	2.809.533	38.315.530
Money Market Borrowings	3.146.615	9.909.458	-	13.056.073
Funds Provided from Other Financial Institutions	2.191.548	7.431.467	1.126	9.624.141
Issued Marketable Securities	-	-	-	-
Sundry Creditors	515.094	17.714	7.896	540.704
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	269.109	147.101	39.413	455.623
<b>Total Liabilities</b>	<b>31.931.042</b>	<b>31.851.859</b>	<b>2.888.247</b>	<b>66.671.148</b>
<b>Net Balance Sheet Position</b>	<b>(8.957.439)</b>	<b>3.631.984</b>	<b>3.820.079</b>	<b>(1.505.376)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>8.941.399</b>	<b>(3.348.266)</b>	<b>(3.806.461)</b>	<b>1.786.672</b>
Assets on Derivative Instruments	9.183.509	2.386.963	814.513	12.384.985
Liabilities on Derivative Instruments	242.110	5.735.229	4.620.974	10.598.313
<b>Non-cash Loans</b>	<b>5.703.033</b>	<b>14.346.201</b>	<b>1.316.321</b>	<b>21.365.555</b>
<b>Prior Period</b>				
Total Assets	21.793.749	30.897.651	6.089.053	58.780.453
Total Liabilities	28.594.129	29.960.839	2.890.852	61.445.820
<b>Net Balance Sheet Position</b>	<b>(6.800.380)</b>	<b>936.812</b>	<b>3.198.201</b>	<b>(2.665.367)</b>
<b>Net Off-Balance Sheet Position <sup>(3)</sup></b>	<b>8.191.495</b>	<b>(1.164.328)</b>	<b>(4.860.901)</b>	<b>2.166.266</b>
Financial Derivative Assets	8.374.906	2.238.303	788.716	11.401.925
Financial Derivative Liabilities	183.411	3.402.631	5.649.617	9.235.659
<b>Non-cash Loans</b>	<b>5.329.095</b>	<b>12.786.246</b>	<b>1.264.506</b>	<b>19.379.847</b>

(1) Of the foreign currencies presented in the other FC column of assets 95,86% is Gold, 1,73% is GBP, 0,77% is SAR, and the remaining 1,65% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 62,80% is Gold, 15,01% is GBP, 8,86% is CHF, 3,23% is DKK and the remaining 5,11% is other foreign currencies.

(2) TL101.250 equivalent of USD loans and TL37.029 equivalent of EUR loans are originated as foreign currency indexed loans (31 December 2013: TL88.750 equivalent of USD and TL14 equivalent of EUR).

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

(4) The foreign currency capital investments to Subsidiaries, Associates and Entities Under Common Control are evaluated with historical rates on the date of the fair value determination and capital investments made in the subsequent periods are evaluated with the rates on the date of the capital investment and followed with their domestic currency equivalents. No exchange rate difference arises from such investments.

(5) The derivative financial assets held-for-trading and liabilities are not included in the table.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS ON THE INTEREST RATE RISK**

**a) Measurement of interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on days to repricing dates):**

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	40.215	-	-	-	-	29.319.693	29.359.908
Banks	934.811	125.639	447.647	-	-	260.964	1.769.061
Financial Assets at Fair Value Through Profit and Loss	286	194	4.224	5.147	9.999	302.933	322.783
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	7.681.876	5.305.339	14.317.079	11.140.448	13.471.374	342.364	52.258.480
Loans Given	47.348.189	11.460.931	26.131.974	33.714.577	4.922.865	774.370	124.352.906
Investments Held-to-Maturity	6.226.380	524.620	470.515	2.967.531	1.256.730	-	11.445.776
Other Assets	-	-	-	-	-	8.496.038	8.496.038
<b>Total Assets</b>	<b>62.231.757</b>	<b>17.416.723</b>	<b>41.371.439</b>	<b>47.827.703</b>	<b>19.660.968</b>	<b>39.496.362</b>	<b>228.004.952</b>
<b>Liabilities</b>							
Interbank Deposits	6.510.282	1.018.699	112.886	-	-	104.844	7.746.711
Other Deposits	76.032.080	22.954.378	9.664.795	264.924	-	28.442.984	137.359.161
Money Market Borrowings	27.592.364	1.811.538	1.233.488	-	-	-	30.637.390
Sundry Creditors	-	-	-	-	-	1.957.857	1.957.857
Issued Marketable Securities	744.440	507.347	242.808	-	-	-	1.494.595
Funds provided from Other Financial Institutions	1.714.517	1.271.352	6.466.685	878.089	414.178	-	10.744.821
Other Liabilities	131.207	47.021	10.219	4.797.838	-	33.078.132	38.064.417
<b>Total Liabilities</b>	<b>112.724.890</b>	<b>27.610.335</b>	<b>17.730.881</b>	<b>5.940.851</b>	<b>414.178</b>	<b>63.583.817</b>	<b>228.004.952</b>
<b>Balance Sheet Long Position</b>	-	-	<b>23.640.558</b>	<b>41.886.852</b>	<b>19.246.790</b>	-	<b>84.774.200</b>
<b>Balance Sheet Short Position</b>	<b>(50.493.133)</b>	<b>(10.193.612)</b>	-	-	-	<b>(24.087.455)</b>	<b>(84.774.200)</b>
<b>Off-Balance Sheet Long Position</b>	-	1.046.319	-	-	-	-	1.046.319
<b>Off-Balance Sheet Short Position</b>	(73.164)	-	(103.864)	(762.284)	-	-	(939.312)
<b>Total Position</b>	<b>(50.566.297)</b>	<b>(9.147.293)</b>	<b>23.536.694</b>	<b>41.124.568</b>	<b>19.246.790</b>	<b>(24.087.455)</b>	<b>107.007</b>

- (1) Balances without fixed maturity are shown in the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL 4.740.003 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1-5 Years” column. TL 58.708 of fund balance is not granted as loan and is shown under the “Non-Interest Bearing” column.
- (3) Deferred tax asset is shown under the “Non-Interest Bearing” column.
- (4) Net balance of loans under follow-up is shown under the “Non-Interest Bearing” column in loans given.
- (5) Total shareholders’ equity is shown under the “Non-Interest Bearing” column.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)**

**Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on days to repricing dates):**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	35.196	-	-	-	-	26.567.217	26.602.413
Banks	1.009.260	148.038	433.914	-	-	873.799	2.465.011
Financial Assets at Fair Value Through Profit and Loss	1.523	164	153	8.517	4.953	438.627	453.937
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	10.381.970	4.489.356	11.269.708	9.591.171	10.559.121	392.471	46.683.797
Loans Given	36.800.645	12.867.207	24.298.187	31.744.054	4.543.342	794.538	111.047.973
Investments Held-to-Maturity	8.747.579	882.504	1.326.767	2.707.628	1.995.872	-	15.660.350
Other assets	-	-	-	-	-	4.616.473	4.616.473
<b>Total Assets</b>	<b>56.976.173</b>	<b>18.387.269</b>	<b>37.328.729</b>	<b>44.051.370</b>	<b>17.103.288</b>	<b>33.683.125</b>	<b>207.529.954</b>
<b>Liabilities</b>							
Interbank Deposits	6.560.602	1.301.672	132.492	-	-	155.346	8.150.112
Other Deposits	73.258.852	19.476.398	11.861.278	307.883	-	28.680.623	133.585.034
Money Market Borrowings	19.861.007	2.579.722	2.130.121	-	-	-	24.570.850
Sundry Creditors	-	-	-	-	-	1.352.928	1.352.928
Issued Marketable Securities	1.132.904	579.892	924.091	-	-	-	2.636.887
Funds Provided from Other Financial Institutions	893.403	1.219.782	5.154.543	780.929	510.672	-	8.559.329
Other Liabilities	3.418	21.967	8.574	4.018.741	-	24.622.114	28.674.814
<b>Total Liabilities</b>	<b>101.710.186</b>	<b>25.179.433</b>	<b>20.211.099</b>	<b>5.107.553</b>	<b>510.672</b>	<b>54.811.011</b>	<b>207.529.954</b>
<b>Balance Sheet Long Position</b>	-	-	<b>17.117.630</b>	<b>38.943.817</b>	<b>16.592.616</b>	-	<b>72.654.063</b>
<b>Balance Sheet Short Position</b>	<b>(44.734.013)</b>	<b>(6.792.164)</b>	-	-	-	<b>(21.127.886)</b>	<b>(72.654.063)</b>
Off Balance Sheet Long Position	355.418	1.171.945	-	-	-	-	1.527.363
Off Balance Sheet Short Position	-	-	(713.521)	(447.865)	-	-	(1.161.386)
<b>Total Position</b>	<b>(44.378.595)</b>	<b>(5.620.219)</b>	<b>16.404.109</b>	<b>38.495.952</b>	<b>16.592.616</b>	<b>(21.127.886)</b>	<b>365.977</b>

- (1) Balances without fixed maturity are shown under the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL3.997.095 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1-5 Years” column. TL39.396 of fund balance is not granted as loan and is shown under the “Non-Interest Bearing” column.
- (3) Deferred tax asset is shown under the “Non-Interest Bearing” column.
- (4) Net balance of loans under follow-up is shown under the “Non-Interest Bearing” column in other assets.
- (5) Total shareholders’ equity is shown under the “Non-Interest Bearing” column.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)**

**Average interest rates applied to monetary financial instruments:**

	EUR	USD	JPY	TRY
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	7,00
Banks	2,14	1,90	-	8,87
Financial Assets at Fair Value Through Profit and Loss	-	5,36	-	7,46
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,70	5,78	-	8,91
Loans Given <sup>(2)</sup>	4,78	4,81	-	12,30
Investments Held-to-Maturity	6,42	7,01	-	9,81
<b>Liabilities</b>				
Interbank Deposits <sup>(3)</sup>	0,71	0,97	-	9,10
Other Deposits <sup>(4)</sup>	1,87	1,42	-	6,95
Money Market Borrowings	0,69	0,86	-	9,27
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	9,85
Funds Provided from Other Financial Institutions	1,38	1,86	-	8,20

(1) The ratio in TRY column shows interest rate applied to reserve requirement for Central Bank of Turkish Republic of Northern Cyprus.

(2) Does not include credit card loans.

(3) Rates shown in the table are calculated by using the annual domestic simple interest rates, except for foreign currency interbank deposits.

(4) Related ratios include demand deposits.

**Average interest rates applied to monetary financial instruments:**

	EUR	USD	JPY	TRY
<b>Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey <sup>(1)</sup>	-	-	-	4,00
Banks	2,08	2,08	-	8,13
Financial Assets at Fair Value Through Profit and Loss	-	5,58	-	6,53
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,70	5,67	-	8,09
Loans Given <sup>(2)</sup>	4,65	4,71	-	12,54
Investments Held-to-Maturity	6,36	7,01	-	8,49
<b>Liabilities</b>				
Interbank Deposits <sup>(3)</sup>	1,06	1,09	-	7,74
Other Deposits <sup>(4)</sup>	1,96	1,64	-	5,80
Money Market Borrowings	0,80	1,00	-	7,71
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	7,82
Funds Provided from Other Financial Institutions	1,35	1,71	-	7,20

(1) The ratio in TRY column shows interest rate applied to reserve requirement for Central Bank of Turkish Republic of Northern Cyprus.

(2) Does not include credit card loans.

(3) Rates shown in the table are calculated by using the annual domestic simple interest rates, except for foreign currency interbank deposits.

(4) Related ratios include demand deposits.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)**

**A) Interest rate risk on banking accounts:**

Banking accounts interest rate risk management strategy policy and implementation procedures are determined within the context of “Regulation for Interest Rate Risk on Banking Accounts”.

Bank conducts measurements, scenario analysis, limiting, monitoring and stress tests that are relevant for structure and complexity of its positions related to the market risk management, and reports the findings periodically, and the Bank also performs analyses related to interest rate risks for its entire balance sheet. New products and services are also evaluated in terms of interest rate risk originating from banking accounts.

