

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT
AT 30 SEPTEMBER 2013**

**(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 September 2013 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 TL953.300 thousand (TL197.800 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 September 2013 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 Kasım 2013

**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 SEPTEMBER 2013**

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
E-mail: zbmail@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
Reporting Management

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

Name/Title : Kubilay ŞAHİN / External Reporting Manager
Telephone Number : 0312 584 43 23
Facsimile Number : 0312 584 47 98

INDEX

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, 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, Chief Executive Officer and executive vice presidents, 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 resale 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	22
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	29
III. Explanations on the currency risk	30
IV. Explanations on the interest rate risk	32
V. Explanations on the liquidity risk	36
VI. Risk Management Objectives and Policies	39
VII. Explanations on operating segments	42

SECTION FIVE Explanations and Notes Related to Unconsolidated Financial Statements

I. Explanations and notes related to assets	45
II. Explanations and notes related to liabilities	60
III. Explanations and notes related to the off-balance sheet accounts	67
IV. Explanations and notes related to the income statement	68
V. Explanations and notes related to the risk group of the Bank	72
VI. Explanations and notes related to subsequent events	73

SECTION SIX Other Explanations and Notes

I. Other explanations on the Bank's operations	74
--	----

SECTION SEVEN Explanations on the Independent Auditors' Review Report

I. Explanations on the independent auditors' review report	74
II. Explanations and notes prepared by the independent auditors	74

**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 SEPTEMBER 2013**
(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 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 SEPTEMBER 2013**
(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, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS

Name	Administrative Function
Members of the Board of Directors	
Muharrem KARSLI	Chairman
Hüseyin AYDIN	General Manager and Member
Yusuf DAĞCAN	Vice Chairman and Member
Erdal ERDEM	Member
Fahrettin ÖZDEMİRCİ	Member
Feyzi ÇUTUR	Member
Metin ÖZDEMİR	Member
Mustafa ÇETİN	Member
Salim ALKAN	Member
Audit Committee Members	
Muharrem KARSLI	Member
Feyzi ÇUTUR	Member
Assistant General Managers	
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
Chairman of the Internal Audit	
Yüksel CESUR	Chairman of the Internal Audit
Head of Group	
Bülent YALIM	Internal Control and Risk Management

With the decision of Board of Directors at 21 August 2013; Alpaslan Çakar is appointed to Assistant General Manager responsible from Individual Banking, Bülent Suer is appointed to Assistant General Manager responsible from Operational Transactions, Peyami Ömer Özdilek is appointed to Assistant General Manager responsible from Human Resources and Ali Toker is appointed to Assistant General Manager to be under the authority of General Management.

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 SEPTEMBER 2013**
(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 September 2013, Bank carries its activities with a grand total of 1.613 branches; 1.588 branches including 5 Corporate Branches, 27 Commercial Branches, 80 Enterprising Branches, 1.474 domestic branches and 2 mobile branches (31 December 2012: 1.490 domestic branches including 1.316 branches, 5 Corporate Branches, 27 Commercial Branches, 77 Enterprising Branches, 32 bureaus, 31 private operation centers, 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, Gümülçine, İskeçe and Rhodos branches in Greece, Sofia branch and Filibe, 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 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 TRY50.000 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 FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013 AND
31 DECEMBER 2012**

(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)	ASSETS	Note (Section Five I)	Current Period (30/09/2013)			Prior Period (31/12/2012)		
			TL	FC	Total	TL	FC	Total
			I. CASH BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	3.082.396	20.323.477	23.405.873	5.908.268
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(2)	217.284	138.843	356.127	16.956	129.261	146.217	
2.1 Financial Assets Held for Trading		217.284	138.843	356.127	16.956	129.261	146.217	
2.1.1 Public Sector Debt Securities		16.648	4.927	21.575	9.068	4.582	13.650	
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-	
2.1.3 Derivative Financial Assets Held for Trading		200.636	133.916	334.552	7.888	124.679	132.567	
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		-	-	-	-	-	-	
III. BANKS	(3)	251.781	1.462.883	1.714.664	45.116	1.888.355	1.933.471	
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-	
4.1 Interbank Money Market Placements		-	-	-	-	-	-	
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-	
4.3 Receivables From Reverse Repurchase Agreements		-	-	-	-	-	-	
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	37.626.997	5.617.634	43.244.631	33.500.459	4.567.558	38.068.017	
5.1 Securities Representing a Share in Capital		159.115	182.423	341.538	141.489	118.064	259.553	
5.2 Public Sector Debt Securities		37.455.571	5.320.947	42.776.518	33.357.334	4.337.465	37.694.799	
5.3 Other Marketable Securities		12.311	114.264	126.575	1.636	112.029	113.665	
VI. LOANS AND RECEIVABLES	(5)	84.046.109	16.944.965	100.991.074	63.983.499	7.442.980	71.426.479	
6.1 Loans and Receivables		83.213.135	16.943.694	100.156.829	63.188.677	7.441.617	70.630.294	
6.1.1 Loans Granted to Risk Group of The Bank		48.550	393.310	441.860	4.994	207.713	212.707	
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-	
6.1.3 Other		83.164.585	16.550.384	99.714.969	63.183.683	7.233.904	70.417.587	
6.2 Loans under Follow-up		2.346.609	19.209	2.365.818	2.040.802	16.751	2.057.553	
6.3 Specific Provisions (-)		1.513.635	17.938	1.531.573	1.245.980	15.388	1.261.368	
VII. FACTORING RECEIVABLES		-	-	-	-	-	-	
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	17.281.671	4.763.413	22.045.084	23.030.009	4.224.816	27.254.825	
8.1 Public Sector Debt Securities		17.272.676	4.762.837	22.035.513	23.020.788	4.224.308	27.245.096	
8.2 Other Marketable Securities		8.995	576	9.571	9.221	508	9.729	
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	65.452	-	65.452	65.452	-	65.452	
9.1 Accounted with Equity Method		-	-	-	-	-	-	
9.2 Unconsolidated Associates		65.452	-	65.452	65.452	-	65.452	
9.2.1 Financial Associates		59.386	-	59.386	59.386	-	59.386	
9.2.2 Non-financial Associates		6.066	-	6.066	6.066	-	6.066	
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	382.478	768.828	1.151.306	183.360	710.374	893.734	
10.1 Unconsolidated Financial Subsidiaries		376.241	768.828	1.145.069	176.127	710.374	886.501	
10.2 Unconsolidated Non-Financial Subsidiaries		6.237	-	6.237	7.233	-	7.233	
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	77.207	77.207	-	74.926	74.926	
11.1 Accounted with Equity Method		-	-	-	-	-	-	
11.2 Unconsolidated Entities Under Common Control		-	77.207	77.207	-	74.926	74.926	
11.2.1 Financial Entities Under Common Control		-	77.207	77.207	-	74.926	74.926	
11.2.2 Non Financial Entities Under Common Control		-	-	-	-	-	-	
XII. RECEIVABLE FROM LEASING TRANSACTIONS	(10)	-	-	-	-	-	-	
12.1 Finance Lease Receivables		-	-	-	-	-	-	
12.2 Operating Lease Receivables		-	-	-	-	-	-	
12.3 Other		-	-	-	-	-	-	
12.4 Unearned Income (-)		-	-	-	-	-	-	
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-	
13.1 Fair Value Hedges		-	-	-	-	-	-	
13.2 Cash Flow Hedges		-	-	-	-	-	-	
13.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-	
XIV. TANGIBLE ASSETS (Net)		1.010.295	8.330	1.018.625	924.132	7.224	931.356	
XV. INTANGIBLE ASSETS (Net)		91.072	6.667	97.739	54.780	6.636	61.416	
15.1 Goodwill		-	-	-	-	-	-	
15.2 Other		91.072	6.667	97.739	54.780	6.636	61.416	
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(12)	-	-	-	-	-	-	
XVII. TAX ASSET		273.526	-	273.526	224.079	-	224.079	
17.1 Current Tax Asset		67	-	67	321	-	321	
17.2 Deferred Tax Asset		273.459	-	273.459	223.758	-	223.758	
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(13)	95.789	-	95.789	66.049	-	66.049	
18.1 Held for Sale		95.789	-	95.789	66.049	-	66.049	
18.2 Held from Discontinued Operations		-	-	-	-	-	-	
XIX. OTHER ASSETS		1.095.964	152.714	1.248.678	972.816	35.589	1.008.405	
TOTAL ASSETS		145.520.814	50.264.961	195.785.775	128.974.975	33.892.782	162.867.757	

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 FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013 AND
31 DECEMBER 2012**

(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 (30/09/2013)			Prior Period (31/12/2012)		
		TL	FC	Total	TL	FC	Total
		LIABILITIES AND EQUITY					
I. DEPOSITS	(1)	96.249.288	35.544.852	131.794.140	92.330.087	26.636.217	118.966.304
1.1 Deposits Held By the Risk Group of the Bank		1.790.835	346.205	2.137.040	794.137	138.305	932.442
1.2 Other		94.458.453	35.198.647	129.657.100	91.535.950	26.497.912	118.033.862
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	10.840	46.972	57.812	38.987	16.561	55.548
III. FUNDS BORROWED	(3)	1.086.037	5.255.316	6.341.353	864.946	2.207.493	3.072.439
IV. MONEY MARKET BALANCES		14.292.092	10.391.861	24.683.953	5.577.693	5.584.781	11.162.474
4.1 Interbank Money Market Borrowings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		14.292.092	10.391.861	24.683.953	5.577.693	5.584.781	11.162.474
V. MARKETABLE SECURITIES ISSUED (Net)		2.511.936	-	2.511.936	1.943.988	-	1.943.988
5.1 Bills		2.270.840	-	2.270.840	1.764.858	-	1.764.858
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		241.096	-	241.096	179.130	-	179.130
VI. FUNDS		4.577.807	-	4.577.807	4.292.229	-	4.292.229
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		4.577.807	-	4.577.807	4.292.229	-	4.292.229
VII. MISCELLANEOUS PAYABLES		977.611	377.152	1.354.763	849.575	307.908	1.157.483
VIII. OTHER LIABILITIES	(4)	1.569.625	590.300	2.159.925	1.180.753	352.446	1.533.199
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. PAYABLES FROM LEASING TRANSACTIONS (Net)	(5)	-	1.602	1.602	-	287	287
10.1 Finance Lease Payables		-	1.641	1.641	-	297	297
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	39	39	-	10	10
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(6)	-	-	-	-	-	-
11.1 Fair Value Hedges		-	-	-	-	-	-
11.2 Cash Flow Hedges		-	-	-	-	-	-
11.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
XII. PROVISIONS	(7)	3.636.715	9.170	3.645.885	2.996.158	5.881	3.002.039
12.1 General Provisions		1.765.987	2.462	1.768.449	1.204.127	612	1.204.739
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		673.717	-	673.717	774.200	-	774.200
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		1.197.011	6.708	1.203.719	1.017.831	5.269	1.023.100
XIII. TAX LIABILITY	(8)	471.006	274	471.280	513.973	304	514.277
13.1 Current Tax Liability		471.006	274	471.280	513.973	304	514.277
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Held from Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(9)	17.896.808	288.511	18.185.319	16.466.387	701.103	17.167.490
16.1 Paid-in Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000
16.2 Capital Reserves		196.539	288.511	485.050	1.072.419	701.103	1.773.522
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		(353.715)	288.511	(65.204)	477.484	701.103	1.178.587
16.2.4 Tangible Assets Revaluation Reserves		-	-	-	-	-	-
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	17.369	-	17.369
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		532.866	-	532.866	577.566	-	577.566
16.3 Profit Reserves		12.464.170	-	12.464.170	10.083.742	-	10.083.742
16.3.1 Legal Reserves		2.541.114	-	2.541.114	2.408.490	-	2.408.490
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		9.001.078	-	9.001.078	7.041.211	-	7.041.211
16.3.4 Other Profit Reserves		921.978	-	921.978	634.041	-	634.041
16.4 Profit or Loss		2.736.099	-	2.736.099	2.810.226	-	2.810.226
16.4.1 Prior Years Profit/Loss		159.798	-	159.798	159.798	-	159.798
16.4.2 Net Period Profit/Loss		2.576.301	-	2.576.301	2.650.428	-	2.650.428
TOTAL LIABILITIES AND EQUITY		143.279.765	52.506.010	195.785.775	127.054.776	35.812.981	162.867.757