In risk management as a minimum requirement, monitoring the rate between the funds with fixed and floating interest rates and utilizations and maturity mismatches, possible downward and upward ordinary and extraordinary interest rate changes, analysis of the effect of interest margin on the current values of the assets and liabilities, analyzing and following up the contractual maturities of the assets and liabilities and the behavioral maturities, following up the TL and FC money interest margins, monitoring the effects of the interest rate fluctuations on the Banks economic value and its capital need, calculation and determination of the size of interest rate shock in banks internal practices, monitoring the yield curve, base risk and option risk are carried out. Besides, in order to limit the effects of the fluctuations of the interest rates on the banks financial structure, the interest rate risk resulted from banking accounts which is approved by the Board of the Directors is monthly monitored.

**Interest rate risk on banking accounts:**

Type of Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity– (Losses)/Equity
1. TRY	(+) 300bp	(2.401.630)	(8,49%)
2. TRY	(-) 300bp	2.804.322	9,91%
3. EUR	(+) 100bp	62.729	0,22%
4. EUR	(-) 100bp	(62.969)	(0,22%)
5. USD	(+) 100bp	(350.815)	(1,24%)
6. USD	(-) 100bp	407.273	1,44%
<b>Total (of negative shocks)</b>		<b>3.148.626</b>	<b>11,13%</b>
<b>Total (of positive shocks)</b>		<b>(2.689.716)</b>	<b>(9,51%)</b>

**Equity share position risk in banking accounts**

Equity Share Investments	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1. Stock Investment Group A	-	-	-
Stock Exchange Securities	-	-	-
2. Stock Investment Group B	-	-	-
Stock Exchange Securities	-	-	-
3. Stock Investment Group C	-	-	-
Stock Exchange Securities	-	-	-
4. Stock Investment Other Group	-	-	-
Other	130.547	130.547	-

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

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

**V. EXPLANATIONS ON THE LIQUIDITY RISK**

General principles of liquidity and financial emergency situation management and the related application procedures are considered in the scope of "Liquidity Risk and Liquidity and Financial Emergency Situation Management".

The Bank performs "Remaining Maturity Analysis" for the observation of the maturity structure of the balance sheet, "Liquidity Gap" and "Structural Liquidity Gap Analysis" for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Bank's liquidity and in the worst case scenario and the loss associated with it. The renewal of deposits which constitutes the Bank's most crucial funding resource is monitored on a daily basis. Besides, in order to compare the Bank's level of liquidity risk with the sector, average remaining maturity balances of Bank-Sector and legal liquidity rates are monitored.

The Bank calculates liquidity adequacy ratio and reports to BRSA on a weekly basis in accordance with the "Measurement and Assessment of Liquidity Adequacy of Banks" issued in the Official Gazette numbered 26333 and dated 1 November 2006. The liquidity adequacy of the Bank is over the limit values specified in the mentioned regulation.

**a) Basis for the current liquidity risk of the Bank and whether the necessary measures taken, limitations imposed by the Bank's Board of Directors on fund sources that can be used in payment of matured debts and can meet the immediate liquidity need:**

The Bank's source of funds is mainly composed of deposits. The Bank's deposits do not fluctuate considerably in line with the broadly dispersed customer network. Besides, internal and external sources that can be used to meet the immediate liquidity need are monitored periodically. Borrowing limits of the Bank from organized markets and other financial institutions can cover the corresponding liquidity gaps with different periods. Bank limits its liquidity risk exposure by the approval of Board of Directors in context with "Liquidity Risk and Liquidity and Financial Emergency Situation Management".

**b) Consistency of payments with the assets and liabilities and the interest rates, measurement of the probable effects of the actual inconsistency on profitability:**

The consistency of payments with the assets and liabilities and the interest rates are followed regularly by the management and no inconsistency exists.

**c) Internal and external sources for short and long-term liquidity needs of the Bank, unused significant liquidity sources:**

Although the average maturity of the Bank's assets are longer when compared to the maturity of deposits, securities with coupon payments are constituting majority of the securities portfolio and installments of loans supply regular cash inflow for the Bank. Besides, volume of deposits constituting the majority of the liabilities is not subject to significant changes. The Bank also provides funds from long term financial transactions.

**d) Evaluation of amount and sources of the Bank's cash flows:**

The Bank's major source of funds are deposits, funds are utilized as securities portfolio, other banks and loan placements. Since the most significant cash inflows are originated from securities portfolio and systematical cash inflows from these assets are regular, it is accepted as a liquidity risk reducing factor. Furthermore, periodical collections on loans have a role to cover the Bank's need for funds.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**V. EXPLANATIONS ON THE LIQUIDITY RISK (Continued)**

**Presentation of assets and liabilities according to their remaining maturities:**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1) (2)	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	29.359.908	-	-	-	-	-	-	29.359.908
Banks	260.964	934.811	125.639	447.647	-	-	-	1.769.061
Financial Assets at Fair Value Through Profit and Loss	-	1.846	128.535	45.690	136.713	9.999	-	322.783
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	1.183.034	1.858.678	6.533.357	22.235.903	20.109.710	337.798	52.258.480
Loans Given	-	6.081.578	8.366.276	49.310.272	50.818.890	9.001.520	774.370	124.352.906
Investments Held-to-Maturity	-	2.011.049	70.731	924.404	5.921.195	2.518.397	-	11.445.776
Other Assets	1.450.694	-	-	66	7.733	-	7.037.545	8.496.038
<b>Total Assets</b>	<b>31.071.566</b>	<b>10.212.318</b>	<b>10.549.859</b>	<b>57.261.436</b>	<b>79.120.434</b>	<b>31.639.626</b>	<b>8.149.713</b>	<b>228.004.952</b>
<b>Liabilities</b>								
Interbank Deposits	104.844	6.510.282	1.018.699	112.886	-	-	-	7.746.711
Other Deposits	28.442.984	76.031.396	22.953.553	9.660.755	270.343	130	-	137.359.161
Funds Provided from Other Financial Instruments	-	723.794	1.016.070	6.191.555	1.580.957	1.232.445	-	10.744.821
Money Market Borrowings	-	27.592.364	1.811.538	1.233.488	-	-	-	30.637.390
Issued Marketable Securities	-	744.440	507.347	242.808	-	-	-	1.494.595
Sundry Creditors	1.306.482	651.375	-	-	-	-	-	1.957.857
Other liabilities <sup>(3)</sup>	2.274.600	462.520	509.193	10.219	4.797.838	820.799	29.189.248	38.064.417
<b>Total liabilities</b>	<b>32.128.910</b>	<b>112.716.171</b>	<b>27.816.400</b>	<b>17.451.711</b>	<b>6.649.138</b>	<b>2.053.374</b>	<b>29.189.248</b>	<b>228.004.952</b>
<b>Liquidity Gap</b>	<b>(1.057.344)</b>	<b>(102.503.853)</b>	<b>(17.266.541)</b>	<b>39.809.725</b>	<b>72.471.296</b>	<b>29.586.252</b>	<b>(21.039.535)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	29.020.176	6.472.939	10.640.132	56.372.262	73.468.744	27.334.471	4.221.230	207.529.954
Total Liabilities	31.506.093	101.548.763	24.829.797	20.735.589	5.308.283	1.988.893	21.612.536	207.529.954
<b>Liquidity Gap</b>	<b>(2.485.917)</b>	<b>(95.075.824)</b>	<b>(14.189.665)</b>	<b>35.636.673</b>	<b>68.160.461</b>	<b>25.345.578</b>	<b>(17.391.306)</b>	<b>-</b>

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

(2) Deferred tax asset is included under the "Undistributed" column.

(3) TL 4.740.003 of the funds balance, whose risk is not born by the Bank, is included in other liabilities and shown under the "1-5 Year" column, fund balance amounted to TL 58.708 is not granted as loan and is included under "Up to 1 Month" column.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**V. EXPLANATIONS ON THE LIQUIDITY RISK (Continued)**

**e) Credit Risk Mitigation Techniques:**

Bank makes credit risk reduction by using simple financial collateral method in accordance with the Article 33 of Communiqué on Credit Risk Reduction Methods.

Bank does not perform net-off of balance sheet and off-balance sheet items in credit risk mitigation.

Financial collaterals considered as funded credit safe guards in bank are; treasury bills, government bonds, cash, mortgage on deposit and gold. Financial collaterals considered as unfunded credit safe guards in bank are; guarantees and counter guarantees.

Financial collaterals are valuated daily in bank. Credibility of guarantors are monitored and evaluated in the scope of maturity.

Bank has no position about credit derivatives.

**Collaterals in terms of Risk Categories**

<b>Exposure classifications</b>	<b>Amount</b>	<b>Financial Collaterals</b>	<b>Other/Physical Collaterals</b>	<b>Guarantees and Credit Derivatives</b>
Conditional and unconditional receivables from central governments or central banks	79.646.596	5.311.299	-	-
Conditional and unconditional receivables from regional or local governments	317.447	30.281	-	197
Conditional and unconditional receivables from administrative units and non-commercial enterprises	379.595	108.365	-	-
Conditional and unconditional receivables from multilateral development banks	6	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	27.402.495	15.849.965	-	-
Conditional and unconditional corporate receivables	64.596.824	362.864	-	386.560
Conditional and unconditional retail receivables	40.976.590	2.303.925	-	46.930
Conditional and unconditional secured mortgage receivables	10.457.547	4.808	-	211
Non-performing loan	578.177	-	-	-
Receivables in high risk category defined by BRSA	21.344.584	14.965.674	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporates	-	-	-	-
Investments of natured collective investment enterprise	56.810	3.518	-	-
Other receivables	13.024.112	-	-	-
<b>Total</b>	<b>258.780.783</b>	<b>38.940.699</b>	<b>-</b>	<b>433.898</b>

Prepared based on KR510 AS Form / 4th line distribution of numbers after conversion rate to credit of every risk classes.

**VI. EXPLANATIONS ON THE SECURITIZATION POSITIONS**

None.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

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

**VII. RISK MANAGEMENT OBJECTIVES AND POLICIES**

**a) Strategies and Practices on Risk Management:**

The Bank, manages the interest and credit risks occurred from the exposed market, liquidity and banking accounts, within the scope of BRSA regulations and by considering the best practices suitable to the volume of operations, qualification and complexity.

**b) Structure and Organization of Risk Management**

Risk Management Operations are conducted in accordance with the Regulation for Banks’ Internal Systems issued in the Official Gazette numbered 28337 and dated 28 June 2012 by Banking Regulation and Supervising Agency and within the scope of “Regulation for Risk Management” approved by the Bank’s Board of Directors’ Decision No. 7/101, dated 21 March 2012.

As of 30 June 2014, Risk Management organization is composed of operation and market risk management, credit risk management and balance sheet risks management units.

**c) Risk Reporting and Scope and Qualification of the Measurement Systems**

In order to put forward the potential risks which may be encountered by the Bank, it is essential to consider the results of risk measurement and monitoring activities in the process of Banks’ strategic decisions. In the buy – sell strategy context, the analyses presented below are performed regarding the measurement and monitoring of the whole balance sheet and portfolios determined by the Bank.

**Liquidity Risk**

In order to put forward the liquidity risk of the Bank, measurement, monitoring, limiting, stress tests and scenario analyses suitable to positions structures and complexity are carried out and the results are periodically reported.

For the purpose of measuring and monitoring activities of liquidity risk, Bank realizes “Liquidity Gap Analysis”, “Behavioural Liquidity Gap Analysis”, “Average Maturity Analysis” and “Deposit Analysis”. Liquidity Gap Analysis is done based on time to maturity of assets and liabilities. Deposit Analysis is applied separately for time deposits and demand deposits. Also, for the purpose of the evaluation of the discount rates of Bank’s expected cash flows based on each position and each product, and after adjustment its potential liquidity needs on the basis of the maturity groups in line with Bank’s liquidity creation capacity, liquidity risk stress test is done. For liquidity risk, legal reporting is also done weekly.

**Interest Rate Risk On Banking Accounts:**

It is conducted to perform measurements, limiting, scenario analysis and stress tests that are suitable for structure and complexity of positions so as to be revealed interest rate on banking accounts that Bank can face with and report the findings cyclically.

It is made periodically Repricing Gap Analysis, Net Interest Margin/Revenue Analysis and Duration Analysis based on whole balance sheet intended for measurement and monitoring operations of interest rate on banking accounts and Bank’s economic capital adequacy is observed. Repricing Gap Analysis is applied based on assets and liabilities’ time to repricing and Net Interest Margin/Revenue Analysis is applied based on balance sheet items’ time to repricing. Duration Analysis is made through being weighted with quantities of periods that are calculated with effective duration method of assets and liabilities. It is revealed effect of important fluctuations, exchange rates, prices and interest rates in stress tests for interest rate on banking accounts. Also, it is made monthly legal reportings intended for interest rate on banking accounts.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

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

**VII. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**c) Risk Reporting and Scope and Qualification of the Measurement Systems (Continued)**

**Market Risk**

In order to put forward the possible interest risks resulted from the banking accounts, the bank carries out measurement, monitoring, limiting, stress testing and scenario analyses in accordance with the position structure and complexity of the operations and reports the results periodically.

Bank, market risk based amount is calculated monthly by using Standard Method as within the context of legal reporting. This amount is included in Bank’s Standard Capital Adequacy Ratio.

Excluding Standard Method, Daily Value at Risk (“VAR”) forecasts are made as per daily period for buy - sell accounts and is reported to the related units. Backward testing is performed so as to measure performance of used model. Also, Bank performs as per daily and monthly periods stress tests and scenario analysis so as to observe the effect of excessive market fluctuations that are not covered by models over the Bank’s financial position.

Market risk exposure is limited with VAR based limit (interest rate and currency risk limit) within the context of “Regulation for Market Risk Management”. These limits are daily monitored.

**Operational Risks**

Operational risk represents the possibility of damage from inadequate or failed internal processes, people and systems or from external events and including legal risks. The Operational Risk Management Services in the Bank in order to ensure compliance with Basel II, are carried out with the regulations issued on 28 June 2012 by the BRSA, revised in accordance with the Bank’s “Operational, Reputational and Strategic Risk Management Regulations”.

- The amount subject to operational risk is calculated by Basic Indicator Approach within the scope of “Communiqué on Measurement and Assessment of Capital Adequacy of Banks” in order for keeping adequate shareholder’s equity against losses that could arise due to operational risks in the Bank, and is reported to BRSA based on yearly.
- Operational risk profile in the bank is monitored with several effective methods. Actualized operational risks are followed by “Operational Risk Loss Database” which is compatible with accounting system. Advanced Measurement Approach is performed in scope of calculation of economic capital and development of approach is performed.
- So as to be determined the operational risk levels of branches, studyings of “Operational Risk Map” are carried out for use in Internal Control Activity Program.
- An integrated risk mainframe is instituted within the scope of risks management arising from information technologies. In this context, a database regarding Information Technologies risks is constituted and actualised risks and actions taken are monitored via the database.
- By being revised of Bank Business Continuity Plan, possible risks that may occur in activities due to corruption and its potential effects evaluated are documented as “Business Impact Analysis”.
- Risk arising from purchase of services provided from support service organizations for continuity has been evaluated with the “Regulation on Procurement of Support Services of Banks” published by the BRSA. In this context, Risk Management Program was revised and Risk Analysis Reports regarding support services are being prepared.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

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

**VII. RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**c) Risk Reporting and Scope and Qualification of the Measurement Systems (Continued)**

**Credit Risk**

As of 1 July 2012, BASEL II legal reporting process based on Standard Method is started in calculation of Credit Risk legal capital need.

It was constituted scoring models for individual customers, rating for Corporate, Commercial and Enterprising customers with the object of customer evaluation within the scope of centralization of credit risk. The studies regarding these models' validation are conducted by Internal Control and Risk Management Group Presidency as independently from Units that have executive actions. It is also made analysis for performance measurement and accuracy with statistical methods.

In base of segments, risk limits are framed at credit risk weighted assets and are monitored monthly based.

Based on general and sub accounts, credit portfolios' improvement tracking portfolio's improvement and loans under close monitoring is analysed periodically. Also, it is made vintage analysis for real estate, vehicle, consumer, commercial, agricultural and SME loans so as to credit monitoring and comparing past performances.

**d) Procedures On Risk Management And Risk Mitigation Policies With Regular Control Of Their Effectiveness**

In order to prevent the negations, the Bank limits the risk limits with the related risk profile and risk toleration.

Risk limits are determined and approved by the Board of Directors by taking General Manager, Audit Committee and Executives' offers.

Risk limits are determined compatible with risk levels, operations, size of products and services and complexness of the Bank. Limits are reviewed regularly, adapted according to changes in market conditions, Bank strategy and risk appetite and monitored cyclically.

In addition, derivative transactions are made by the Bank, in order to obtain long term liabilities and limit the interest risks occurred from liquidity and banking accounts.

Bank reduces its risks according to basic financial method, and financial commitments are daily assessed. Credibility of guarantors are monitored and assessed as part of credit revision maturities.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

---

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

**VIII. EXPLANATIONS ON OPERATING SEGMENTS**

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

The Bank has operations in consumer banking, corporate banking, commercial and entrepreneurial banking, investment banking, project financing and international banking areas.

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

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

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

Investment banking operations are conducted by the Financial Market and Asset-Liability Management and Head of Departments of Economic Researches. By foregoing departments, the Bank's liquidity is used for Turkish Lira, foreign exchange and securities transactions in local and international organized and over-the-counter markets, and enables sources of funds in Turkish Lira and foreign currencies according to the needs of the Bank. The Bank acts as an intermediary for transaction of securities and Eurobonds by the related departments, for transaction of shares and public offerings as an agency of Ziraat Yatırım Menkul Değerler A.Ş. and for transaction of investment funds founded by the Bank and Ziraat Yatırım Menkul Değerler A.Ş. and keeps records of these financial instruments and the Bank performs repo/reverse repo transactions. Besides the Bank performs derivative transactions which are accounted as held for trading. As financial derivative transactions, the Bank performs foreign currency forward agreements and currency swap transactions.

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

The Bank performs its international banking operations via foreign branches, bureaus, representative offices and equity investments abroad.

As of 30 June 2014 explanations on segment reporting as shown below are in line with Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**VIII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)**

**Table for Segment Reporting:**

	Consumer Banking	Corporate Commercial and Entrepreneurial Banking	Specialized Lending	Investment Banking	International Banking	Undistributed	Total Operations of the Bank
<b>Current Period</b>							
Total Operating Income/Expense <sup>(1)</sup>	1.545.612	1.396.557	458.241	1.748.853	43.105	-	5.192.368
Net Operating Profit	702.519	634.769	208.271	794.897	19.603	-	2.360.059
Income from Subsidiaries <sup>(2)</sup>	-	-	-	-	-	184.902	184.902
Income Before Taxes	<b>702.519</b>	<b>634.769</b>	<b>208.271</b>	<b>794.897</b>	<b>19.603</b>	<b>184.902</b>	<b>2.544.961</b>
Tax Provision	-	-	-	-	-	(534.887)	(534.887)
<b>Net Profit for the Period</b>	<b>702.519</b>	<b>634.769</b>	<b>208.271</b>	<b>794.897</b>	<b>19.603</b>	<b>(349.985)</b>	<b>2.010.074</b>
Segment Assets-net <sup>(1)</sup>	41.396.194	55.497.178	25.114.800	93.262.309	4.238.433	-	219.508.914
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	1.614.650	1.614.650
Undistributed Assets <sup>(3)</sup>	-	-	-	-	-	6.881.388	6.881.388
<b>Total Assets</b>	<b>41.396.194</b>	<b>55.497.178</b>	<b>25.114.800</b>	<b>93.262.309</b>	<b>4.238.433</b>	<b>8.496.038</b>	<b>228.004.952</b>
Segment Liabilities – net <sup>(1)</sup>	27.702.877	37.139.441	21.600.322	91.766.713	4.073.497	-	182.282.850
Undistributed Liabilities <sup>(3)</sup>	-	-	-	-	-	20.051.664	20.051.664
Shareholders' Equity	-	-	-	-	-	25.670.438	25.670.438
<b>Total Liabilities</b>	<b>27.702.877</b>	<b>37.139.441</b>	<b>21.600.322</b>	<b>91.766.713</b>	<b>4.073.497</b>	<b>45.722.102</b>	<b>228.004.952</b>
Other Segment Items	-	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	115.468	115.468
Restructuring Costs	-	-	-	-	-	-	-

(1) For the presentation of operating income, intradepartmental interest charged between branches and Treasury is considered in order to present operations of related departments accurately. However, debtor-creditor relations arising from funds transferred between branches are not included in table since they could not be reported separately

(2) “Dividend income”, a part of operating income of the Bank, is included in the “Income from Subsidiaries” row since it could not be decomposed to segments.

(3) The total of tangible and intangible assets, tax asset and assets held for sale is shown in “Undistributed Assets” row, whereas the total of borrowings, miscellaneous payables, other liabilities, finance lease payables, provisions and tax liability is shown in “Undistributed Liabilities” row.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**VIII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)**

**Table for Segment Reporting: (Continued)**

	Consumer Banking	Corporate Commercial and Entrepreneurial Banking	Specialized Lending	Investment Banking	International Banking	Undistributed	Total Operations of the Bank
<b>Prior Period 30 June 2013</b>							
Total Operating Income/Expense <sup>(1)</sup>	1.734.325	763.265	568.901	1.814.267	35.817	-	4.916.575
Net Operating Profit	723.494	318.405	237.324	756.842	14.940	-	2.051.005
Income from Subsidiaries <sup>(2)</sup>	-	-	-	-	-	256.136	256.136
Income Before Taxes	<b>723.494</b>	<b>318.405</b>	<b>237.324</b>	<b>756.842</b>	<b>14.940</b>	<b>256.136</b>	<b>2.307.141</b>
Tax Provision	-	-	-	-	-	(512.675)	(512.675)
<b>Net Profit for the Period</b>	<b>723.494</b>	<b>318.405</b>	<b>237.324</b>	<b>756.842</b>	<b>14.940</b>	<b>(256.539)</b>	<b>1.794.466</b>
Segment Assets-net <sup>(1)</sup>	39.457.234	47.610.301	22.903.484	88.756.163	4.186.298	-	202.913.480
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	1.298.120	1.298.120
Undistributed Assets <sup>(3)</sup>	-	-	-	-	-	3.318.354	3.318.354
<b>Total Assets – 31 December 2013</b>	<b>39.457.234</b>	<b>47.610.301</b>	<b>22.903.484</b>	<b>88.756.163</b>	<b>4.186.298</b>	<b>4.616.474</b>	<b>207.529.954</b>
Segment Liabilities - net <sup>(1)</sup>	27.950.762	33.726.239	20.258.724	87.033.332	4.139.981	-	173.109.038
Undistributed Liabilities <sup>(3)</sup>	-	-	-	-	-	16.054.237	16.054.237
Shareholders' Equity	-	-	-	-	-	18.366.679	18.366.679
<b>Total Liabilities – 31 December 2013</b>	<b>27.950.762</b>	<b>33.726.239</b>	<b>20.258.724</b>	<b>87.033.332</b>	<b>4.139.981</b>	<b>34.420.916</b>	<b>207.529.954</b>
Other Segment Items	-	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	126.632	126.632
Restructuring Costs	-	-	-	-	-	-	-

(1) For the presentation of operating income, intradepartmental interest charged between branches and Treasury Operations Department is considered in order to present operations of related departments accurately. However, debtor-creditor relations arising from funds transferred between branches are not included in table since they could not be reported separately.