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 FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013 AND
31 DECEMBER 2012**

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

II.	OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period (30/09/2013)			Prior Period (31/12/2012)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		43.770.673	60.423.417	104.194.090	54.150.267	40.389.162	94.539.429
I.	GUARANTEES AND WARRANTIES	(1)	8.721.703	16.842.746	25.564.449	5.529.664	9.863.890	15.393.554
1.1	Letters of Guarantee		8.619.351	11.210.417	19.829.768	5.464.619	6.623.113	12.087.732
1.1.1	Guarantees Subject to State Tender Law		654.202	10.577.299	11.231.501	379.750	6.132.611	6.512.361
1.1.2	Guarantees Given for Foreign Trade Operations		7.233.963	-	7.233.963	4.281.844	-	4.281.844
1.1.3	Other Letters of Guarantee		731.186	633.118	1.364.304	803.025	490.502	1.293.527
1.2	Bank Acceptances		41.468	1.853.709	1.895.177	5.363	953.966	959.329
1.2.1	Import Letter of Acceptance		41.468	1.853.709	1.895.177	5.363	941.199	946.562
1.2.2	Other Bank Acceptances		-	-	-	-	12.767	12.767
1.3	Letters of Credit		60.884	3.778.620	3.839.504	59.682	2.286.811	2.346.493
1.3.1	Documentary Letters of Credit		60.884	3.540.129	3.601.013	59.682	2.225.671	2.285.353
1.3.2	Other Letters of Credit		-	238.491	238.491	-	61.140	61.140
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		-	-	-	-	-	-
II.	COMMITMENTS	(1)	33.267.739	26.887.522	60.155.261	47.181.489	20.634.722	67.816.211
2.1	Irrevocable Commitments		11.339.650	1.630.539	12.970.189	8.097.722	828.020	8.925.742
2.1.1	Asset Purchase and Sale Commitments		532.665	916.172	1.448.837	115.642	328.248	443.890
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		2.253.088	159.841	2.412.929	11	141.006	141.017
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		2.519.240	-	2.519.240	2.410.263	-	2.410.263
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		3.910.475	-	3.910.475	3.813.950	-	3.813.950
2.1.10	Commitments for credit cards and banking services promotions		12.854	-	12.854	10.985	-	10.985
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		2.111.328	554.526	2.665.854	1.746.871	358.766	2.105.637
2.2	Revocable Commitments		21.928.089	25.256.983	47.185.072	39.083.767	19.806.702	58.890.469
2.2.1	Revocable Loan Granting Commitments		21.928.077	25.256.983	47.185.060	39.083.755	19.806.702	58.890.457
2.2.2	Other Revocable Commitments		12	-	12	-	-	12
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1.781.231	16.693.149	18.474.380	1.439.114	9.890.550	11.329.664
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		1.781.231	16.693.149	18.474.380	1.439.114	9.890.550	11.329.664
3.2.1	Forward Foreign Currency Buy/Sell Transactions		365.596	368.809	734.405	7.225	105.117	112.342
3.2.1.1	Forward Foreign Currency Transactions-Buy		182.962	184.406	367.368	3.611	52.564	56.175
3.2.1.2	Forward Foreign Currency Transactions-Sell		182.634	184.403	367.037	3.614	52.553	56.167
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		1.415.635	16.324.340	17.739.975	1.431.889	9.785.433	11.217.322
3.2.2.1	Foreign Currency Swap-Buy		-	8.986.768	8.986.768	664	5.666.087	5.666.751
3.2.2.2	Foreign Currency Swap-Sell		1.415.635	7.337.572	8.753.207	1.431.225	4.119.346	5.550.571
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		-	-	-	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	-	-	-	-	-
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.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		295.393.608	28.548.474	323.942.082	230.375.194	15.136.640	245.511.834
IV.	ITEMS HELD IN CUSTODY		42.915.968	4.933.020	47.848.988	30.302.721	2.549.943	32.852.664
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		20.747.470	1.681.409	22.428.879	10.785.482	1.298.862	12.084.344
4.3	Checks Received for Collection		1.454.466	103.436	1.557.902	942.646	22.480	965.126
4.4	Commercial Notes Received for Collection		3.373.220	765.327	4.138.547	2.627.395	132.381	2.759.776
4.5	Other Assets Received for Collection		8.476	-	8.476	8.879	-	8.879
4.6	Assets Received for Public Offering		17.077.350	104	17.077.454	15.722.252	90	15.722.342
4.7	Other Items Under Custody		253.337	2.382.744	2.636.081	214.418	1.096.130	1.310.548
4.8	Custodians		1.649	-	1.649	-	-	1.649
V.	PLEDGES RECEIVED		252.466.215	22.973.384	275.439.599	200.065.042	12.000.385	212.065.427
5.1	Marketable Securities		874.019	61.753	935.772	513.623	37.418	551.041
5.2	Guarantee Notes		9.723.211	525.915	10.249.126	8.060.791	291.639	8.352.430
5.3	Commodity		1.254.856	16.807	1.271.663	1.249.249	13.603	1.262.852
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		224.423.257	19.560.566	243.983.823	177.629.793	9.318.980	186.948.773
5.6	Other Pledged Items		16.185.663	2.800.575	18.986.238	12.606.377	2.331.916	14.938.293
5.7	Pledged Items-Depository		5.209	7.768	12.977	5.209	6.829	12.038
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		11.425	642.070	653.495	7.431	586.312	593.743
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			339.164.281	88.971.891	428.136.172	284.525.461	55.525.802	340.051.263

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 FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013 AND 2012**

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

III. INCOME STATEMENT					
INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1/1-30/09/2013	Prior Period 1/1-30/09/2012	Current Period 1/7-30/09/2013	Prior Period 1/7-30/09/2012
I. INTEREST INCOME	(1)	10.355.173	11.193.808	3.571.951	3.605.299
1.1 Interest Income from Loans		6.861.209	6.492.754	2.422.752	2.196.709
1.2 Interest Income From Reserve Deposits		1.162	1.286	430	395
1.3 Interest Income from Banks		23.633	17.616	9.698	5.715
1.4 Interest Income from Money Market Placements		2	4	1	1
1.5 Interest Income from Marketable Securities		3.460.143	4.674.075	1.137.293	1.401.379
1.5.1 Financial Assets Held for Trading		1.028	2.517	389	687
1.5.2 Financial Assets at Fair Value through Profit and Loss		14	-	13	-
1.5.3 Financial Assets Available-for-Sale		2.065.989	2.404.915	738.118	740.124
1.5.4 Investments Held-to-Maturity		1.393.112	2.266.643	398.773	660.568
1.6 Finance Lease Income		-	-	-	-
1.7 Other Interest Income		9.024	8.073	1.777	1.100
II. INTEREST EXPENSES	(2)	4.722.131	6.244.985	1.697.491	1.873.519
2.1 Interest Expense on Deposits		4.063.766	4.824.359	1.379.387	1.543.017
2.2 Interest on Borrowings		98.847	51.270	37.706	23.163
2.3 Interest on Money Market Borrowings		410.381	1.260.632	229.953	256.360
2.4 Interest on Marketable Securities Issued		113.972	95.850	44.244	46.098
2.5 Other Interest Expense		35.165	12.874	6.201	4.881
III. NET INTEREST INCOME/EXPENSES (I - II)		5.633.042	4.948.823	1.874.460	1.731.780
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		691.120	557.885	244.207	183.299
4.1 Fees and Commissions Received		842.024	698.098	296.979	228.023
4.1.1 Non-cash Loans		68.735	45.964	26.723	15.438
4.1.2 Other		773.289	652.134	270.256	212.585
4.2 Fees and Commissions Paid		150.904	140.213	52.772	44.724
4.2.1 Non-cash Loans		17	18	6	6
4.2.2 Other		150.887	140.195	52.766	44.718
V. DIVIDEND INCOME		316.356	89.293	60.220	961
VI. TRADING PROFIT/LOSS (Net)	(3)	(73.159)	(33.086)	(45.418)	(28.376)
6.1 Profit/Loss from Capital Market Operations		48.967	44.744	22.221	15.306
6.2 Profit/losses on Derivative Financial Transactions	(4)	318.196	(179.119)	(16.832)	(94.716)
6.3 Profit/Loss from Foreign Exchanges		(440.322)	101.289	(50.807)	51.034
VII. OTHER OPERATING INCOME	(5)	812.461	321.250	329.776	71.068
VIII. TOTAL OPERATING INCOMES/EXPENSES (III+IV+V+VI+VII)		7.379.820	5.884.165	2.463.245	1.958.732
IX. PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)	(6)	1.392.941	1.379.063	465.642	523.679
X. OTHER OPERATING EXPENSES(-)	(7)	2.621.160	2.000.504	939.025	626.311
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		3.365.719	2.504.598	1.058.578	808.742
XII. GAINS RECORDED AFTER MERGER		-	-	-	-
XIII. PROFIT/LOSS ON EQUITY METHOD		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(8)	3.365.719	2.504.598	1.058.578	808.742
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9)	(789.418)	(618.242)	(276.743)	(194.275)
16.1 Current Tax Provision		(507.766)	(797.683)	(260.832)	(301.675)
16.2 Deferred Tax Provision		(281.652)	179.441	(15.911)	107.400
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)	(10)	2.576.301	1.886.356	781.835	614.467
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Income from Non-current Assets Held for Resale		-	-	-	-
18.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-	-	-
18.3 Other Income From Discontinued Operations		-	-	-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Expenses for Non-current Assets Held for Resale		-	-	-	-
Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-	-	-
19.2 Other Expenses From Discontinued Operations		-	-	-	-
PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Current tax provision		-	-	-	-
21.2 Deferred tax provision		-	-	-	-
NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXII. NET PROFIT/LOSSES (XVII+XXII)	(11)	2.576.301	1.886.356	781.835	614.467
Earnings/Loss per Share (TL)		1,031	0,755	0,313	0,246

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

**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 FINANCIAL STATEMENTS AT 30 SEPTEMBER 2013 AND 2012**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	Current Period (30/09/2013)	Prior Period (30/09/2012)
I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(2.321.804)	1.909.400
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(4.990)	(12.978)
V. PROFIT OR LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Differences)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ADJUSTMENT OF ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY ACCORDING TO TAS	(13.270)	-
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	332.162	(238.042)
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	(2.007.902)	1.658.380
XI. CURRENT YEAR PROFIT/LOSS	753.495	(651.805)
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	748.683	(661.784)
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	4.812	9.979
XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X±XI)	(1.254.407)	1.006.575