(2) “Dividend income”, a part of operating income of the Bank, is included in the “Income from Subsidiaries” row since it could not be decomposed between segments.

(3) The total of tangible and intangible assets, tax asset and tangible fixed assets held for sale is shown in “Undistributed Assets” row, whereas the total of borrowings, miscellaneous payables, other liabilities, finance lease payables, provisions and tax liability is shown in “Undistributed Liabilities” row.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

**1. a) Information on Cash and Balances with Central Bank of the Republic of Turkey:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1.158.389	456.658	1.227.432	538.232
Central Bank of the Republic of Turkey	927.708	26.810.927	2.437.056	22.390.350
Other	-	6.226	-	9.343
<b>Total</b>	<b>2.086.097</b>	<b>27.273.811</b>	<b>3.664.488</b>	<b>22.937.925</b>

**1.a.1) Information on Required Reserves:**

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

As of the balance sheet date, according to CBRT’s Communiqué about Required Reserves No. 2013/15, the required reserves ratios for commercial banks operating in Turkey are as follows: for demand deposits, notice deposits and for deposits up to 1-month maturity, and for deposits up to 3-months maturity 11,5%; for deposits up to 6-months maturity 8,5%; for deposits up to 1-year maturity 6,5%; for deposits 1-year and longer maturity 5%; for TL liabilities other than deposits up to 1-year maturity 11,5%; for TL liabilities other than deposits between 1- and 3-years maturity 8%; for TL liabilities other than deposits more than 3-years maturity 5%; for FC deposit accounts, demand deposits, up to 1-month, up to 3-months, up to 6-months and up to 1-year maturities 13%; for FC deposit accounts with 1-year and longer maturity 9%, for FC liabilities other than deposits up to 1-year maturity 13%; for FC liabilities other than deposits up to 3-years maturity 11%; and for FC liabilities other than deposits more than 3-years maturity 6%.

No interest is charged by CBRT for Turkish Lira and foreign currency denominated reserve requirements.

**b) Information on the account of the Central Bank of the Republic of Turkey:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	886.546	898.548	2.401.860	941.696
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves <sup>(1)(2)</sup>	41.162	25.912.379	35.196	21.448.654
<b>Total</b>	<b>927.708</b>	<b>26.810.927</b>	<b>2.437.056</b>	<b>22.390.350</b>

(1) Required reserve of branches abroad amounting to TL 63.829 is presented in this line (31 December 2013: TL50.888).

(2) TL19.622.792 in FC required reserves is the part of TL required reserves kept as FC (31 December 2013: TL15.735.041).

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**2. a) Information on financial assets at fair value through profit and loss given or blocked as collateral or subject to repurchase agreements:**

	<b>Current Period</b>	<b>Prior Period</b>
Assets Subject to Repurchase Agreements	-	-
Assets Blocked/Given as Collateral	5.233	5.005
<b>Total</b>	<b>5.233</b>	<b>5.005</b>

**b) Positive differences related to the derivative financial assets held-for-trading:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Derivative Financial Assets Held-for-Trading				
Forward Transactions	8.271	138	11.680	25
Swap Transactions	263.639	30.880	282.060	144.862
Futures Transactions	-	-	-	-
Options	-	5	-	-
Other	-	-	-	-
<b>Total</b>	<b>271.910</b>	<b>31.023</b>	<b>293.740</b>	<b>144.887</b>

**3. a) Information on banks and other financial institutions:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks				
Domestic Banks	356.637	124.509	459.579	127.561
Foreign Banks	52.750	1.235.165	52.525	1.825.346
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>409.387</b>	<b>1.359.674</b>	<b>512.104</b>	<b>1.952.907</b>

**4. a) Explanation regarding the comparison of net values of financial assets available-for-sale given or blocked as collateral and subject to repurchase agreements:**

	<b>Current Period</b>	<b>Prior Period</b>
Assets Subject to Repurchase Agreements	29.860.316	23.412.254
Assets Blocked/Given as Collateral	5.435.664	1.529.694
<b>Total</b>	<b>35.295.980</b>	<b>24.941.948</b>

**b) Information on financial assets available for sale:**

	<b>Current Period</b>	<b>Prior Period</b>
Debt Securities	52.207.757	47.479.195
Quoted in Stock Exchange	52.207.757	47.479.195
Not Quoted in Stock Exchange	-	-
Share Certificates	338.332	363.274
Quoted in Stock Exchange	207.256	233.318
Not Quoted in Stock Exchange	131.076	129.956
Provision for Impairment (-)	287.609	1.158.672
<b>Total</b>	<b>52.258.480</b>	<b>46.683.797</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans:**

**a) Information on all types of loans and advances given to shareholders and employees of the Bank:**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans Granted to Shareholders</b>	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
<b>Indirect Loans Granted to Shareholders</b>	-	-	-	-
<b>Loans Granted to Employees</b>	<b>258.095</b>	-	<b>247.902</b>	-
<b>Total</b>	<b>258.095</b>	-	<b>247.902</b>	-

**b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:**

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled		Loans and Other Receivables	Restructured or Rescheduled	
		Loans and other receivables with revised contract terms <sup>(1)</sup>	Other		Loans and other receivables with revised contract terms	Other
Non-Specialized Loans	94.584.326	1.051.725	-	1.855.828	347.884	-
Commercial Loans	26.725.529	264.506	-	146.239	58.086	-
Export Loans	2.058.492	-	-	19.878	-	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	1.988.949	-	-	-	-	-
Consumer Loans	34.924.040	106.617	-	1.244.795	29.225	-
Credit Cards	2.600.522	-	-	60.393	5.227	-
Other <sup>(2)</sup>	26.286.794	680.602	-	384.523	255.346	-
Specialized Lending <sup>(3) (4)</sup>	21.553.015	1.343.477	-	633.221	211.640	-
Other Receivables	-	-	-	-	-	-
Interest Income Accruals	1.997.420	-	-	-	-	-
<b>Total</b>	<b>118.134.761</b>	<b>2.395.202</b>	-	<b>2.489.049</b>	<b>559.524</b>	-

(1) Restructured or rescheduled loans cannot be decomposed systematically. Therefore it is shown in the “Loans and other receivables with revised contract terms” section.

(2) Restructured or rescheduled loans and the loans under close monitoring and the separation of the accruals of other receivables cannot be obtained by the available information operating system.

(3) Fund sourced agricultural loans are shown under specialized lending.

(4) Agriculturally qualified farmer standby loans have been displayed under specialized lending.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans: (Continued)**

**b) Information on the first and second group loans and other receivables including restructured or rescheduled loans: (Continued)**

<b>No. of extensions</b>	<b>Standard Loans and Other Receivables</b>	<b>Loans and Other Receivables Under Close Monitoring</b>
1 or 2 Times Extended (*)	2.395.202	559.524
3.4 or 5 Times Extended	-	-
Over 5 Times Extended	-	-

(\*) Number of modification made according to extent of payment plan cannot be decomposed systematically therefore it is shown in this line.

<b>Extension Periods</b>	<b>Standard Loans and Other Receivables</b>	<b>Loans and Other Receivables Under Close Monitoring</b>
0 - 6 Months	185.199	53.242
6 Months – 12 Months	1.848.595	232.375
1 - 2 Years	170.599	100.250
2 - 5 Years	179.703	170.802
5 Years and Over	11.106	2.855
<b>Total</b>	<b>2.395.202</b>	<b>559.524</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans: (Continued)**

**c) Information on consumer loans, individual credit cards and personnel loans and personnel credit cards:**

	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Consumer Loans - TL	318.624	35.575.242	35.893.866
Real Estate Loans	2.230	11.597.508	11.599.738
Vehicle Loans	1.707	215.527	217.234
Consumer Loans	258.844	23.404.183	23.663.027
Abroad <sup>(2)</sup>	7.007	355.802	362.809
Other	48.836	2.222	51.058
Consumer Loans- Indexed to FC	-	7	7
Real Estate Loans	-	7	7
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	132	959	1.091
Real Estate Loans	49	15	64
Vehicle Loans	-	-	-
Consumer Loans	83	944	1.027
Other	-	-	-
Individual Credit Cards-TL	2.413.733	12.314	2.426.047
With Installment	840.622	11.381	852.003
Without Installment	1.573.111	933	1.574.044
Individual Credit Cards-FC	4.423	-	4.423
With Installment	-	-	-
Without Installment	4.423	-	4.423
Personnel Loans-TL	16.429	167.737	184.166
Real Estate Loans	-	401	401
Vehicle Loans	-	-	-
Consumer Loans	5.697	165.956	171.653
Abroad <sup>(2)</sup>	66	1.380	1.446
Other	10.666	-	10.666
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	70.504	330	70.834
With Installment	30.892	309	31.201
Without Installment	39.612	21	39.633
Personnel Credit Cards-FC	208	-	208
With Installment	-	-	-
Without Installment	208	-	208
Overdraft Accounts-TL (Real Person)	589.802	-	589.802
Overdraft Accounts-FC (Real Person)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>3.413.855</b>	<b>35.756.589</b>	<b>39.170.444</b>

<sup>(1)</sup> TL 271.183 of interest income accrual is not included in the table above.

<sup>(2)</sup> TL 1.445 of consumer loans used by the personnel abroad and TL 362.809 of consumer loans have been shown under “Other” of 5-b table.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans: (Continued)**

**d) Information on commercial installment loans and corporate credit cards:**

	<b>Short-Term</b>	<b>Medium and Long-Term</b>	<b>Total</b>
Commercial Installment Loans-TL	1.233.845	8.828.262	10.062.107
Business Loans	1.369	213.184	214.553
Vehicle Loans	21.566	356.409	377.975
Consumer Loans	1.210.273	1.142.451	2.352.724
Other	637	7.116.218	7.116.855
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	257.525	10.062.551	10.320.076
Business Loans	-	6.862	6.862
Vehicle Loans	-	556	556
Consumer Loans	257.525	10.055.133	10.312.658
Other	-	-	-
Corporate Credit Cards-TL	163.754	150	163.904
With Installment	31.032	132	31.164
Without Installment	132.722	18	132.740
Corporate Credit Cards-FC	726	-	726
With Installment	-	-	-
Without Installment	726	-	726
Overdraft Account-TL (Legal Entity)	56.688	-	56.688
Overdraft Account-FC (Legal Entity)	-	-	-
<b>Total <sup>(1)</sup></b>	<b>1.712.538</b>	<b>18.890.963</b>	<b>20.603.501</b>

<sup>(1)</sup> Accruals are not included in the table above.

**e) Breakdown of domestic and international loans:**

	<b>Current Period</b>	<b>Prior Period</b>
Domestic Loans	120.451.791	107.649.974
Foreign Loans	1.129.325	1.002.758
Interest Income Accruals of Loans	1.997.420	1.600.703
<b>Total</b>	<b>123.578.536</b>	<b>110.253.435</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

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

**5. Information related to loans: (Continued)**

**f) Loans granted to subsidiaries and associates:**

	<b>Current Period</b>	<b>Prior Period</b>
Direct loans granted to subsidiaries and associates	726.411	667.261
Indirect loans granted to subsidiaries and associates	-	-
<b>Total <sup>(1)</sup></b>	<b>726.411</b>	<b>667.261</b>

<sup>(1)</sup> Since interest income accruals could not be decomposed by type accruals are not included in the table above.