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 SEPTEMBER 2012**

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

V. CHANGES IN SHAREHOLDERS' EQUITY																		
30 September 2012		Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancel 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
I.	Prior Period End Balance		2.500.000	543.482	-	-	2.290.756	-	5.305.510	634.041	-	2.260.472	(374.369)	-	17.361	-	-	13.177.253
	Changes in the Period																	
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	1.015.336	-	-	-	-	1.015.336
IV.	Hedging Funds (Active Part)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-	-	-	-	-	-	-	8	-	-	8
VIII.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	(12.978)	-	-	-	-	(12.978)
IX.	Changes Resulted from Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes Resulted from Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.217	4.217
XI.	Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Increase in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	From Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Net Profit or Losses		-	-	-	-	-	-	-	-	1.886.356	-	-	-	-	-	-	1.886.356
XVIII.	Profit Distribution		-	-	-	-	117.734	-	1.730.940	-	-	(2.100.674)	-	-	-	-	-	(252.000)
18.1	Dividend Distributed		-	-	-	-	117.734	-	1.730.940	-	-	(252.000)	-	-	-	-	-	(252.000)
18.2	Transfers to Legal Reserves		-	-	-	-	117.734	-	1.730.940	-	-	(1.848.674)	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance		2.500.000	543.482	-	-	2.408.490	-	7.036.450	634.041	1.886.356	159.798	627.989	-	17.369	-	4.217	15.818.192
	(I+II+III+.....+XVI+XVII+XVIII)		2.500.000	543.482	-	-	2.408.490	-	7.036.450	634.041	1.886.356	159.798	627.989	-	17.369	-	4.217	15.818.192

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 SEPTEMBER 2013**

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

V. CHANGES IN SHAREHOLDERS' EQUITY																		
	30 September 2013	Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premiu m	Share Cancel 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
I.	Prior Period End Balance		2.500.000	577.566			2.408.490		7.041.211	634.041	-	2.810.226	1.178.587		17.369			17.167.490
	Changes in the Period																	
II.	Increase/Decrease Related to Merger		-															
III.	Marketable Securities Valuation Differences												(1.272.885)					(1.272.885)
IV.	Hedging Funds (Active Part)																	
4.1	Cash-Flow Hedge																	
4.2	Hedges for Investments Made in Foreign Countries																	
V.	Revaluation Differences of Tangible Assets																	
VI.	Revaluation Differences of Intangible Assets																	
VII.	Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)														19			19
VIII.	Foreign Exchange Differences			(34.084)									29.094					(4.990)
IX.	Changes Resulted from Disposal of Assets																	
X.	Changes Resulted from Reclassification of Assets																	
XI.	Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity																	
XII.	Increase in Capital																	
12.1	Cash																	
12.2	From Internal Resources																	
XIII.	Issuance of Share Certificates																	
XIV.	Share Cancellation Profits																	
XV.	Adjustment to Paid-in Capital																	
XVI.	Other									(10.616)								(10.616)
XVII.	Net Profit or Losses										2.576.301							2.576.301
XVIII.	Profit Distribution						132.624		1.959.867	287.937		(2.650.428)						(270.000)
18.1	Dividend Distributed											(270.000)						(270.000)
18.2	Transfers to Legal Reserves						132.624		1.959.867	287.937		(2.380.428)						
18.3	Other																	
	Closing Balance																	
	(I+II+III+.....+XVI+XVII+XVIII)		2.500.000	543.482			2.541.114		9.001.078	911.362	2.576.301	159.798	(65.204)		17.388			18.185.319

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 AT 30 SEPTEMBER 2013 AND 2012**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

VI. STATEMENT OF CASH FLOWS			
	Note (Section Five)	Current Period 1/1 - 30/09/2013	Prior Period 1/1 - 30/09/2012
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		4.393.926	2.959.935
1.1.1 Interest Received		11.599.808	10.317.625
1.1.2 Interest Paid		(4.735.791)	(6.289.639)
1.1.3 Dividend Received		316.356	89.293
1.1.4 Fees and Commissions Received		843.807	697.877
1.1.5 Other Income		183.240	618.051
1.1.6 Collections from Previously Written-off Loans and Other Receivables		925.638	481.186
1.1.7 Payments to Personnel and Service Suppliers		(1.276.919)	(1.028.817)
1.1.8 Taxes Paid		(767.804)	(766.396)
1.1.9 Other		(2.694.409)	(1.159.245)
1.2 Changes in Operating Assets and Liabilities		(3.904.197)	(12.998.950)
1.2.1 Net Decrease/(Increase) in Trading Securities		(9.396)	27.120
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3 Net Decrease in Banks		(4.341.531)	(4.319.374)
1.2.4 Net (Increase) in Loans		(30.024.796)	2.863.702
1.2.5 Net (Increase) in Other Assets		(369.948)	(22.568)
1.2.6 Net Increase/(Decrease) in Bank Deposits		16.967.523	(5.463.376)
1.2.7 Net (Decrease)/Increase in Other Deposits		9.413.011	(8.378.855)
1.2.8 Net (Decrease)/Increase in Funds Borrowed		3.251.356	1.762.385
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net (Decrease)/Increase in Other Liabilities		1.209.584	532.016
I. Net Cash Provided from Banking Operations		489.729	(10.039.015)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		(2.717.123)	5.515.391
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control		(36.764)	(6.545)
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control		-	-
2.3 Fixed Assets Purchases		(184.349)	(49.529)
2.4 Fixed Assets Sales		41.998	32.602
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(12.321.271)	(6.325.198)
2.6 Cash Obtained from Sale of financial Assets Available for Sale		5.145.770	8.439.366
2.7 Cash Paid for Purchase of Investment Securities		(197.740)	(283.393)
2.8 Cash Obtained from sale of Investment Securities		5.976.232	3.012.921
2.9 Other		(1.140.999)	695.167
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		297.945	1.735.527
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Marketable Securities Issued		567.948	1.987.527
3.4 Dividends Paid		(270.000)	(252.000)
3.5 Payments for Finance Leases		(3)	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		58.394	(168.714)
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		(1.871.055)	(2.956.811)
VI. Cash and Cash Equivalents at the Beginning of the Period		7.759.851	7.687.992
VII. Cash and Cash Equivalents at the End of the Period		5.888.796	4.731.181

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 SEPTEMBER 2013

(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 September 2013 are presented comparatively with balances as of 31 December 2012 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 September 2012.

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 SEPTEMBER 2013

(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 SEPTEMBER 2013

(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 exchange purchase and sale transactions. 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 trade, corporate and agricultural cash loans and from individual loans in which the commission is in the form of interest, (depending on the amount of commission that the interest rate is changed), 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 SEPTEMBER 2013

(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 SEPTEMBER 2013

(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 SEPTEMBER 2013

(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, 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 is no security of the bank subject to lending transactions.

XI. INFORMATION ON ASSETS HELD FOR RESALE 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 SEPTEMBER 2013

(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. 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 SEPTEMBER 2013

(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 SEPTEMBER 2013

(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. For the period of 1 January - 30 September 2013, actuarial loss amounting to TL10.616 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 SEPTEMBER 2013

(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 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

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

The technical balance sheet report as of 30 June 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.

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.

**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 SEPTEMBER 2013

(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)

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.

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.

**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 SEPTEMBER 2013

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON BORROWINGS (Continued)

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

The General Assembly for the year 2012 was carried out on 29 March 2013. In accordance with the decision taken, of the profit for the year 2012 amounting to TL2.650.428, TL118.124 is transferred to legal reserves and TL14.500 is transferred to second legal reserve, TL145.000 is distributed as dividend to employees provided that dividend amount does not exceed two month gross wage for each employee and TL106.250 is distributed to Treasury after deducting withholding tax of 15% (TL18.750) in cash. In this context, TL1.959.867 of the profit is preserved and dividend is paid to Treasury on 15 April 2013 and of the dividend decided to be paid to personnel, TL134.963 dividend 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 SEPTEMBER 2013

(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 14,74 % (31 December 2012: 19,01%).

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” is 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. Conter 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 SEPTEMBER 2013**

(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:

	Risk Weights									
	Bank Only									
	0%	10%	20%	%50 Real Est. Mort. Coll.	50%	75%	100%	150%	200%	1250%
Credit Risk Based Amount – 30 September 2013	86.018.200	-	17.578.835	-	17.049.995	44.150.630	47.755.246	3.418.628	15.609.588	-
Risk Classes										
Conditional and unconditional receivables from central governments or central banks	80.032.980	-	-	-	9.504.724	-	207.854	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	115.665	-	126	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	399.318	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	17.462.534	-	7.545.145	-	415.568	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	-	43.465.442	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	-	36.509.616	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-	7.641.014	189.507	-	-	-
Past due receivables	-	-	-	-	-	-	557.198	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	3.418.628	15.609.588	-
Securities collateralised by mortgages	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	5.985.220	-	636	-	-	-	2.520.359	-	-	-

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 SEPTEMBER 2013**

(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 – 31 December 2012	Risk Weights									
	Bank Only									
	0%	10%	20%	%50 Real Est. Mort. Coll.	50%	75%	100%	150%	200%	1250%
Credit Risk Based Amount	80.773.000	-	2.954.823	-	15.770.532	42.769.173	23.613.710	2.709.624	8.947.550	-
Risk Classes										
Conditional and unconditional receivables from central governments or central banks	75.058.356	-	-	-	7.189.829	-	201.384	-	-	-
Conditional and unconditional receivables from regional or local governments	-	-	99.250	-	22	-	-	-	-	-
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	332.421	-	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from international organisations	-	-	-	-	-	-	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	-	-	2.855.506	-	8.580.681	-	425.570	-	-	-
Conditional and unconditional receivables from corporate	-	-	-	-	-	-	19.517.032	-	-	-
Conditional and unconditional retail Receivables	-	-	-	-	-	35.074.899	-	-	-	-
Conditional and unconditional receivables secured by mortgages	-	-	-	-	-	7.694.274	179.500	-	-	-
Past due receivables	-	-	-	-	-	-	588.005	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	2.709.624	8.947.550	-
Securities collateralised by mortgages	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporate	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-
Other receivables	5.714.644	-	67	-	-	-	2.369.798	-	-	-

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 SEPTEMBER 2013

(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:

	Current Period	Prior Period
Capital Requirement for Credit Risk (Value at Credit Risk*0.08) (CRCR)	9.889.261	6.450.484
Capital Requirement for Market Risk (CRMRR)	436.222	379.023
Capital Requirement for Operational Risk (CROR)	960.999	910.851
Shareholders' Equity	20.793.863	18.390.975
Shareholders' Equity / ((CRCR+CRMRR+CROR)*12.5*100)	14,74	19,01

Information Related To The Components Of Shareholders' Equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2.500.000	2.500.000
Nominal Capital	2.500.000	2.500.000
Capital Commitments (-)	-	-
Inflation Adjustment to Paid-in Capital	543.482	543.482
Share Premium	-	-
Share Cancellation Profits	-	-
Reserves	12.453.554	10.083.742
Inflation Adjustments to Reserves	-	-
Profit	2.736.099	2.810.226
Current Period's Profit	2.576.301	2.650.428
Prior Period's Profit	159.798	159.798
Provision for Possible Losses (upto 25% of Core Capital)	963.711	765.976
Income on Sale of Equity Shares and Real Estates	-	-
Primary Subordinated Debts(upto 15% of Core Capital) ⁽¹⁾	-	-
Loss (in excess of Reserves) (-)	-	-
Current Period's Losses	-	-
Prior Period's Losses	-	-
Leasehold Improvements on Operational Leases (-)	50.845	32.458
Intangible Assets (-)	46.894	28.959
Deferred Tax Asset in excess of 10% of the Core Capital (-)	-	-
Excess Amount defined in 3 rd Clause 56 th Article of the Banking Act (-)	-	-
Total Core Capital	19.099.107	16.642.009

⁽¹⁾ In accordance with the “Regulation Related to the Change in the Regulation for Shareholders' Equities of Banks” issued on Official Gazette dated 10 March 2011 and numbered 27870, the related row's name is changed as “Primary Subordinated Loans Not Exceeding the Limits Mentioned in Paragraph 8”.