**g) Specific provisions provided against loans:**

	<b>Current Period</b>	<b>Prior Period</b>
Loans and other receivables with limited collectability	80.328	79.322
Loans and other receivables with doubtful collectability	361.792	391.854
Uncollectible loans and other receivables	1.289.378	1.151.727
<b>Total</b>	<b>1.731.498</b>	<b>1.622.903</b>

**h) Information on non-performing receivables (net):**

**1) Information on loans and other receivables included in non-performing receivables which are restructured or rescheduled:**

	<b>Group III: Loans and receivables with limited collectability</b>	<b>Group IV: Loans and receivables with doubtful collectability</b>	<b>Group V: Uncollectible loans and receivables</b>
<b>Current period</b> (Gross amounts before the specific provisions)	<b>10.104</b>	<b>50.916</b>	<b>120.530</b>
Loans and other receivables which are restructured	10.104	50.916	120.530
Rescheduled loans and other receivables	-	-	-
<b>Prior period</b> (Gross amounts before the specific provisions)	<b>15.304</b>	<b>56.855</b>	<b>110.445</b>
Loans and other receivables which are restructured	15.304	56.855	110.445
Rescheduled loans and other receivables	-	-	-

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans: (Continued)**

**h) Information on non-performing loans (net): (Continued)**

**2) Information on the movement of non-performing receivables:**

	<b>Group III: Loans and receivables with limited collectability</b>	<b>Group IV: Loans and receivables with doubtful collectability</b>	<b>Group V: Uncollectible loans and receivables</b>
<b>Prior Period Ending Balance</b>	<b>169.313</b>	<b>402.165</b>	<b>1.845.963</b>
Additions (+)	588.465	71.621	171.288
Transfers from other categories of non-performing loans (+)	-	514.581	533.130
Transfers to other categories of non-performing loans (-)	514.581	533.130	-
Collections (-) <sup>(1)</sup>	81.815	77.112	584.020
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Current Period End Balance</b> <sup>(2)</sup>	<b>161.382</b>	<b>378.125</b>	<b>1.966.361</b>
Specific Provision (-)	80.328	361.792	1.289.378
<b>Net Balance on Balance Sheet</b> <sup>(2)</sup>	<b>81.054</b>	<b>16.333</b>	<b>676.983</b>

<sup>(1)</sup> The restructured and rescheduled loans, are included on the stated sum.

<sup>(2)</sup> Includes the loans originated from funds amounting to TL 224.461 whose risk does not belong to the Bank.

<sup>(3)</sup> As of 30 June 2014, Bank made 100% provision for the portion of TL 156.741 of the loans under follow-up which is TL 626.265 after taking guarantees into consideration.

**3) Information on foreign currency non-performing loans:**

	<b>Group III Loans and other receivables with limited collectability</b>	<b>Group IV Loans and other receivables with doubtful collectability</b>	<b>Group V Uncollectible loans and other receivables</b>
<b>Current Period:</b>			
<b>Period Ending Balance</b>	<b>18</b>	<b>2.882</b>	<b>4.428</b>
Specific Provision (-)	9	2.882	4.428
<b>Net Balance on Balance Sheet</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Prior Period:</b>			
<b>Period Ending Balance</b>	<b>25</b>	<b>9.697</b>	<b>10.848</b>
Specific Provision (-)	13	9.697	10.848
<b>Net Balance on Balance Sheet</b>	<b>12</b>	<b>-</b>	<b>-</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**5. Information related to loans: (Continued)**

**h) Information on non-performing loans (net): (Continued)**

**4) Gross and net amounts of non-performing receivables according to user groups:**

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>81.054</b>	<b>16.333</b>	<b>676.983</b>
Loans to Real Persons and Legal Entities (Gross)	161.382	319.308	1.966.361
Specific Provisions (-)	80.328	302.975	1.289.378
Loans to Real Persons and Legal Entities (Net)	81.054	16.333	676.983
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	58.817	-
Specific Provisions (-)	-	58.817	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>89.991</b>	<b>10.311</b>	<b>694.236</b>
Loans to Real Persons and Legal Entities (Gross)	169.313	346.311	1.845.963
Specific Provisions (-)	79.322	336.000	1.151.727
Loans to Real Persons and Legal Entities (Net)	89.991	10.311	694.236
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	55.854	-
Specific Provisions (-)	-	55.854	-
Other Loans and Receivables (Net)	-	-	-

**6. Information on held-to-maturity investments:**

**a) Information on comparative net values of held-to-maturity investments subject to repo transactions and given as a collateral/blocked:**

**a.1) Held-to-maturity investments subject to repo transactions:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Government Bonds	615.394	3.583.923	586.720	4.028.780
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>615.394</b>	<b>3.583.923</b>	<b>586.720</b>	<b>4.028.780</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**6. Information on held-to-maturity investments: (Continued)**

**a) Information on comparative net values of held-to-maturity investments subject to repo transactions and given as a collateral/blocked: (Continued)**

a.2) Held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	3.381.508	1.049.609	5.959.248	893.747
Other	-	-	-	-
<b>Total</b>	<b>3.381.508</b>	<b>1.049.609</b>	<b>5.959.248</b>	<b>893.747</b>

**b) Information on held-to-maturity government bonds and treasury bills:**

	Current Period	Prior Period
Government Bonds	11.434.044	15.650.708
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
<b>Total</b>	<b>11.434.044</b>	<b>15.650.708</b>

**c) Information on held-to-maturity investments:**

	Current Period	Prior Period
Debt securities	11.445.776	15.660.350
Quoted in a Stock Exchange	11.434.044	15.650.708
Not Quoted in a Stock Exchange	11.732	9.642
Provision for Impairment (-)	-	-
<b>Total</b>	<b>11.445.776</b>	<b>15.660.350</b>

**d) Movements of held-to-maturity investments:**

	Current Period	Prior Period
<b>Beginning Balance</b>	<b>15.660.350</b>	<b>27.254.825</b>
Foreign Currency Differences on Monetary Assets	(71.804)	875.833
Purchases During the Year	123.702	253.278
Disposals through Sales and Redemptions	(4.266.472)	(12.723.586)
Provision for Impairment (-)	-	-
<b>Period End Balance</b>	<b>11.445.776</b>	<b>15.660.350</b>

Within the year 2008, the Bank has reclassified securities previously classified in available for sale portfolio with nominal values of TL23.630.115, EUR717.616 thousand and USD1.483.317 thousand to held-to-maturity portfolio with fair values of TL22.971.669, EUR702.950 thousand and USD1.562.742 thousand respectively which have been taken into consideration as book values after reclassification. The Bank has also reclassified securities previously classified in financial assets at fair value through profit and loss portfolio with nominal values of EUR37.951 thousand and USD45.501 thousand to held-to-maturity portfolio with fair values of EUR37.178 thousand and USD62.311 thousand respectively which have been taken into consideration as book values after reclassification in accordance with the amendment of TAS 39 “Turkish Accounting Standard for Financial Instruments: Recognition and measurement” published in the Official Gazette No. 27040 dated 31 October 2008 by Public Oversight Accounting and Auditing Standards Authority.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**6. Information on held-to-maturity investments: (Continued)**

Revaluation differences of reclassified available for sale securities before deferred tax are TL68.984, EUR(23.067) thousand and USD(15.207) thousand respectively and are recorded under shareholders' equity. These balances will be amortized until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of balance sheet date, negative revaluation differences which are accounted under shareholders' equity are USD 13.117 thousand and EUR 5.533 thousand respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR30.592 thousand and USD 72.978 thousand respectively.

If the reclassification from the held for trading securities portfolio to the held to maturity had not been performed, income accrual amounting to TL 17.312 would have been recorded. As of 30 June 2014, the reclassification from held for trading securities to held to maturity investments has an income statement impact of TL(34.450).

**7. Information about associates (net):**

**a) Information about unconsolidated associates:**

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Bankalararası Kart Merkezi A.Ş.	Istanbul/TURKEY	12,50	17,98
2	Kredi Kayıt Bürosu A.Ş.	Istanbul/TURKEY	10,00	9,09

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non- Current Assets <sup>(2)(3)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	52.481	26.563	33.270	364	-	4.212	1.116	-
2	92.728	78.246	43.963	2.182	-	15.164	20.234	-

(1) Since shares of associates are not traded in the stock market, fair values cannot be identified.

(2) Current period information of associates has been provided from unaudited financial statements as of 30 June 2014. Prior period profit/loss information of associates has been provided from audited financial statements as of 30 June 2013.

(3) Total non-current assets include long term loans other than fixed assets.

**b) 1) Information about consolidated associates:**

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%)	The Bank's Risk Group Share Percentage (%)
1	Arap Türk Bankası A.Ş.	Istanbul/TURKEY	22,22	15,43

	Total Assets <sup>(2)</sup>	Shareholders' Equity <sup>(2)</sup>	Total Non- Current Assets <sup>(2)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	3.496.975	505.374	24.104	61.834	10.815	44.501	23.466	-

(1) Since shares of ArapTürk Bankası A.Ş. are not traded in the stock market, fair values cannot be identified.

(2) Current period financial statements information of ArapTürk Bankası A.Ş. has been provided from unaudited financial statements as of 30 June 2014 and prior period profit/loss balances of ArapTürk Bankası A.Ş. have been provided from audited financial statements as of 30 June 2013.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

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

**7. Information about associates (net): (Continued)**

**2) Explanation regarding consolidated associates:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Beginning Balance</b>	<b>59.386</b>	<b>59.386</b>
<b>Movement During the Period</b>	<b>29.460</b>	<b>-</b>
Additions	-	-
Bonus Share Certificates	29.460	-
Shares of Current Year Profits	-	-
Addition to Scope of Consolidation	-	-
Transfer to Available for Sale Fin. Assets	-	-
Sales	-	-
Revaluation	-	-
Impairment Provision	-	-
<b>Ending Balance</b>	<b>88.846</b>	<b>59.386</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Period Ending Share of Capital Participation</b>	<b>15,43</b>	<b>15,43</b>

**3) Sector information about consolidated associates:**

	<b>Current Period</b>	<b>Prior Period</b>
Banks	88.846	59.386
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

**4) Consolidated associates quoted to a stock exchange:**

None (31 December 2013: None).

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**8. Information on subsidiaries (net): (Continued)**

**a) 1) Information about unconsolidated subsidiaries:**

	Description	Address (City/Country)	The Bank’s Share Percentage-if different Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Fintek Finansal Teknoloji Hizmetleri A.Ş.	Ankara / TURKEY	100,00	100,00

	Total Assets <sup>(2)</sup>	Shareholders’ Equity <sup>(2)</sup>	Total Non- Current Assets <sup>(2)</sup>	Interest Income <sup>(2)</sup>	Income from Marketable Securities <sup>(2)</sup>	Current Period Profit/ Loss <sup>(2)</sup>	Prior Period Profit/Loss <sup>(2)</sup>	Fair Value <sup>(1)</sup>
1	60.908	14.890	4.370	315	32	7.896	(160)	-

<sup>(1)</sup> Since shares of subsidiaries are not traded in the stock market, fair values cannot be identified.

<sup>(2)</sup> Current period information of subsidiaries has been provided from unaudited financial statements as of 30 June 2014 and prior period profit/loss balances has been provided from reviewed financial statements as of 30 June 2013.

**b) 1) Explanation regarding consolidated subsidiaries:**

Investments related to subsidiaries and joint ventures operating abroad in foreign currency are followed by their fair values. For these subsidiaries, fair value is determined by valuation reports, TL equivalents of investments related to subsidiaries are fixed as of revaluation date and revaluation differences added to subsidiaries’ values are recognized in “Marketable Securities Value Increase Fund” under shareholder’s equity.

	Description	Address (City/Country)	The Bank’s Share Percentage-if different Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Ziraat Hayat ve Emeklilik A.Ş.	İstanbul / TURKEY	100,00	100,00
2	Ziraat Sigorta A.Ş.	İstanbul / TURKEY	100,00	100,00
3	Ziraat Finansal Kiralama A.Ş.	İstanbul / TURKEY	100,00	100,00
4	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul / TURKEY	100,00	99,60
5	Ziraat Portföy Yönetimi A.Ş.	İstanbul / TURKEY	100,00	99,70
6	Ziraat Bank International A.G.	Frankfurt / GERMANY	100,00	100,00
7	Turkish Ziraat Bank Bosnia dd	Sarajevo / BOSNIA HERZEGOVINA	100,00	100,00
8	Ziraat Bank (Moscow) CJSC	Moscow / RUSSIA	100,00	100,00
9	Kazakhstan Ziraat Int. Bank	Almaty / KAZAKHSTAN	100,00	99,58

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**8. Information on subsidiaries (net): (Continued)**

**b) 1) Information about unconsolidated subsidiaries: (Continued)**

	Total Assets <sup>(3)</sup>	Shareholders' Equity <sup>(3)</sup>	Total Non-Current Assets <sup>(3)</sup>	Interest Income <sup>(3)</sup>	Income from Marketable Securities Portfolio <sup>(2)</sup>	Current Period Profit/Loss <sup>(3)</sup>	Prior Period Profit/Loss <sup>(3)</sup>	Fair Value <sup>(1)</sup>	Shareholders' Equity Amount To Be Needed
1	1.804.640	191.413	2.397	-	66.391	65.265	56.432	-	-
2	436.284	120.215	2.364	-	16.397	34.453	14.371	-	-
3	1.686.392	196.151	1.396	-	400	(13.273)	10.129	-	-
4	135.920	75.821	930	9.947	2.432.788	5.725	2.967	-	-
5	11.780	10.897	155	553	3.657	1.642	(112)	-	-
6	3.517.591	479.398	3.522	53.793	1.507	17.137	1.822	572.382	-
7	660.798	111.022	15.807	15.672	385	4.486	2.372	78.680	-
8	142.612	65.911	4.933	5.066	77	2.212	1.701	67.449	-
9	322.780	203.141	8.560	10.635	438	6.950	3.934	258.982	-

(1) The subsidiaries other than the ones presented with fair value are not traded in stock exchange and accordingly fair values cannot be determined and they are carried at cost less impairment, if any. For the subsidiaries having fair value, fair value shows the portion belonging to Ziraat Bank.

(2) The income from marketable securities portfolio of Ziraat Yatırım Menkul Değerler A.Ş. and Ziraat Portföy Yönetimi A.Ş. represents net sales.

(3) Information on subsidiaries shown in the above table has been provided from the unaudited financial statements as of 30 June 2014, the prior period profit/loss balances have been provided from audited financial statements as of 30 June 2013.

**2) Information about consolidated subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>1.145.069</b>	<b>886.501</b>
<b>Movements During the Period</b>	<b>258.666</b>	<b>258.568</b>
Additions to Scope of Consolidation	-	-
Purchases <sup>(1)</sup>	50.000	36.764
Bonus Shares Obtained	-	221.804
Dividends from current year income	-	-
Transfers to available for sale assets	-	-
Sales <sup>(2)</sup>	-	-
Revaluation Increase	208.666	-
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>1.403.735</b>	<b>1.145.069</b>
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

(1) The capital increase in the period is shown under “Purchases”.

**3) Sectoral information on subsidiaries and the related carrying amounts:**

	Current Period	Prior Period
Banks	977.494	768.828
Insurance Companies	129.972	129.972
Factoring Companies	-	-
Leasing Companies	232.839	182.839
Financing Companies	-	-
Other Financial Subsidiaries	63.430	63.430

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**8. Information on subsidiaries (net): (Continued)**

**c) Subsidiaries which are quoted on a stock exchange:**

None.

**9. a) Information on entities under common control (joint ventures):**

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share <sup>(2)</sup>	Group's Share	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	21.999	21.999	225.825	10.509	2.821	15.542	8.433
Uzbekistan- Turkish Bank	28.073	28.085	122.699	2.025	25.552	6.618	4.908
Azer Türk Bank ASC	20.129	21.879	261.299	1.591	934	32.632	29.965
<b>Total</b>	<b>70.201</b>	<b>71.963</b>	<b>609.823</b>	<b>14.125</b>	<b>29.307</b>	<b>54.792</b>	<b>43.306</b>

<sup>(1)</sup> Information on entities under common control is provided from the unaudited financial statements as of 30 June 2014.

<sup>(2)</sup> Represents the Bank's share in the shareholders' equity of these entities under common control based on the shareholding rate of the Bank.

Entities under common control domiciled and operating abroad are followed by their fair values. For these entities under common control, fair value is determined by independent valuation firm's report and revaluation differences are accounted as the value of entities under common control and in "Marketable Securities Value Increase Fund" under shareholders' equity.

**10. Information on finance lease receivables (net):**

The Bank has no finance lease receivables.

**11. Information on derivative financial assets for hedging purposes:**

The Bank has no derivative financial assets for hedging purposes.

**12. Information on investment property:**

None (31 December 2013: None).

**13. Information on assets held for sale and tangibles corresponding discontinuing operations:**

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

The Bank's immovables acquired amount to TL150.440 consisting of TL13.518 on consumer loan, TL108.831 on its commercial loans and TL28.090 on its agricultural loans. Also, the sum of movables acquired from consumer loan amount to TL187. Total depreciation expense is TL770 for these held for sale assets. (31 December 2013: The Bank's immovables acquired amount to TL105.595 consisting of TL11.209 on consumer loan, TL76.689 on its commercial loans and TL17.697 on its agricultural loans. Also, the sum of movables acquired from consumer loan amount to TL303. Total depreciation expense is TL946 for these held for sale assets.)

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

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

**14. Explanations on property and equipment:**

	<b>Immovables</b>	<b>Tangibles- Financial Leasing</b>	<b>Vehicles</b>	<b>Other Tangibles</b>	<b>Total</b>
<b>Prior Period End:</b>					
Cost	1.437.178	3.648	44.556	483.698	1.969.080
Accumulated Depreciation (-)	634.590	412	30.093	254.333	919.428
<b>Net Book Value</b>	<b>802.588</b>	<b>3.236</b>	<b>14.463</b>	<b>229.365</b>	<b>1.049.652</b>
<b>Current Period End:</b>					
Net Book Value at the Beginning of the Period	<b>802.588</b>	<b>3.236</b>	<b>14.463</b>	<b>229.365</b>	<b>1.049.652</b>
Change During the Period (Net)	3.713.676	-	(5.533)	35.692	3.743.835
Depreciation – net (-)	63.083	180	(3.799)	21.221	80.685
Impairment (-)	3.420	-	-	-	3.420
Net Currency Translation from Foreign Subsidiaries (-)	-	-	-	-	-
Cost at Period End	5.147.434	3.648	39.023	519.390	5.709.495
Accumulated Depreciation at Period End (-)	697.673	592	26.294	275.554	1.000.113
<b>Closing Net Book Value</b>	<b>4.449.761</b>	<b>3.056</b>	<b>12.729</b>	<b>243.836</b>	<b>4.709.382</b>

a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.

b) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**1. a) Information on maturity structure of deposits collected:**

**1) For deposit banks:**

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	10.469.635	-	2.346.335	46.394.255	4.971.311	767.469	692.144	5.208	65.646.357
Foreign Currency Deposits	6.451.128	-	4.706.733	11.014.145	3.372.575	1.963.117	8.850.976	347	36.359.021
Residents in Turkey	5.932.347	-	4.207.208	10.103.537	3.102.461	1.633.437	7.665.013	342	32.644.345
Residents Abroad	518.781	-	499.525	910.608	270.114	329.680	1.185.963	5	3.714.676
Public Sector Deposits	6.033.395	-	1.928.628	4.420.018	841.952	2.158.453	297.767	-	15.680.213
Commercial Inst. Deposits	2.621.648	-	3.474.539	4.583.749	230.326	201.115	6.881	-	11.118.258
Other Inst. Deposits	1.395.434	-	717.060	4.047.777	204.198	436.130	5.610	-	6.806.209
Precious Metals	1.471.744	-	38.032	203.905	17.200	8.503	9.719	-	1.749.103
Interbank Deposits	104.844	-	5.349.231	2.024.708	105.002	66.956	95.970	-	7.746.711
CBRT	3.220	-	2.105	-	-	-	-	-	5.325
Domestic Banks	16.748	-	4.113.027	555.266	105.002	14.319	20.479	-	4.824.841
Foreign Banks	51.904	-	1.234.099	1.469.442	-	52.637	75.491	-	2.883.573
Participation Banks	32.972	-	-	-	-	-	-	-	32.972
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28.547.828</b>	<b>-</b>	<b>18.560.558</b>	<b>72.688.557</b>	<b>9.742.564</b>	<b>5.601.743</b>	<b>9.959.067</b>	<b>5.555</b>	<b>145.105.872</b>

Prior Period	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	9.471.948	-	2.306.619	44.971.074	3.911.099	668.484	853.993	5.011	62.188.228
Foreign Currency Deposits	5.581.597	-	4.739.736	10.804.880	2.633.979	1.680.226	8.324.948	298	33.765.664
Residents in Turkey	5.065.423	-	4.579.296	9.696.394	2.392.136	1.435.177	7.281.986	294	30.450.706
Residents Abroad	516.174	-	160.440	1.108.486	241.843	245.049	1.042.962	4	3.314.958
Public Sector Deposits	7.211.067	-	1.572.787	6.612.879	333.679	481.242	168.811	-	16.380.465
Commercial Inst. Deposits	3.442.000	-	3.920.234	4.703.009	579.908	109.280	6.219	-	12.760.650
Other Inst. Deposits	1.273.597	-	1.010.923	3.629.298	151.800	412.311	5.208	-	6.483.137
Precious Metals	1.700.414	-	-	306.476	-	-	-	-	2.006.890
Interbank Deposits	155.346	-	5.892.146	675.214	1.081.863	268.250	77.293	-	8.150.112
CBRT	3.058	-	2.769	-	-	-	-	-	5.827
Domestic Banks	31.537	-	3.938.310	248.985	229.863	2.000	2.051	-	4.452.746
Foreign Banks	93.149	-	1.951.067	426.229	852.000	266.250	75.242	-	3.663.937
Participation Banks	27.602	-	-	-	-	-	-	-	27.602
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28.835.969</b>	<b>-</b>	<b>19.442.445</b>	<b>71.702.830</b>	<b>8.692.328</b>	<b>3.619.793</b>	<b>9.436.472</b>	<b>5.309</b>	<b>141.735.146</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**1. b) Information on saving deposits:**

**1) Amounts exceeding the deposit insurance limit:**

**a) Saving deposits under the guarantee of deposit insurance and exceeding the deposit insurance limit:**

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits <sup>(2)</sup>	44.035.841	41.444.188	21.364.207	20.481.299
Foreign Currency Saving Deposits <sup>(2)</sup>	14.806.424	13.960.516	14.243.106	12.461.340
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(1)</sup>	483.149	467.408	38.131	54.646
Deposits at Off-Shore Banking Regions’ and under Foreign Authorities’ Insurance	-	-	-	-

<sup>(1)</sup> In Bulgaria and Greece, since both real person and legal entity’s saving deposits are under the guarantee of insurance and since such balances included in insurance limit are calculated by the system, TL24.168 and TL 9.871 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2013: Bulgaria and Greece, respectively TL24.133, TL12.491).

<sup>(2)</sup> Related deposit balances do not include foreign branches.

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL2.506 of demand deposits is not included in the above calculation, since the Bank paid the saving deposits amount attributable to T. İmar Bank T.A.Ş.

Savings Deposit Insurance Fund premiums are calculated based on deposit amount attributable to real persons in domestic branches of the Banks. As total of capital amount and interest expense accruals of saving deposits up to TL100 attributable to a real person is covered by the insurance, TL 528.267 thousand of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 15 February 2013 and numbered 28560.