**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 SEPTEMBER 2013

(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 components of shareholders’ equity: (Continued)

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	1.763.513	1.204.739
45% of Movable Assets Revaluation Fund	-	-
45% of Immovables Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	17.388	17.369
Primary Subordinated Loans Excluding the Portion included in the Core Capital	-	-
Secondary Subordinated Loan	-	-
45% of Value increase amount of Available for Sale Securities and Subsidiaries and Associates	(65.204)	545.702
Inflation Adjustments for Capital Reserves, Profit Reserves and Retained Earnings/Accumulated Losses (Except Inflation Adjustments for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Total Supplementary Capital	1.715.697	1.767.810
CAPITAL	20.814.804	18.409.819
DEDUCTIONS FROM CAPITAL	20.941	18.844
Equity Shares in Banks and Financial Institutions (Domestic and Foreign), 10% or More of whose Capital is Owned by the Bank and which are Excluded from the Consolidation	-	-
Total Equity Shares in Banks and Financial Institutions (Domestic and Foreign), less than 10% of whose Capital is Owned by the Bank and that Exceeds 10% of the Total Core Capital and Supplementary Capital	-	-
Loans to banks, Financial Institutions (Domestic/Foreign), Holders of Qualified Shares in the form of Secondary Subordinated Loan and Loan Instruments Purchased from those Parties Qualified as Primary or Secondary Subordinated Loan	20.114	17.793
Loans Granted not in Compliance with the Provisions Stated in Articles 50 and 51 of the Act	-	-
Total Net Book Value of the Bank’s Real Estates in excess of 50% of the Equity and in accordance with Article 57 of the Act, Net Book Value of Real Estates and Commodities Acquired in Exchange of Loans and Receivables that should be Disposed of however; have not been Disposed for the Last 5 Years Since the Beginning of the Acquisition Date	692	386
Other	135	665
TOTAL SHAREHOLDERS’ EQUITY	20.793.863	18.390.975

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 SEPTEMBER 2013

(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 reportings 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:

	Amount
(I) Capital Requirement Calculated For General Market Risk - Standard Method	134.207
(II) Capital Requirement Calculated For Specific Risk - Standard Method	37.292
Capital requirement Calculated For Specific Risks of Securitisation Positions– Standard Method	-
(III) Capital Requirement Calculated For Currency Risk - Standard Method	251.646
(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	13.077
(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)	436.222
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	5.452.775

**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 SEPTEMBER 2013

(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
23.09.2013	1,9712	2,6566	1,8664	0,3575	0,3095	2,1679	1,9208	0,3339	3,1671	0,5269	2,0001
24.09.2013	1,9849	2,6738	1,8681	0,3601	0,3104	2,1852	1,9329	0,3324	3,1830	0,5308	2,0184
25.09.2013	1,9876	2,6826	1,8652	0,3610	0,3099	2,1886	1,9371	0,3302	3,2023	0,5313	2,0191
26.09.2013	1,9990	2,6950	1,8759	0,3626	0,3122	2,2012	1,9424	0,3348	3,2089	0,5344	2,0254
27.09.2013	2,0178	2,7303	1,8831	0,3674	0,3154	2,2382	1,9626	0,3375	3,2594	0,5395	2,0593
30.09.2013	2,0114	2,7184	1,8854	0,3659	0,3141	2,2283	1,9617	0,3350	3,2568	0,5378	2,0605

- 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	100JPY
2,0048	2,6744	1,8644	0,3599	0,3092	2,1772	1,9421	0,3360	3,1876	0,5360	2,0281

**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 SEPTEMBER 2013

(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 ⁽¹⁾	Total
Current Period				
Assets				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	7.748.407	7.818.831	4.756.239	20.323.477
Banks	356.597	894.401	211.885	1.462.883
Financial Assets at Fair Value Through Profit and Loss	-	4.927	-	4.927
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	3.145.102	2.472.532	-	5.617.634
Loans ⁽²⁾	5.618.106	11.342.117	26.832	16.987.055
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) ⁽⁴⁾	526.366	319.669	-	846.035
Investments Held-to-Maturity	1.558.937	3.204.101	375	4.763.413
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Fixed Assets	4.525	1.959	1.846	8.330
Intangible Assets	1.215	2.571	2.881	6.667
Other Assets	115.256	31.508	2.828	149.592
Total Assets	19.074.511	26.092.616	5.002.886	50.170.013
Liabilities				
Interbank Deposits	1.694.591	2.979.571	32.616	4.706.778
Foreign Currency Deposits	19.753.100	8.553.807	2.531.167	30.838.074
Money Market Borrowings	2.560.826	7.831.035	-	10.391.861
Funds Provided from Other Financial Institutions	1.343.249	3.912.063	4	5.255.316
Issued Marketable Securities	-	-	-	-
Sundry Creditors	358.278	18.165	709	377.152
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	299.395	260.321	41.630	601.346
Total Liabilities	26.009.439	23.554.962	2.606.126	52.170.527
Net Balance Sheet Position	(6.934.928)	2.537.654	2.396.760	(2.000.514)
Net Off-Balance Sheet Position⁽³⁾	6.671.507	(2.704.594)	(2.317.714)	1.649.199
Assets on Derivative Instruments	6.783.567	1.739.058	648.549	9.171.174
Liabilities on Derivative Instruments	112.060	4.443.652	2.966.263	7.521.975
Non-cash Loans	4.164.658	11.581.354	1.096.734	16.842.746
Prior Period				
Total Assets	13.145.153	16.129.234	4.492.036	33.766.423
Total Liabilities	16.797.705	16.673.758	1.623.854	35.095.317
Net Balance Sheet Position	(3.652.552)	(544.524)	2.868.182	(1.328.894)
Net Off-Balance Sheet Position⁽³⁾	3.604.610	762.721	(2.820.579)	1.546.752
Financial Derivative Assets	3.644.218	1.530.053	544.380	5.718.651
Financial Derivative Liabilities	39.608	767.332	3.364.959	4.171.899
Non-cash Loans	2.564.610	6.899.541	399.739	9.863.890

(1) Of the foreign currencies presented in the other FC column of assets 94,17% is Gold, 0,91% is IQD, 1% is SAR, 2,26% is GBP, and the remaining 1,66% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 68,39% is Gold, 14,99% is GBP, 7,91% is CHF, 3,12% is DKK and the remaining 5,59% is other foreign currencies.

(2) TL42.076 equivalent of USD loans and TL14 equivalent of EUR loans are originated as foreign currency indexed loans (31 December 2012: TL 264 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 SEPTEMBER 2013

(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 Year and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	36.129	-	-	-	-	23.369.744	23.405.873
Banks	714.272	412.839	379.094	-	-	208.459	1.714.664
Financial Assets at Fair Value Through Profit and Loss	223	76	1.499	8.752	10.400	335.177	356.127
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	13.523.787	4.267.997	9.594.532	7.277.030	8.229.467	351.818	43.244.631
Loans Given	34.081.119	13.066.536	17.762.165	30.975.951	4.271.058	834.245	100.991.074
Investments Held-to-Maturity	7.545.304	7.127.333	2.955.824	2.538.843	1.877.780	-	22.045.084
Other Assets	-	-	-	-	-	4.028.322	4.028.322
Total Assets	55.900.834	24.874.781	30.693.114	40.800.576	14.388.705	29.127.765	195.785.775
Liabilities							
Interbank Deposits	6.779.475	882.611	318.997	-	-	107.521	8.088.604
Other Deposits	70.693.819	17.008.925	9.365.048	333.675	-	26.304.069	123.705.536
Money Market Borrowings	19.006.956	3.912.592	1.764.405	-	-	-	24.683.953
Sundry Creditors	-	-	-	-	-	1.354.763	1.354.763
Issued Marketable Securities	977.566	843.304	691.066	-	-	-	2.511.936
Funds provided from Other Financial Institutions	1.069.469	567.896	3.926.073	420.114	357.801	-	6.341.353
Other Liabilities	24.572	4.740	2.569	4.569.726	-	24.498.023	29.099.630
Total Liabilities	98.551.857	23.220.068	16.068.158	5.323.515	357.801	52.264.376	195.785.775
Balance Sheet Long Position	-	1.654.713	14.624.956	35.477.061	14.030.904	-	65.787.634
Balance Sheet Short Position	(42.651.023)	-	-	-	-	(23.136.611)	(65.787.634)
Off-Balance Sheet Long Position	276.465	1.105.777	-	-	-	-	1.382.242
Off-Balance Sheet Short Position	-	-	(713.881)	(447.870)	-	-	(1.161.751)
Total Position	(42.374.558)	2.760.490	13.911.075	35.029.191	14.030.904	(23.136.611)	220.491

- (1) Balances without fixed maturity are shown in the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL4.542.397 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1-5 Years” column. TL35.410 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 SEPTEMBER 2013

(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
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	27.731	-	-	-	-	20.685.600	20.713.331
Banks	685.342	134.417	337.593	9.470	-	766.649	1.933.471
Financial Assets at Fair Value Through Profit and Loss	1.907	349	67	1.942	9.385	132.567	146.217
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	11.724.195	4.807.207	10.471.816	5.587.455	5.026.708	450.636	38.068.017
Loans Given	19.176.159	6.816.372	17.943.643	24.122.057	2.572.063	796.185	71.426.479
Investments Held-to-Maturity	8.709.100	10.951.851	3.494.284	1.877.258	2.222.332	-	27.254.825
Other assets	-	-	-	-	-	3.325.417	3.325.417
Total Assets	40.324.434	22.710.196	32.247.403	31.598.182	9.830.488	26.157.054	162.867.757
Liabilities							
Interbank Deposits	5.230.612	1.219.405	724.837	-	-	81.660	7.256.514
Other Deposits	67.999.991	14.013.393	7.737.700	265.701	-	21.693.005	111.709.790
Money Market Borrowings	8.334.493	2.023.843	804.138	-	-	-	11.162.474
Sundry Creditors	-	-	-	-	-	1.157.483	1.157.483
Issued Marketable Securities	179.130	1.035.674	729.184	-	-	-	1.943.988
Funds Provided from Other Financial Institutions	672.780	696.090	1.187.908	7.390	508.271	-	3.072.439
Other Liabilities	1.506	2.974	224	4.328.518	-	22.231.847	26.565.069
Total Liabilities	82.418.512	18.991.379	11.183.991	4.601.609	508.271	45.163.995	162.867.757
Balance Sheet Long Position	-	3.718.817	21.063.412	26.996.573	9.322.217	-	61.101.019
Balance Sheet Short Position	(42.094.078)	-	-	-	-	(19.006.941)	(61.101.019)
Off Balance Sheet Long Position	300.385	978.608	-	-	-	-	1.278.993
Off Balance Sheet Short Position	-	-	(6)	(1.162.801)	-	-	(1.162.807)
Total Position	(41.793.693)	4.697.425	21.063.406	25.833.772	9.322.217	(19.006.941)	116.186