**1) Information on saving deposits/real persons’ private current and accession accounts not related to commercial transactions in a Turkish branch of the Bank whose head office is abroad, and reasons if it is covered in where the head office is located:**

The Bank’s head office is located in Turkey.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**1. b) Information on saving deposits: (Continued)**

**3) Amounts which are not covered by deposit insurance:**

**a) Saving deposits not covered by the deposit insurance fund:**

	<b>Current Period</b>	<b>Prior Period</b>
Deposits and other Accounts in Branches Abroad	47.710	56.859
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors, General Manager, Assistant General Managers and Their Close Families	3.285	2.010
Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

**2. Information on derivative financial liabilities held for trading:**

**a) Negative differences related to the derivative financial liabilities held for trading:**

<b>Financial Liabilities Held for Trading</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	8.039	107	11.332	-
Swap Transactions	49.065	189.053	7.188	36.144
Futures Transactions	-	-	-	-
Options	13	5	-	-
Other	-	-	-	-
<b>Total</b>	<b>57.117</b>	<b>189.165</b>	<b>18.520</b>	<b>36.144</b>

**3. a) Information on banks and other financial institutions:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	176.664	232.545	148.576	159.887
Foreign Banks, Institutions and Funds	944.016	9.391.596	933.386	7.317.480
<b>Total</b>	<b>1.120.680</b>	<b>9.624.141</b>	<b>1.081.962</b>	<b>7.477.367</b>

**b) Maturity structure of funds borrowed:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short-Term	145.210	7.293.821	119.109	5.868.133
Medium and Long-Term	975.470	2.330.320	962.853	1.609.234
<b>Total</b>	<b>1.120.680</b>	<b>9.624.141</b>	<b>1.081.962</b>	<b>7.477.367</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

3. c) **Further information is disclosed for the areas of liability concentrations. Main liability concentration areas are fund suppliers, sector groups or other risk concentration criteria:**

63,64% of the Bank's liabilities consist of deposits. Deposits have a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

- d) **Information on funds supplied from repurchase agreements:**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>From Domestic Transactions</b>	<b>17.581.317</b>	<b>13.056.073</b>	<b>12.509.222</b>	<b>12.061.628</b>
Financial Institutions and Organizations	17.361.088	13.056.073	11.040.945	12.061.628
Other Institutions and Organizations	207.717	-	1.456.454	-
Real Person	12.512	-	11.823	-
<b>From Overseas Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Person	-	-	-	-
<b>Total</b>	<b>17.581.317</b>	<b>13.056.073</b>	<b>12.509.222</b>	<b>12.061.628</b>

- e) **Information on securities issued:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	1.494.595	-	2.404.051	-
Treasury Bills	-	-	232.836	-
<b>Total</b>	<b>1.494.595</b>	<b>-</b>	<b>2.636.887</b>	<b>-</b>

4. **If other liabilities exceed 10% of the balance sheet total, name and amount of sub-accounts constituting at least 20% of these liabilities:**

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

5. **Information on finance lease payables (net):**

In the financial lease agreements, lease payments are determined according to the price of leasehold, the Bank's interest rate of commercial loan and maturity of the agreement. The amounts in the lease agreements are paid in equal installments. There are not any restrictions in these agreements that create significant obligations to the bank.

Information on financial lease obligations :

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	3	-	958	940
1-4 Years	1	-	1	1
More than 4 Years	-	-	-	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>959</b>	<b>941</b>

6. **Information on derivative financial liabilities for hedging purposes:**

There are no derivative financial liabilities for hedging purposes (31 December 2013: None).

7. **Explanations on provisions:**

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**a) Information on general provisions:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>General Provisions</b>	<b>2.116.867</b>	<b>1.970.093</b>
Provisions for First Group Loans and Receivables	1.874.112	1.703.039
Additional Provision for Loans and Receivables with Extended Maturities	95.301	79.184
Provisions for Second Group Loans and Receivables	109.227	135.567
Additional Provision for Loans and Receivables with Extended Maturities	26.648	18.994
Provisions for Non-Cash Loans	95.990	87.444
Other	37.538	44.043

**b) Foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables:**

There are no foreign exchange loss provisions on foreign currency indexed loans and finance lease receivables.

**c) Specific provisions for unindemnified non-cash loans:**

Specific provisions for unindemnified non-cash loans amount to TL39.624.

**d) Information on other provisions:**

**1) Information on free provisions for possible risks:**

These financial statements include a free provision which is not in accordance with BRSA principles amounting to TL1.192.000 thousand (TL140.000 thousand of this provision amount was charged to the income statement in the current period), provided by the Bank management in line with the conservatism principle considering the circumstances that may arise from any changes in the economy or market conditions. Moreover, the provision of TL11.550 and other provision of TL74 exist for cash transfers made by Bank officials.

	<b>Current Period</b>	<b>Prior Period</b>
Free provisions for possible risks	1.203.624	1.017.586

**2) The names and amounts of sub-accounts of other provisions exceeding 10% of the total provision amount:**

Since the Bank has no centralized database for the outstanding lawsuits, summary of the number and amount of those lawsuits cannot be obtained from the data processing system. However, based on the information provided by the legal department, lawsuits against the Bank over TL100 amounts to TL67.051 full provision has been provided in these financial statements for law suits ended against the Bank but not finalized yet, amounting to TL33.859.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**7. Explanations on provisions: (Continued)**

**d) Information on other provisions: (Continued)**

**2) The names and amounts of sub-accounts of other provisions exceeding 10% of the total provision amount: (Continued)**

Based on the decision of the Bank management, provision amounting to TL124.000 in total without taking into consideration the guarantees of the loans and in line with the conservatism principle, is provided for the consumer loans followed under standard loan portfolio that also have amounts in the non-performing loan portfolio in compliance with the Act on Preservation of Consumers numbered 4077. The provision is made in accordance with the “Communiqué on the Methods and Principles for Determining the Nature of Loans and Other Receivables and Allocation of Provisions”, published in Official Gazette numbered 26333, dated 1 November 2006 and considering the conservatism principle without taking into consideration the guarantees of these loans.

The Bank also provided provisions amounting to TL39.624 for unindemnified non-cash loans, and TL11.446 for other provisions. As a result, in addition to the provisions mentioned above, the other provision balance on the Bank’s balance sheet amounts to TL1.413.053 (31 December 2013: TL1.286.559).

**e) Vacation and employment termination benefits obligations:**

**1) Employment termination benefits and unused vacation rights**

The Bank accounts for its vacation and retirement pay obligations in accordance with the TAS 19 “Employee Benefits”. The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation. As of 30 June 2014 unpaid vacation provision amounted to TL156.500 (31 December 2013: TL134.600) and employment termination benefits provision amounted to TL664.299 (31 December 2013: TL567.043) is presented under the “Employee Benefits Provision” in the financial statements.

**8. Information on tax liability:**

**a) Information on current tax liability:**

**1) Information on tax provisions:**

As of 30 June 2014, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL459.842 (31 December 2013: TL162.414).

**2) Information on current taxes payable:**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate Tax Payable	459.842	162.414
Taxation on Income From Securities	138.563	103.823
Property Tax	1.661	1.428
Banking Insurance Transactions Tax (BITT)	70.828	66.744
Foreign Exchange Transactions Tax	15	22
Value Added Tax Payable	1.038	2.458
Other	60.835	45.111
<b>Total</b>	<b>732.782</b>	<b>382.000</b>

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**8. Information on tax liability: (Continued)**

**a) Information on current tax liability:**

**3) Information on premiums:**

	<b>Current Period</b>	<b>Prior Period</b>
Social Security Premiums - Employee	38	36
Social Security Premiums - Employer	53	50
Bank Social Aid Pension Fund Premium - Employee	129	135
Bank Social Aid Pension Fund Premium - Employer	258	251
Pension Fund Membership Fees and Provisions - Employee	7	6
Pension Fund Membership Fees and Provisions - Employer	24	21
Unemployment Insurance - Employee	494	375
Unemployment Insurance - Employer	992	751
Other	-	-
<b>Total</b>	<b>1.995</b>	<b>1.625</b>

**b) Information on deferred tax liabilities, if any:**

The Bank's deferred tax liability amounts to TL362.178 (31 December 2013: TL402.234). However, this amount is net off against the deferred tax asset and accordingly deferred tax asset amounting to TL175.438 (31 December 2013: TL333.516) is presented in the financial statements.

**9. Information on shareholders' equity:**

**a) Presentation on paid-in capital:**

	<b>Current Period</b>	<b>Prior Period</b>
Common stock	2.500.000	2.500.000
Preferred stock	-	-

**b) Paid-in capital amount, explanation whether the registered capital system is applicable by the bank, if so the registered capital ceiling amount:**

The Bank does not have a registered capital system.

**c) Information on share capital increases and their sources; other information on increased capital shares in the current period:**

There is no share capital increase and increased capital shares.

**d) Information on additions from capital reserves to capital in the current period:**

There is no increase from capital reserves.

**e) Capital commitments in the last fiscal year and continue until the end of the following interim period, general purpose of these commitments and estimated resources required for these commitments:**

The Bank has no capital commitments.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**9. Information on shareholders’ equity: (Continued)**

**f) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of future assumptions based on the uncertainty of these indicators on the Bank’s equity:**

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

**g) Information on preferred shares:**

The Bank has no preferred shares.

**h) Information on marketable securities value increase fund:**

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates and Entities under Common Control	202.072	237.557	34.084	175.386
Revaluation Difference	-	237.557	-	175.386
Foreign Exchange Difference	202.072	-	34.084	-
From Available for Sale Marketable Securities	310.937	595.141	(860.836)	9.421
Revaluation Difference	479.682	595.141	(1.132.687)	9.421
Deferred Tax Effect	(168.745)	-	271.851	-
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>513.009</b>	<b>832.698</b>	<b>(826.752)</b>	<b>184.807</b>

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

**1. Information on off-balance sheet liabilities:**

**a) Nature and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Payment Commitments for Cheques	2.714.427	2.513.009
Asset Purchase Commitments	661.581	4.466.898
Commitments for Credit Card Expenditure Limits	6.506.372	6.275.095
Loan Granting Commitments	1.677.590	1.145.256
Other Irrevocable Commitments	3.834.110	2.883.592
Subsidiaries and Associates Capital Contribution Commitments	50.000	-
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	13.691	13.049
<b>Total</b>	<b>15.457.771</b>	<b>17.296.899</b>

**b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned:**

Bank has no possible losses arising from the off-balance sheet items.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

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

**1. Information on off-balance sheet liabilities: (Continued)**

**b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned: (Continued)**

**1) Non-cash loans including guarantees, acceptances, financial guarantees and other letter of credits:**

	<b>Current Period</b>	<b>Prior Period</b>
Guarantee Letters	26.446.560	23.532.752
Bank Acceptances	3.456.388	2.428.838
Letter of Credits	4.441.451	4.253.464
<b>Total</b>	<b>34.344.399</b>	<b>30.215.054</b>

**2) Certain guarantees, temporary guarantees, surety ships and similar transactions:**

	<b>Current Period</b>	<b>Prior Period</b>
Letter of Temporary Guarantees	1.596.569	1.489.563
Letter of Certain Guarantees	17.169.169	15.038.291
Letters of Advance Guarantees	6.556.165	5.697.987
Letters of Guarantees given to Customs Offices	91.545	87.469
Other Letters of Guarantees	1.033.112	1.219.442
<b>Total</b>	<b>26.446.560</b>	<b>23.532.752</b>

**c) Total non-cash loans:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Non-Cash Loans for Providing Cash Loans</b>	<b>1.014.308</b>	<b>1.035.278</b>
With Original Maturity of One Year or Less	58.273	61.329
With Original Maturity of More than One Year	956.035	973.949
<b>Other Non-Cash Loans</b>	<b>33.330.091</b>	<b>29.179.776</b>
<b>Total</b>	<b>34.344.399</b>	<b>30.215.054</b>

**IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT**

**1. a) Information on interest income from loans:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Interest on Loans <sup>(1)</sup></b>	<b>5.445.005</b>	<b>521.739</b>	<b>4.188.124</b>	<b>250.333</b>
Short Term Loans	1.902.828	52.684	1.220.617	31.928
Medium and Long Term Loans	3.475.261	469.039	2.907.239	218.399
Interest on Non-Performing Loans	66.916	16	60.268	6
Premiums from Resource Utilization Support Fund	-	-	-	-

<sup>(1)</sup> Includes fees and commissions income on cash loans.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT**

**b) Information on interest received from the banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	16.506	1.740	3.859	190
Foreign Banks	1.066	10.207	212	9.674
Head Office and Branches	-	-	-	-
<b>Total</b>	<b>17.572</b>	<b>11.947</b>	<b>4.071</b>	<b>9.864</b>

**c) Information on interest income from marketable securities:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	1.183	546	377	263
Financial Assets at Fair Value through Profit and Loss	-	-	-	-
Financial Assets Available-for-Sale	1.972.445	168.099	1.218.240	109.631
Investments Held-to-Maturity	475.873	158.892	851.629	142.710
<b>Total</b>	<b>2.449.501</b>	<b>327.537</b>	<b>2.070.246</b>	<b>252.604</b>

**d) Information on interest income from subsidiaries and associates:**

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	14.024	779

2.