- (1) Balances without fixed maturity are shown under the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL4.277.386 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1-5 Years” column. TL14.843 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 SEPTEMBER 2013

(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
Current Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	4,00
Banks	1,53	2,12	-	6,64
Financial Assets at Fair Value Through Profit and Loss	-	5,58	-	7,32
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,68	5,59	-	7,39
Loans Given ⁽²⁾	4,48	4,67	-	12,55
Investments Held-to-Maturity	6,36	7,01	-	7,37
Liabilities				
Interbank Deposits ⁽³⁾	0,92	1,50	-	7,65
Other Deposits ⁽⁴⁾	1,95	1,72	-	5,68
Money Market Borrowings	0,67	0,97	-	7,32
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	7,58
Funds Provided from Other Financial Institutions	1,28	1,75	-	7,03

(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
Prior Period				
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey ⁽¹⁾	-	-	-	5,00
Banks	1,44	2,09	-	6,69
Financial Assets at Fair Value Through Profit and Loss	-	5,58	-	9,06
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,67	6,03	-	8,37
Loans Given ⁽²⁾	4,73	5,06	-	14,77
Investments Held-to-Maturity	6,36	7,00	-	8,37
Liabilities				
Interbank Deposits ⁽³⁾	1,08	1,47	-	6,02
Other Deposits ⁽⁴⁾	2,09	1,68	-	6,04
Money Market Borrowings	0,63	1,11	-	5,67
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	7,48
Funds Provided from Other Financial Institutions	1,81	2,16	-	6,37

(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 SEPTEMBER 2013

(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	300	(2.030.427)	(9,76%)
2. TRY	(300)	2.372.434	11,41%
3. EUR	100	(12.493)	(0,06%)
4. EUR	(100)	18.265	0,09%
5. USD	100	(307.243)	(1,48%)
6. USD	(100)	350.671	1,69%
Total (of negative shocks)		2.741.370	13,18%
Total (of positive shocks)		(2.350.163)	(11,30%)

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	157.893	157.893	-

**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 SEPTEMBER 2013**
(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 are 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 SEPTEMBER 2013

(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
Current Period								
Assets								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	23.405.873	-	-	-	-	-	-	23.405.873
Banks	208.458	714.273	412.839	379.094	-	-	-	1.714.664
Financial Assets at Fair Value Through Profit and Loss	-	134.152	4.262	99.278	108.035	10.400	-	356.127
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	1.149.853	2.184.846	8.763.242	19.131.859	11.673.301	341.530	43.244.631
Loans Given	-	4.545.211	9.417.576	35.823.960	43.386.922	6.983.160	834.245	100.991.074
Investments Held-to-Maturity	-	1.134.289	5.893.167	5.988.212	5.933.755	3.095.661	-	22.045.084
Other Assets	1.079.071	-	-	67	2.865	-	2.946.319	4.028.322
Total Assets	24.693.402	7.677.778	17.912.690	51.053.853	68.563.436	21.762.522	4.122.094	195.785.775
Liabilities								
Interbank Deposits	107.521	6.779.475	882.611	318.997	-	-	-	8.088.604
Other Deposits	26.304.068	70.693.745	17.008.247	9.360.498	338.866	112	-	123.705.536
Funds Provided from Other Financial Instruments	-	331.125	274.992	4.006.881	615.264	1.113.091	-	6.341.353
Money Market Borrowings	-	19.006.956	3.912.592	1.764.405	-	-	-	24.683.953
Issued Marketable Securities	-	800.350	843.304	868.282	-	-	-	2.511.936
Sundry Creditors	782.642	572.121	-	-	-	-	-	1.354.763
Other liabilities ⁽³⁾	2.170.557	270.111	265.891	2.569	4.569.726	673.717	21.147.059	29.099.630
Total liabilities	29.364.788	98.453.883	23.187.637	16.321.632	5.523.856	1.786.920	21.147.059	195.785.775
Liquidity Gap	(4.671.386)	(90.776.105)	(5.274.947)	34.732.221	63.039.580	19.975.602	(17.024.965)	-
Prior Period								
Total Assets	22.328.704	5.390.872	6.882.152	46.095.368	65.005.647	13.635.048	3.529.966	162.867.757
Total Liabilities	23.996.236	82.714.635	18.854.752	11.131.032	4.798.299	1.985.975	19.386.828	162.867.757
Liquidity Gap	(1.667.532)	(77.323.763)	(11.972.600)	34.964.336	60.207.348	11.649.073	(15.856.862)	-

(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) TL4.542.397 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 TL35.410 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 SEPTEMBER 2013**

(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. Credibilities of guarantors are monitored and evaluated in the scope of maturity.

Bank has no position about credit derivatives.

Collaterals in terms of Risk Categories

Exposure classifications	Amount	Financial Collaterals	Other/Physical Collaterals	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	89.745.559	8.829.543	-	-
Conditional and unconditional receivables from regional or local governments	115.791	37.295	-	25
Conditional and unconditional receivables from administrative units and non-commercial enterprises	399.318	135.208	-	-
Conditional and unconditional receivables from multilateral development banks	-	-	-	-
Conditional and unconditional receivables from international organizations	-	-	-	-
Conditional and unconditional receivables from banks and brokerage houses	25.423.248	14.246.521	-	-
Conditional and unconditional corporate receivables	43.465.441	456.650	-	401.829
Conditional and unconditional retail receivables	36.509.615	294.899	-	48.514
Conditional and unconditional secured mortgage receivables	7.830.521	3.964	-	850
Non-performing loan	557.198	-	-	-
Receivables in high risk category defined by BRSA	19.028.216	-	-	-
Securities collateralised by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short-term receivables from banks, stockbrokers and corporates	-	-	-	-
Investments of natured collective investment enterprise	-	-	-	-
Other receivables	8.506.215	-	-	-
Total	231.581.122	24.004.080	-	451.218

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

**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 SEPTEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. 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 September 2013, 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 SEPTEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. 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 Audit 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, that 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 in order 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 established and Risk Analysis Reports regarding support services taken by the Bank are 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 SEPTEMBER 2013**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. 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. Credibilities 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 SEPTEMBER 2013

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

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. 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 September 2013 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 SEPTEMBER 2013

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

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

Table for Segment Reporting:

	Consumer Banking	Corporate Commercial and Entrepreneurial Banking	Specialized Lending	Investment Banking	International Banking	Total Operations of the Bank
Current Period						
Total Operating Income/Expense ⁽¹⁾	2.567.149	1.270.929	833.402	2.649.764	58.576	7.379.820
Net Operating Profit	1.095.539	542.373	355.657	1.130.796	24.998	3.149.363
Income from Subsidiaries ⁽²⁾	-	-	-	-	-	316.356
Income Before Taxes	-	-	-	-	-	3.365.719
Tax Provision	-	-	-	-	-	(789.418)
Net Profit for the Period	-	-	-	-	-	2.576.301
Segment Assets-net ⁽¹⁾	37.247.882	40.067.249	22.490.674	88.584.568	3.367.080	191.757.453
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	1.293.965
Undistributed Assets ⁽³⁾	-	-	-	-	-	2.734.357
Total Assets	-	-	-	-	-	195.785.775
Segment Liabilities – net ⁽¹⁾	25.843.668	27.799.827	20.178.972	86.484.927	3.318.254	163.625.648
Undistributed Liabilities ⁽³⁾	-	-	-	-	-	13.974.808
Shareholders’ Equity	-	-	-	-	-	18.185.319
Total Liabilities	-	-	-	-	-	195.785.775
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	71.760
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 SEPTEMBER 2013

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

EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

Table for Segment Reporting: (Continued)

	Consumer Banking	Corporate Commercial and Entrepreneurial Banking	Specialized Lending	Investment Banking	International Banking	Total Operations of the Bank
Prior Period – 30 September 2012						
Total Operating Income/Expense ⁽¹⁾	1.847.891	664.620	738.707	2.592.624	40.323	5.884.165
Net Operating Profit	758.514	272.810	303.221	1.064.208	16.552	2.415.305
Income from Subsidiaries ⁽²⁾	-	-	-	-	-	89.293
Income Before Taxes	-	-	-	-	-	2.504.598
Tax Provision	-	-	-	-	-	(618.242)
Net Profit for the Period	-	-	-	-	-	1.886.356
Segment Assets-net ⁽¹⁾	30.683.013	17.785.243	22.315.990	85.994.742	2.763.352	159.542.340
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	1.034.112
Undistributed Assets ⁽³⁾	-	-	-	-	-	2.291.305
Total Assets – 31 December 2012	-	-	-	-	-	162.867.757
Segment Liabilities - net ⁽¹⁾	23.110.631	13.395.952	21.097.674	76.098.984	2.717.302	136.420.543
Undistributed Liabilities ⁽³⁾	-	-	-	-	-	9.279.724
Shareholders' Equity	-	-	-	-	-	17.167.490
Total Liabilities – 31 December 2012	-	-	-	-	-	162.867.757
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	54.191
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 SEPTEMBER 2013

(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	1.075.430	357.694	1.105.697	318.761
Central Bank of the Republic of Turkey	2.006.966	19.956.484	4.802.571	14.473.438
Other	-	9.299	-	12.864
Total	3.082.396	20.323.477	5.908.268	14.805.063

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 2005/1. The Bank’s total domestic liabilities excluding the items stated in the Communiqué as deductibles and the deposits accepted on behalf of foreign branches from Turkey and loans which are obtained by the banks and followed under branches abroad constitutes the required reserves liabilities.

As of the balance sheet date, according to CBRT’s Communiqué about Required Reserves No. 2005/1, 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 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 up to 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 deposits 1-year and more than 1-year 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	1.969.698	1.513.728	4.773.232	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves ⁽¹⁾⁽²⁾	37.268	18.442.756	29.339	14.473.438
Total	2.006.966	19.956.484	4.802.571	14.473.438

(1) Required reserve of branches abroad amounting to TL50.058 is presented in this line (31 December 2012: TL36.777).

(2) TL13.662.188 in FC required reserves is the part of TL required reserves kept as FC (31 December 2012: TL11.100.608).

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

a.1) Bank has no financial assets at fair value through profit and loss subject to repo transactions.

**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 SEPTEMBER 2013

(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: (Continued)

a.2) Bank has no financial assets at fair value through profit and loss given or blocked as collateral.

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

Derivative Financial Assets Held-for-Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	9.025	16	27	324
Swap Transactions	191.611	133.900	7.861	124.355
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	200.636	133.916	7.888	124.679

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

Banks	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic Banks	212.412	338.083	32.447	211.697
Foreign Banks	39.369	1.124.800	12.669	1.676.658
Foreign Head Office and Branches	-	-	-	-
Total	251.781	1.462.883	45.116	1.888.355

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:

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	15.305.979	4.303.003
Assets Blocked/Given as Collateral	2.443.498	289.203
Total	17.749.477	4.592.206

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt Securities	43.541.043	37.861.017
Quoted in Stock Exchange	43.541.043	37.861.017
Not Quoted in Stock Exchange	-	-
Share Certificates	342.078	261.545
Quoted in Stock Exchange	183.656	119.261
Not Quoted	158.422	142.284
Provision for Impairment (-)	638.490	54.545
Total	43.244.631	38.068.017

**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 SEPTEMBER 2013

(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
Direct Loans Granted to Shareholders				
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	252.968	-	234.561	-
Total	252.968	-	234.561	-

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 ⁽¹⁾	Other		Loans and other receivables with revised contract terms	Other
Non-Specialized Loans	74.644.208	135.534	-	2.303.681	292.947	-
Commercial Loans	19.920.767	14.004	-	313.515	62.798	-
Export Loans	2.459.004	816	-	10.237	5	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	1.095.534	-	-	-	-	-
Consumer Loans	31.312.183	30.804	-	1.733.686	23.198	-
Credit Cards	2.204.067	23	-	40.317	733	-
Other ⁽²⁾	17.652.653	89.887	-	205.926	206.213	-
Specialized Lending ⁽³⁾⁽⁴⁾	19.385.937	652.476	-	786.503	143.501	-
Other Receivables	-	-	-	-	-	-
Interest Income Accruals	1.812.042	-	-	-	-	-
Total	95.842.187	788.010	-	3.090.184	436.448	-

(1) Restructured or Rescheduled loans can not 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 can not 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 SEPTEMBER 2013

(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)

No. of extensions	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 Times Extended (*)	788.010	436.448
3.4 or 5 Times Extended	-	-
Over 5 Times Extended	-	-

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

Extension Periods	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0 - 6 Months	292.805	101.771
6 Months – 12 Months	296.371	93.173
1 - 2 Years	119.843	89.860
2 - 5 Years	78.121	151.644
5 Years and Over	870	-
Total	788.010	436.448

**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 SEPTEMBER 2013

(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:

	Short-Term	Medium and Long-Term	Total
Consumer Loans - TL	321.541	32.416.146	32.737.687
Real Estate Loans	1.706	9.342.415	9.344.121
Vehicle Loans	1.317	187.360	188.677
Consumer Loans	314.900	22.623.264	22.938.164
Abroad ⁽²⁾	3.618	263.107	266.725
Other	-	-	-
Consumer Loans- Indexed to FC	-	10	10
Real Estate Loans	-	10	10
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	69	680	749
Real Estate Loans	-	22	22
Vehicle Loans	-	-	-
Consumer Loans	69	658	727
Other	-	-	-
Individual Credit Cards-TL	2.018.834	9.200	2.028.034
With Installment	834.032	8.751	842.783
Without Installment	1.184.802	449	1.185.251
Individual Credit Cards-FC	3.441	-	3.441
With Installment	-	-	-
Without Installment	3.441	-	3.441
Personnel Loans-TL	16.087	161.181	177.268
Real Estate Loans	5	481	486
Vehicle Loans	-	-	-
Consumer Loans	5.775	159.624	165.399
Abroad ⁽²⁾	61	1.076	1.137
Other	10.246	-	10.246
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	72.511	251	72.762
With Installment	37.464	238	37.702
Without Installment	35.047	13	35.060
Personnel Credit Cards-FC	164	-	164
With Installment	-	-	-
Without Installment	164	-	164
Overdraft Accounts-TL (Real Person)	452.019	-	452.019
Overdraft Accounts-FC (Real Person)	-	-	-
Total ⁽¹⁾	2.884.666	32.587.468	35.472.134

⁽¹⁾ TL244.765 of interest income accrual is not included in the table above.

⁽²⁾ TL1.137 of consumer loans used by the personnel abroad and TL266.725 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 SEPTEMBER 2013

(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:

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans-TL	722.935	6.417.785	7.140.720
Business Loans	2.358	115.381	117.739
Vehicle Loans	6.471	233.360	239.831
Consumer Loans	711.534	1.503.076	2.214.610
Other	2.572	4.565.968	4.568.540
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	101.708	6.280.533	6.382.241
Business Loans	-	8.995	8.995
Vehicle Loans	-	677	677
Consumer Loans	101.708	6.270.861	6.372.569
Other	-	-	-
Corporate Credit Cards-TL	140.113	199	140.312
With Installment	27.614	189	27.803
Without Installment	112.499	10	112.509
Corporate Credit Cards-FC	427	-	427
With Installment	-	-	-
Without Installment	427	-	427
Overdraft Account-TL (Legal Entity)	34.444	-	34.444
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	999.627	12.698.517	13.698.144

⁽¹⁾ Accruals are not included in the table above.

e) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	97.387.926	68.158.284
Foreign Loans	956.861	807.451
Interest Income Accruals of Loans	1.812.042	1.664.559
Total	100.156.829	70.630.294

**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 SEPTEMBER 2013**
(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:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	441.860	212.707
Indirect loans granted to subsidiaries and associates	-	-
Total ⁽¹⁾	441.860	212.707

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

g) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectability	91.264	125.115
Loans and other receivables with doubtful collectability	387.585	557.661
Uncollectible loans and other receivables	1.052.724	578.592
Total	1.531.573	1.261.368

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

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

	Group III: Loans and receivables with limited collectability	Group IV: Loans and receivables with doubtful collectability	Group V: Uncollectible loans and receivables
Current period	13.940	54.340	96.037
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	13.940	54.340	96.037
Rescheduled loans and other receivables	-	-	-
Prior period	13.471	47.107	66.765
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	13.471	47.107	66.765
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 SEPTEMBER 2013

(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:

	Group III: Loans and receivables with limited collectability	Group IV: Loans and receivables with doubtful collectability	Group V: Uncollectible loans and receivables
Prior Period Ending Balance	256.273	1.043.629	757.651
Additions (+)	951.220	137.556	145.127
Transfers from other categories of non-performing loans (+)	-	829.331	1.451.527
Transfers to other categories of non-performing loans (-)	829.331	1.451.527	-
Collections (-) ⁽¹⁾	176.921	147.765	600.952
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance ⁽²⁾	201.241	411.224	1.753.353
Specific Provision (-)	91.264	387.585	1.052.724
Net Balance on Balance Sheet ⁽²⁾	109.977	23.639	700.629

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

⁽²⁾ Includes the loans originated from funds amounting to TL258.799 whose risk does not belong to the Bank.

⁽³⁾ As of 30 September 2013, Bank made 100% provision for the portion of TL156 million of the loans under follow-up which is TL623 million after taking guarantees into consideration.

3) Information on foreign currency non-performing loans:

	Group III: Loans and other receivables with limited collectability	Group IV: Loans and other receivables with doubtful collectability	Group V: Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	2.543	6.487	10.179
Specific Provision (-)	1.272	6.487	10.179
Net Balance on Balance Sheet	1.271	-	-
Prior Period:			
Period Ending Balance	2.726	5.727	8.298
Specific Provision (-)	1.363	5.727	8.298
Net Balance on Balance Sheet	1.363	-	-

**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 SEPTEMBER 2013

(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:

	Group III:	Group IV:	Group V:
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	109.977	23.639	700.629
Loans to Real Persons and Legal Entities (Gross)	201.241	355.903	1.753.353
Specific Provisions (-)	91.264	332.264	1.052.724
Loans to Real Persons and Legal Entities (Net)	109.977	23.639	700.629
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	55.321	-
Specific Provisions (-)	-	55.321	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	131.158	485.968	179.059
Loans to Real Persons and Legal Entities (Gross)	256.273	990.770	757.651
Specific Provisions (-)	125.115	504.802	578.592
Loans to Real Persons and Legal Entities (Net)	131.158	485.968	179.059
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	52.859	-
Specific Provisions (-)	-	52.859	-
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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	8.138.187	3.877.369	4.617.294	3.182.681
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8.138.187	3.877.369	4.617.294	3.182.681

**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 SEPTEMBER 2013**

(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	7.053.818	828.725	6.456.814	594.419
Other	-	-	-	-
Total	7.053.818	828.725	6.456.814	594.419

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

	Current Period	Prior Period
Government Bonds	22.035.513	27.245.096
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	22.035.513	27.245.096

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	22.045.084	27.254.825
Quoted in a Stock Exchange	22.035.513	27.245.096
Not Quoted in a Stock Exchange	9.571	9.729
Provision for Impairment (-)	-	-
Total	22.045.084	27.254.825

d) Movements of held-to-maturity investments:

	Current Period	Prior Period
Beginning Balance	27.254.825	32.504.197
Foreign Currency Differences on Monetary Assets	568.751	(247.868)
Purchases During the Year	197.740	220.573
Disposals through Sales and Redemptions	(5.976.232)	(5.222.077)
Provision for Impairment (-)	-	-
Period End Balance	22.045.084	27.254.825

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 SEPTEMBER 2013

(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 TL8.377, USD13.656 thousand and EUR8.686 thousand respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR34.336 thousand and USD66.641 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 TL19.116 would have been recorded. As of 30 September 2013, the reclassification from held for trading securities to held to maturity investments has an income impact of TL(14.624).

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 ⁽²⁾	Shareholders’ Equity ⁽²⁾	Total Non- Current Assets ⁽³⁾	Interest Income ⁽²⁾	Income from Marketable Securities ⁽²⁾	Current Period Profit/Loss ⁽²⁾	Prior Period Profit/Loss ⁽²⁾	Fair Value ⁽¹⁾
1	33.028	24.253	20.164	365	-	4.658	4.189	-
2	99.253	73.482	43.385	1.655	-	26.493	24.044	-

(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 September 2013. Prior period profit/loss information of associates has been provided from reviewed financial statements as of 30 September 2012 .

(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 ⁽²⁾	Shareholders’ Equity ⁽²⁾	Total Non- Current Assets ⁽²⁾	Interest Income ⁽²⁾	Income from Marketable Securities ⁽²⁾	Current Period Profit/Loss ⁽²⁾	Prior Period Profit/Loss ⁽²⁾	Fair Value ⁽¹⁾
1	3.175.098	445.468	23.757	62.549	10.890	33.222	52.473	-

(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 September 2013 and prior period profit/loss balances of ArapTürk Bankası A.Ş. have been provided from reviewed financial statements as of 30 September 2012.

**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 SEPTEMBER 2013**
(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:

	Current Period	Prior Period
Beginning Balance	59.386	53.781
Movement During the Period	-	5.605
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Addition to Scope of Consolidation	-	-
Transfer to Available for Sale Fin. Assets	-	-
Sales	-	-
Revaluation	-	5.605
Impairment Provision	-	-
Ending Balance	59.386	59.386
Capital Commitments	-	-
Period Ending Share of Capital Participation	15,43	15,43

3) Sector information about consolidated associates:

	Current Period	Prior Period
Banks	59.386	59.386
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

4) Consolidated associates quoted to a stock exchange:

None (31 December 2012: 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 SEPTEMBER 2013

(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 ⁽²⁾	Shareholders' Equity ⁽²⁾	Total Non- Current Assets ⁽²⁾	Interest Income ⁽²⁾	Income from Marketable Securities ⁽²⁾	Current Period Profit/ Loss ⁽²⁾	Prior Period Profit/Loss ⁽²⁾	Fair Value ⁽¹⁾
1	47.859	5.115	21.963	188	30	(364)	479	-

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

(2) Current period information of subsidiaries has been provided from unaudited financial statements as of 30 September 2013 and prior period profit/loss balances has been provided from reviewed financial statements as of 30 September 2012.