**a) Information on interest expense on borrowings:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks <sup>(1)</sup>	47.050	73.535	30.530	30.611
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	5.763	2.217	3.132	1.078
Foreign Banks	41.287	71.318	27.398	29.533
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>47.050</b>	<b>73.535</b>	<b>30.530</b>	<b>30.611</b>

<sup>(1)</sup> Includes fees and commissions expenses on cash loans.

**b) Information on interest expenses given to subsidiaries and associates:**

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	8.427	17.839

**c) Information on interest expenses on securities issued:**

	Current Period		Prior Period	
	TP	YP	TP	YP
Interest Expense on securities issued	85.319	-	69.728	-

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT (Continued)**

**d) Distribution of interest expenses on deposits based on maturity of deposits:**

Account Name	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<b>TL</b>								
Bank deposits	-	154.917	-	-	-	-	-	154.917
Saving deposits	-	73.063	1.958.217	164.385	24.853	25.107	142	2.245.767
Public sector deposits	119	101.407	247.487	16.570	55.025	12.361	-	432.969
Commercial deposits	75	104.952	235.556	17.296	2.534	232	-	360.645
Other deposits	14	26.132	176.573	7.046	17.762	183	-	227.710
7 days call accounts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>208</b>	<b>460.471</b>	<b>2.617.833</b>	<b>205.297</b>	<b>100.174</b>	<b>37.883</b>	<b>142</b>	<b>3.422.008</b>
<b>FC</b>								
Foreign currency deposits	312	37.896	120.155	32.223	21.702	108.087	1	320.376
Bank deposits	27.967	-	-	-	-	-	-	27.967
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	85	1.110	57	31	36	-	1.319
<b>Total</b>	<b>28.279</b>	<b>37.981</b>	<b>121.265</b>	<b>32.280</b>	<b>21.733</b>	<b>108.123</b>	<b>1</b>	<b>349.662</b>
<b>Grand Total</b>	<b>28.487</b>	<b>498.452</b>	<b>2.739.098</b>	<b>237.577</b>	<b>121.907</b>	<b>146.006</b>	<b>143</b>	<b>3.771.670</b>

**3. Information on trading profit/loss (net):**

	Current Period	Prior Period
<b>Profit</b>	<b>8.217.765</b>	<b>4.242.218</b>
Profit from the Capital Market Transactions	44.579	27.831
Profit on Derivative Financial Instruments	893.645	1.073.491
Foreign Exchange Gains	7.279.541	3.140.896
<b>Loss (-)</b>	<b>8.202.968</b>	<b>4.269.959</b>
Loss from the Capital Market Transactions	1.589	1.085
Loss on Derivative Financial Instruments	1.126.129	738.463
Foreign Exchange Loss	7.075.250	3.530.411

**4. Information on profit/loss on derivative financial operations:**

	Current Period	Prior Period
Effect of the change in exchange rates on profit/loss	(962.858)	1.345.165
Effect of the change in interest rates on profit/loss	730.374	(1.010.137)
<b>Total</b>	<b>(232.484)</b>	<b>335.028</b>

**5. Information on other operating income:**

**Information on factors covering the recent developments which has significant effect on the Bank's income and the extent of effect on income:**

There are no significant matters covering the recent developments which have significant effect on the Bank's income. Main component of the Bank's other operating income consists of reversals from prior period provisions amounting to TL343.354. (30 June 2013: TL 361.501)

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT (Continued)**

**6. a) Provision expenses for impairment on loans and other receivables:**

	<b>Current Period</b>	<b>Prior Period</b>
Specific Provisions for Loans and Other Receivables <sup>(1)</sup>	363.629	360.481
Group III Loans and Receivables	90.231	68.681
Group IV Loans and Receivables	234.551	265.684
Group V Loans and Receivables	38.847	26.116
General Provision Expenses <sup>(2)</sup>	147.827	355.449
Provision Expenses for the Possible Losses	140.500	209.300
Marketable Securities Impairment Expense	18	615
Financial Assets at Fair Value through Profit and Loss	-	-
Financial Assets Available for Sale	18	615
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control	-	-
Investment Securities Held to Maturity	-	-
Other	19.330	1.454
<b>Total</b>	<b>671.304</b>	<b>927.299</b>

(1) The relevant balance includes the expenses related to the current period. The provision reversals within the period amounting to TL247.144 are presented in other operating income (30 June 2013: TL177.577).

(2) The relevant balances include the expenses related to the current period. The provision reversals within the period amounting to TL 178 are presented in other operating income.

**7. a) Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Personnel Expenses	924.741	884.687
Reserve for Employee Termination Benefits	36.157	34.394
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	95.062	31.669
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	20.406	9.307
Impairment Expense for Equity Shares subject to the Equity Method	-	-
Impairment Expense for Investment Securities that will be Disposed	-	-
Amortization Expenses of Investment Securities that will be Disposed	-	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	381.896	374.658
Operational Leasing Expenses	67.083	51.417
Maintenance Expenses	26.616	30.503
Advertisement Expenses	17.366	15.933
Other Expenses	270.831	276.805
Loss on Sales of Assets	440	275
Other <sup>(1)</sup>	517.401	347.145
<b>Total</b>	<b>1.976.103</b>	<b>1.682.135</b>

(1) TL153.152 of the relevant balance is Savings Deposit Insurance Fund expense accrual (30 June 2013: TL134.617), TL151.495 is taxes, fees and tolls expenses (30 June 2013: TL137.880).

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT (Continued)**

**8. Information on profit/loss before tax for continuing and discontinued operations:**

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

	<b>Current Period</b>	<b>Prior Period</b>
Net Interest Income	3.955.888	3.758.582
Net Fees and Commissions Income	515.530	446.913
Dividend Income	184.902	256.136
Trading Income/Expense (Net)	14.797	(27.741)
Other Operating Income	521.251	482.685
Provision for Loan or Other Receivables Losses (-)	671.304	927.299
Other Operating Expenses (-)	1.976.103	1.682.135
<b>Income(Loss) From Continuing Operations</b>	<b>2.544.961</b>	<b>2.307.141</b>

**9. Information on tax provision for continuing and discontinued operations:**

As of 30 June 2014, the Bank's income tax provision amounting to TL534.887 (30 June 2013: TL512.675) consists of TL801.57 (30 June 2013: (246.934 TL)) of current tax charge and TL266.691 (30 June 2013: TL(265.741 TL)) of deferred tax income.

**10. Explanation on net income/loss for the period for continued and discontinued operations:**

The Bank's net operating income after tax amounts to TL2.010.074 (30 June 2013: TL1.794.466).

**11. Information on net profit/loss:**

**a) Nature, amount and frequency of income and expenses arising from ordinary banking activities, if required for the understanding the performance of the Bank in the current period:**

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

**b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:**

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

**12. If other items in the income statement exceed 10% of the income statement total, sub-accounts constituting at least 20% of these items are shown below:**

As of 30 June 2014, the Bank's other fee and commission income amounting to TL575.472 (30 June 2013: TL503.033) consists of TL177.969 (30 June 2013: TL127.227) of credit card fees and commission income, TL 91.593 (30 June 2013: TL115.269) of insurance commission and the remaining TL305.910 (30 June 2013: TL260.537) of money order, account management fee and other commission income.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**V. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE BANK**

**1) Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:**

**a) Current Period:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash <sup>(2)</sup>	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables <sup>(1)</sup>						
Opening Balance	2.819.175	907.299	-	-	-	-
Closing Balance	3.194.453	1.649.682	-	-	-	-
<b>Interest and Commissions Income</b>	<b>14.024</b>	-	-	-	-	-

(1) The cash loans balance includes the investments to associates, subsidiaries and entities under common control.

(2) Placements to foreign banks in the risk group amounting to TL853.395 are included in the cash loans.

**b) Prior Period:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash <sup>(2)</sup>	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables <sup>(1)</sup>						
Opening Balance	2.267.916	445.849	-	-	-	-
Closing Balance	2.819.175	907.299	-	-	-	-
<b>Interest and Commissions Income</b>	<b>779</b>	-	-	-	-	-

(1) The cash loans balance includes the investments to associates, subsidiaries and entities under common control.

(2) Placements to foreign banks in the risk group amounting to TL853.794 are included in the cash loans.

(3) Interest and commissions income balance is the balance as of 30 June 2013.

**c) 1) Deposits held by the Bank’s risk group:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Opening Balance	261.957	932.442	-	-	-	-
Closing Balance	596.877	261.957	-	-	-	-
<b>Interest Expense on Deposits</b>	<b>8.427</b>	<b>17.839</b>	-	-	-	-

(1) The prior period balance of the accrued interest expense of the deposit is the balance as of 30 June 2013.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**

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

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

**V. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE BANK (Continued)**

**2) Information on forward transactions, option agreements and similar transactions between the Bank’s risk group:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	<b>(322)</b>	-	-	-	-
Risk Protection Oriented Processes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

<sup>(1)</sup> The prior period loss balance is the balance as of 30 June 2013.

**3) Information about fees paid to the Bank’s key management:**

Fees paid to the Bank’s key management total amount are TL12.702 (30 June 2013: TL9.721).

**VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

The guarantee project transaction from European Investment Fund (EIF), for the loans which were granted to commercial micro-scale enterprises which lately began to commercial activities, increased by TL800 thousand from TL1,3 million to TL2,1 million with respect to the additional agreement on July 18, 2014. Criteria in order that the firms would benefit include maximum 5 years of commercial history, total employee number under 9, and year-end revenue under EUR2 million.

Given export document by Capital Markets Board on June 30, 2014; process of the selling eurobond of five year maturity, subject to redemption date of July 3, 2019, and to 4.341 % rate of return and to %4.25 coupon rate, with nominal amount USD750 million, to investors settled abroad; has been completed on July 3, 2014 and exporting amount was transferred to the Bank accounts.

The Bank’s export of nominal amount bonds to qualified investors with TRQTCZBE1437 ISIN Code 98 days maturity amount TL614,580 and bonds with TRQTCZB11514 ISIN Code 173 days maturity amount TL285.420 have been completed at 18 July 2014.

The Bank signed a loan agreement with Çukurova Group in amount of USD1,6 billion in order to receive their pledged indirect share of Turkcell İletişim Hizmetleri A.Ş from Alfa Grup. Loan granted according to contract terms at 31 July 2014.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.  
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2014**  
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

---

**SECTION SIX**

**OTHER EXPLANATIONS AND NOTES**

**I. OTHER EXPLANATIONS ON THE BANK’S OPERATIONS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON THE INDEPENDENT AUDITORS’ REVIEW REPORT**

**I. EXPLANATIONS ON THE INDEPENDENT AUDITORS’ REVIEW REPORT**

As of 30 June 2014, unconsolidated financial statements and explanatory notes of the Bank disclosed herein were reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and Independent Auditor’s Review Report dated 11 August 2014 is presented preceding the financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS**

None.

.....