(3) With the board of director decision in 15 May 2013, Bileşim Alternatif Dağıtım Kanalları ve Ödeme Sistemleri A.Ş.'s nominal share of TL610.000 was vested in T. Halk Bankası A.Ş. and partnership relation with this subsidiary was actually ended in 23 July 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	99,91
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 SEPTEMBER 2013

(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 ⁽³⁾	Shareholders' Equity ⁽³⁾	Total Non-Current Assets ⁽³⁾	Interest Income ⁽³⁾	Income from Marketable Securities Portfolio ⁽²⁾	Current Period Profit/Loss ⁽³⁾	Prior Period Profit/Loss ⁽³⁾	Fair Value ⁽¹⁾	Shareholders' Equity Amount To Be Needed
1	1.561.571	188.246	2.381	-	75.631	92.242	68.295	-	-
2	342.515	104.303	1.601	-	12.484	37.660	36.516	-	-
3	1.300.756	172.597	1.033	-	968	17.155	16.498	-	-
4	113.394	76.916	1.130	21.973	1.350.862	7.677	5.580	-	-
5	9.484	9.052	78	554	1.604	55	721	-	-
6	2.399.918	432.950	3.833	41.857	2.847	1.851	3.870	397.353	-
7	505.172	103.218	13.637	14.426	384	4.714	1.321	58.047	-
8	145.848	62.987	4.966	7.151	94	2.586	3.008	57.240	-
9	354.041	230.946	9.431	12.585	767	10.127	7.903	197.734	-

- (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 September 2013, the prior period profit/loss balances have been provided from reviewed financial statements as of 30 September 2012.

2) Information about consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	886.501	694.228
Movements During the Period	258.568	192.273
Additions to Scope of Consolidation	-	-
Purchases ⁽¹⁾	36.764	58.848
Bonus Shares Obtained	221.804	59.676
Dividends from current year income	-	-
Transfers to available for sale assets	-	-
Sales ⁽²⁾	-	37.469
Revaluation Increase	-	111.218
Impairment Provision	-	-
Balance at the End of the Period	1.145.069	886.501
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

- (1) The capital increase in the period is shown under “Purchases”.
- (2) With the Bank’s Board of Directors’ Decision No. 4, dated 11 January 2012, the total equity share of the Bank in Ziraat Bank AD Skopje will be transferred to Halk Bank A.D. Skopje, Joint Venture of T. Halk Bankası A.Ş., considering the legislation of Turkey and Macedonia within the scope of Decision No. 2002/3555 by the Council of Ministers. The transfer process was completed by November 2012.

**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 SEPTEMBER 2013

(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)

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

	Current Period	Prior Period
Banks	768.828	710.374
Insurance Companies	129.972	39.984
Factoring Companies	-	-
Leasing Companies	182.839	116.291
Financing Companies	-	-
Other Financial Subsidiaries	63.430	19.852

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) ⁽¹⁾	Parent Bank's Share ⁽²⁾	Group's Share	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	12.421	12.421	162.851	9.072	26.183	16.460	8.911
Uzbekistan- Turkish Bank	25.714	25.724	127.523	1.813	1.822	7.487	4.424
Azer Türk Bank ASC	17.321	18.827	246.363	1.687	584	24.219	21.044
Total	55.456	56.972	536.737	12.572	28.589	48.166	34.379

⁽¹⁾ Information on entities under common control is provided from the unaudited financial statements as of 30 September 2013.

⁽²⁾ 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 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 2012: 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, trade 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 TL96.120 consisting of TL8.615 on consumer loan, TL72.167 on its commercial loans and TL15.338 on its agricultural loans. Also, the sum of movables acquired from consumer loan amount to TL168. Total depreciation expense is TL499 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 SEPTEMBER 2013
(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	8.956.585	-	2.235.505	43.826.242	3.929.544	780.795	883.554	5.034	60.617.259
Foreign Currency Deposits	5.155.069	-	3.576.099	8.683.127	2.410.750	1.818.466	7.408.146	280	29.051.937
Residents in Turkey	4.597.639	-	3.424.572	7.880.406	2.195.354	1.077.433	6.485.483	277	25.661.164
Residents Abroad	557.430	-	151.527	802.721	215.396	741.033	922.663	3	3.390.773
Public Sector Deposits	6.575.182	-	2.794.233	6.186.497	438.939	280.547	1.605	-	16.277.003
Commercial Inst. Deposits	2.573.672	-	2.995.952	4.045.678	167.855	569.320	4.829	-	10.357.306
Other Inst. Deposits	1.529.466	-	1.100.064	2.399.349	179.064	406.934	4.366	-	5.619.243
Precious Metals	1.514.094	-	-	268.694	-	-	-	-	1.782.788
Interbank Deposits	107.521	-	4.815.534	1.520.684	1.537.702	32.171	74.992	-	8.088.604
CBRT	1.276	-	2.615	-	-	-	-	-	3.891
Domestic Banks	31.990	-	4.400.043	102.706	334.975	2.000	4.114	-	4.875.828
Foreign Banks	36.128	-	412.876	1.417.978	1.202.727	30.171	70.878	-	3.170.758
Participation Banks	38.127	-	-	-	-	-	-	-	38.127
Other	-	-	-	-	-	-	-	-	-
Total	26.411.589	-	17.517.387	66.930.271	8.663.854	3.888.233	8.377.492	5.314	131.794.140

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	6.841.609	-	2.177.611	43.625.246	3.366.354	481.282	838.565	5.010	57.335.677
Foreign Currency Deposits	3.958.526	-	3.333.810	6.203.551	2.588.811	874.081	5.425.944	272	22.384.995
Residents in Turkey	3.580.586	-	3.237.227	5.837.263	2.398.163	742.057	4.776.105	270	20.571.671
Residents Abroad	377.940	-	96.583	366.288	190.648	132.024	649.839	2	1.813.324
Public Sector Deposits	6.403.670	-	1.572.256	5.756.571	336.474	366.977	3.577	-	14.439.525
Commercial Inst. Deposits	2.176.608	-	2.486.280	4.779.989	879.998	4.076	18.851	-	10.345.802
Other Inst. Deposits	1.463.788	-	562.695	3.720.185	171.128	348.875	6.788	-	6.273.459
Precious Metals	848.805	-	-	81.527	-	-	-	-	930.332
Interbank Deposits	81.660	-	4.248.751	923.044	1.995.059	2.000	6.000	-	7.256.514
CBRT	2.214	-	1.779	-	-	-	-	-	3.993
Domestic Banks	35.552	-	4.078.998	211.324	279.529	2.000	6.000	-	4.613.403
Foreign Banks	33.863	-	167.974	711.720	1.715.530	-	-	-	2.629.087
Participation Banks	10.031	-	-	-	-	-	-	-	10.031
Other	-	-	-	-	-	-	-	-	-
Total	21.774.666	-	14.381.403	65.090.113	9.337.824	2.077.291	6.299.725	5.282	118.966.304

**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 SEPTEMBER 2013

(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 ⁽²⁾	40.402.359	30.505.073	19.954.883	26.579.587
Foreign Currency Saving Deposits ⁽²⁾	13.048.619	8.336.033	10.820.830	10.600.342
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance ⁽¹⁾	448.627	423.579	48.059	28.553
Deposits at Off-Shore Banking Regions’ and under Foreign Authorities’ Insurance	-	-	-	-

⁽¹⁾ 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, TL22.628 and TL16.927 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2012: Bulgaria and Greece, respectively TL10.668, TL9.642).

⁽²⁾ Related deposit balances do not include foreign branches.

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL2.677 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 TL100.000 attributable to a real person is covered by the insurance, TL335.628 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 in 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 SEPTEMBER 2013

(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:

	Current Period	Prior Period
Deposits and other Accounts in Branches Abroad	63.596	64.624
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	1.428	1.691
Deposits Obtained through Illegal Acts Defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

2. Information on derivative financial liabilities held for trading:

a) Negative differences related to the derivative financial liabilities held for trading:

Financial Liabilities Held for Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	8.712	14	25	319
Swap Transactions	2.128	46.958	38.962	16.242
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	10.840	46.972	38.987	16.561

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	152.651	140.941	67.462	86.120
Foreign Banks, Institutions and Funds	933.386	5.114.375	797.484	2.121.373
Total	1.086.037	5.255.316	864.946	2.207.493

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	119.157	4.259.703	56.879	1.453.890
Medium and Long-Term	966.880	995.613	808.067	753.603
Total	1.086.037	5.255.316	864.946	2.207.493

**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 SEPTEMBER 2013

(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:

67,32% of the Bank’s liabilities consist of deposits. Deposits are having a diversified base and have steady structures. The Bank’s liabilities are not subject to a significant concentration risk.

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	1.640	1.601	27	25
1-5 Years	1	1	270	262
More than 5 Years	-	-	-	-
Total	1.641	1.602	297	287

6. Information on derivative financial liabilities for hedging purposes:

There are no derivative financial liabilities for hedging purposes (31 December 2012: None).

7. Explanations on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions	1.768.449	1.204.739
Provisions for First Group Loans and Receivables	1.531.600	974.713
Additional Provision for Loans and Receivables with Extended Maturities	53.382	20.214
Provisions for Second Group Loans and Receivables	130.253	150.130
Additional Provision for Loans and Receivables with Extended Maturities	21.362	13.702
Provisions for Non-Cash Loans	75.313	47.201
Other	31.283	32.695

**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 SEPTEMBER 2013

(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)

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 TL27.570.

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 TL953.300 thousand (TL197.800 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 TL10.250 and other provision of TL161 exist for cash transfers made by Bank officials.

	Current Period	Prior Period
Free provisions for possible risks	963.711	765.976

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 TL69.855 full provision has been provided in these financial statements for law suits ended against the Bank but not finalized yet, amounting to TL33.409. In addition to these, for the interest expenses calculated for the lawsuits against the Bank concerning the remuneration liabilities related to KOSGEB and National Productivity Center, general provision amounting to TL62.932 has been provided.

With the final decision of the Competition Board in 8 March 2013, the Parent Bank was imposed an administrative penalty amounting to TL148.231 and the reasoned decision of penalty above-mentioned has been communicated to the Bank that is 1% of its annual gross revenue formed at the end of 2011 and determined by the Board, because of the violation of the fourth article of “Act on the Protection of Competition” numbered 4054. In accordance with 17th article of Misdemeanor Law, TL111.174 was paid in 16 August 2013 and TL111.200 which was booked as other provision in early period was cancelled by reversal.

Furthermore, based on the decision of the Bank management, provision amounting to TL105.100 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 TL27.570 for unindemnified non-cash loans, and TL10.997 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 TL1.203.719 (31 December 2012: TL1.023.100).

**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 SEPTEMBER 2013

(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)

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 September 2013 unpaid vacation provision amounted to TL129.800 (31 December 2012: TL134.400) and employment termination benefits provision amounted to TL543.917 (31 December 2012: TL639.800) 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 September 2013, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL258.251 (31 December 2012: TL343.727).

2) Information on current taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	258.251	343.727
Taxation on Income From Securities	128.181	86.192
Property Tax	1.479	1.000
Banking Insurance Transactions Tax (BITT)	53.502	51.049
Foreign Exchange Transactions Tax	14	5
Value Added Tax Payable	1.924	1.253
Other	26.477	29.964
Total	469.828	513.190

3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums - Employee	32	20
Social Security Premiums - Employer	42	25
Bank Social Aid Pension Fund Premium - Employee	128	101
Bank Social Aid Pension Fund Premium - Employer	237	187
Pension Fund Membership Fees and Provisions - Employee	6	5
Pension Fund Membership Fees and Provisions - Employer	20	14
Unemployment Insurance - Employee	327	241
Unemployment Insurance - Employer	660	485
Other	-	9
Total	1.452	1.087

b) Information on deferred tax liabilities, if any:

The Bank’s deferred tax liability amounts to TL306.853 (31 December 2012: TL245.065). However, this amount is net off against the deferred tax asset and accordingly deferred tax asset amounting to TL273.459 (31 December 2012: TL223.758) is presented 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 SEPTEMBER 2013

(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:

a) Presentation on paid-in capital:

	Current Period	Prior Period
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.

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	-	175.386	-	175.386
Revaluation Difference	-	175.386	-	175.386
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	(353.715)	113.125	477.484	525.717
Revaluation Difference	(471.686)	113.125	689.021	525.717
Deferred Tax Effect	117.971	-	(211.537)	-
Foreign Exchange Difference	-	-	-	-
Total	(353.715)	288.511	477.484	701.103

**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 SEPTEMBER 2013

(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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Payment Commitments for Cheques	2.519.240	2.410.263
Asset Purchase Commitments	1.448.837	443.890
Commitments for Credit Card Expenditure Limits	3.910.475	3.813.950
Loan Granting Commitments	2.412.929	141.017
Other Irrevocable Commitments	2.665.854	2.105.637
Subsidiaries and Associates Capital Contribution Commitments	-	-
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	12.854	10.985
Total	12.970.189	8.925.742

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.

1) Non-cash loans including guarantees, acceptances, financial guarantees and other letter of credits:

	Current Period	Prior Period
Guarantee Letters	19.829.768	12.087.732
Bank Acceptances	1.895.177	959.329
Letter of Credits	3.839.504	2.346.493
Total	25.564.449	15.393.554

2) Certain guarantees, temporary guarantees, surety ships and similar transactions:

	Current Period	Prior Period
Letter of Temporary Guarantees	1.111.999	464.147
Letter of Certain Guarantees	12.158.798	6.838.988
Letters of Advance Guarantees	5.194.667	3.488.401
Letters of Guarantees given to Customs Offices	80.974	122.079
Other Letters of Guarantees	1.283.330	1.174.117
Total	19.829.768	12.087.732

c) Total non-cash loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	1.126.317	1.042.263
With Original Maturity of One Year or Less	169.376	119.644
With Original Maturity of More than One Year	956.941	922.619
Other Non-Cash Loans	24.438.132	14.351.291
Total	25.564.449	15.393.554

**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 SEPTEMBER 2013

(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

1. a) Information on interest income from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans ⁽¹⁾	6.416.795	444.414	6.254.169	238.585
Short Term Loans	1.878.073	51.710	1.872.054	43.003
Medium and Long Term Loans	4.438.707	392.694	4.307.735	195.542
Interest on Non-Performing Loans	100.015	10	74.380	40
Premiums from Resource Utilization Support Fund	-	-	-	-

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

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	7.443	386	188	348
Foreign Banks	775	15.029	824	16.256
Head Office and Branches	-	-	-	-
Total	8.218	15.415	1.012	16.604

c) Information on interest income from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Held for Trading	689	339	2.093	424
Financial Assets at Fair Value through Profit and Loss	14	-	-	-
Financial Assets Available-for-Sale	1.890.035	175.954	2.264.920	139.995
Investments Held-to-Maturity	1.167.499	225.613	2.050.650	215.993
Total	3.058.237	401.906	4.317.663	356.412

d) Information on interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	2.437	3.641

2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	48.484	50.363	33.649	17.621
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	4.958	1.619	4.117	818
Foreign Banks	43.526	48.744	29.532	16.803
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	48.484	50.363	33.649	17.621

⁽¹⁾ Includes fees and commissions expenses 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 SEPTEMBER 2013

(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)

2. b) Information on interest expenses given to subsidiaries and associates:

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	18.724	60.992

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TP	YP	TP	YP
Interest Expense on securities issued	113.972	-	95.850	-

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		
TL								
Bank deposits	-	105.439	-	-	-	-	-	105.439
Saving deposits	9	89.515	2.196.388	213.303	39.904	48.481	535	2.588.135
Public sector deposits	152	93.270	318.550	15.826	23.013	75	-	450.886
Commercial deposits	109	94.401	206.736	35.716	15.254	594	-	352.810
Other deposits	18	23.906	134.783	19.888	21.173	269	-	200.037
7 days call accounts	-	-	-	-	-	-	-	-
Total	288	406.531	2.856.457	284.733	99.344	49.419	535	3.697.307
FC								
Foreign currency deposits	1.180	37.861	101.963	38.507	20.346	126.436	5	326.298
Bank deposits	39.144	-	-	-	-	-	-	39.144
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	101	795	55	35	31	-	1.017
Total	40.324	37.962	102.758	38.562	20.381	126.467	5	366.459
Grand Total	40.612	444.493	2.959.215	323.295	119.725	175.886	540	4.063.766

3. Information on trading profit/loss (net):

	Current Period	Prior Period
Profit	7.462.706	3.858.045
Profit from the Capital Market Transactions	51.101	64.407
Profit on Derivative Financial Instruments	1.501.731	900.878
Foreign Exchange Gains	5.909.874	2.892.760
Loss (-)	7.535.865	3.891.131
Loss from the Capital Market Transactions	2.134	19.663
Loss on Derivative Financial Instruments	1.183.535	1.079.997
Foreign Exchange Loss	6.350.196	2.791.471

4. Information on profit/loss on derivative financial operations:

	Current Period	Prior Period
Effect of the change in exchange rates on profit/loss	1.030.364	(709.055)
Effect of the change in interest rates on profit/loss	(712.168)	529.936
Total	318.196	(179.119)

**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 SEPTEMBER 2013

(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)

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 TL568.021

6. a) Provision expenses for impairment on loans and other receivables:

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables ⁽¹⁾	519.665	582.312
Group III Loans and Receivables	85.615	268.019
Group IV Loans and Receivables	310.508	223.056
Group V Loans and Receivables	123.542	91.237
General Provision Expenses ⁽²⁾	561.860	123.565
Provision Expenses for the Possible Losses	309.300	565.800
Marketable Securities Impairment Expense	615	316
Financial Assets at Fair Value through Profit and Loss	-	1
Financial Assets Available for Sale	615	315
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	-	8.418
Associates	-	-
Subsidiaries	-	-
Entities under Common Control	-	-
Investment Securities Held to Maturity	-	8.418
Other	1.501	98.652
Total	1.392.941	1.379.063

(1) The relevant balance includes the expenses related to the current period. The provision reversals within the period amounting to TL269.228 are presented in other operating income (30 September 2012: TL108.237).

(2) The relevant balances include the expenses related to the current period. The provision reversals within the period amounting to TL175 are presented in other operating income.

7. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses	1.276.919	1.028.817
Reserve for Employee Termination Benefits	34.543	73.023
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	55.421	43.684
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	16.339	10.507
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	696.315	445.927
Operational Leasing Expenses	80.530	61.536
Maintenance Expenses	50.178	22.644
Advertisement Expenses	48.279	8.690
Other Expenses	517.328	353.057
Loss on Sales of Assets	397	95
Other ⁽¹⁾	541.226	398.451
Total	2.621.160	2.000.504

(1) TL206.393 of the relevant balance is Savings Deposit Insurance Fund expense accrual (30 September 2012: TL155.371), TL217.041 is taxes, fees and tolls expenses (30 September 2012: TL157.270).

**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 SEPTEMBER 2013

(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:

	Current Period	Prior Period
Net Interest Income	5.633.042	4.948.823
Net Fees and Commissions Income	691.120	557.885
Dividend Income	316.356	89.293
Trading Income/Expense (Net)	(73.159)	(33.086)
Other Operating Income	812.461	321.250
Provision for Loan or Other Receivables Losses (-)	1.392.941	1.379.063
Other Operating Expenses (-)	2.621.160	2.000.504
Income(Loss) From Continuing Operations	3.365.719	2.504.598

9. Information on tax provision for continuing and discontinued operations:

As of 30 September 2013, the Bank's income tax provision amounting to TL789.418 (30 September 2012: TL618.242) consists of TL507.766 (30 September 2012: TL797.683) of current tax charge and TL281.652 (30 September 2012: TL179.441) 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 TL2.576.301 (30 September 2012: TL1.886.356).

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 September 2013, the Bank's other fee and commission income amounting to TL773.289 (30 September 2012: TL652.134) consists of TL192.915 (30 September 2012: TL205.330) of credit card fees and commission income, TL172.991 (30 September 2012: TL108.467) of insurance commission and the remaining TL407.383 (30 September 2012: TL338.337) 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 SEPTEMBER 2013

(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 ⁽²⁾	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables ⁽¹⁾						
Opening Balance	2.267.916	445.849	-	-	-	-
Closing Balance	2.531.785	749.909	-	-	-	-
Interest and Commissions Income	2.437	-	-	-	-	-

(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 TL795.956 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 ⁽²⁾	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables ⁽¹⁾						
Opening Balance	1.812.188	675.435	-	-	-	-
Closing Balance	2.267.916	445.849	-	-	-	-
Interest and Commissions Income	3.641	-	-	-	-	-

(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 TL695.461 are included in the cash loans.

(3) Interest and commissions income balance is the balance as of 30 September 2012.

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	932.442	1.175.691	-	-	-	-
Closing Balance	2.137.040	932.442	-	-	-	-
Interest expense on deposits	18.724	60.992	-	-	-	-

(1) The prior period balance of the accrued interest expense of the deposit is the balance as of 30 September 2012.

**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 SEPTEMBER 2013

(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)

1) 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	-	7.402	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	(322)	47	-	-	-	-
Risk Protection Oriented Processes						
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

⁽¹⁾ The prior period loss balance is the balance as of 30 September 2012.

2) Information about fees paid to the Bank’s key management:

Fees paid to the Bank’s key management total amount is TL 13.925 (30 September 2012: TL10.127).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- The issue and public offer of the Bank's bonds with a nominal value of TRY612 million with 105-day maturity and having a fixed term on 24 January 2014 and of the bonds with a nominal value of TRY538 million with 180-day maturity and having a fixed term on 9 April 2014 have been performed via book-building method on 7 October, 8 October and 9 October 2013. The compound interest rates were 7.65% and 7.91% respectively.
- The issue and public offer of the Bank’s bonds with a nominal value of TRY501 million with 120-day maturity and having a fixed term on 5 March 2014 and of the bonds with a nominal value of TRY324 million with 174-day maturity and having a fixed term on 28 April 2014 and of the bonds with a nominal value of TRY85 million with 353-day maturity and having a fixed term on 24 October 2014 have been performed via book-building method on 30 October, 31 October and 1 November 2013. The compound interest rates were 7.52%, 7.78% and 8.36%.

**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 SEPTEMBER 2013**
(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 September 2013, 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 November 2013 is presented preceding the financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

.....