

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 31 MARCH 2011**

**(Convenience Translation of Publicly Announced
Unconsolidated Financial Statements and 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 31 March 2011 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.

Based on our review, 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 31 March 2011 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

Z. Alper Önder, SMMM
Partner

Istanbul, 9 May 2011

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED
INTERIM FINANCIAL STATEMENTS AND 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 31 MARCH 2011**

The Bank's Headquarter Address: Doğanbey Mahallesi Atatürk Bulvarı
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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 LIMITED REVIEW REPORT

Unless otherwise indicated, these unconsolidated financial statements, explanatory footnotes and disclosures for the three months period ended on March 31, 2011 are prepared in Thousands of Turkish Lira in accordance with the Communiqué on "Banks' Accounting Practices and Maintaining Documents", Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and interpretations, and the Banks' records, have been reviewed and presented as attached.

Muharrem KARSLI
Chairman of the Board of
Directors

Oğuz KAYHAN
Member of the Board of Directors
(Member of the Audit Committee)

Halil ÇELİK
Member of the Board of Directors
(Member of the Audit Committee)

Can Akın ÇAĞLAR
General Manager

İsmail Erdal MAZLUM
Assistant General Manager
Responsible for Financial Reporting

Mehmet Şükrü TAŞCI
Head of General Accounting
and Reporting Unit

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

Name/Title : Atakan BEKTAŞ/Financial Statements Unit Manager
Telephone Number : 0312 584 70 97 - 70 98
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**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 31 MARCH 2011**
(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 Under Secretariat of Treasury of the Turkish Republic.

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 Under Secretariat of Treasury of the Turkish Republic.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(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
Mehmet MUMCUOĞLU	Vice Chairman
Can Akın ÇAĞLAR	General Manager and Board Member
Burhanettin AKTAŞ	Member
Halil ÇELİK	Member
Hikmet Aydın SİMİT	Member
Oğuz KAYHAN	Member
Dr. Ümran DEMİRÖRS	Member
Members of the Audit Committee	
Halil ÇELİK	Member
Oğuz KAYHAN	Member
Chief Assistant General Managers	
Selim Güray ÇELİK	Banking
Senih BOYACIGİL	Strategy and Financial Management
Assistant General Managers	
Ali Rıza AKBAŞ	Commercial Banking
Alpaslan ÇAKAR	Consumer Banking
Celal REYHAN	Fund Management
Numan BEK	External Relations and Associates
Elif Zeynep ERÜL	Corporate Communication
Ercüment GÜLER	Resource Management
Ertuğrul İSPAHA	Credit Monitoring and Workout
Hüsamettin GÜLHAN	Agricultural Banking
İsmail Erdal MAZLUM	Accounting and Financial Management
Mustafa ŞAHİN	Support Services
Seyfettin SAĞLAM	Human Resources
Dr. Soner CANKO	Banking Operations
Group Heads	
Bülent YALIM	Internal Control
M. Ayhan ALTINTAŞ	Risk Management
Chairman of the Internal Audit	
Ali ARAS	Chairman of the Internal Audit

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
Undersecretariat of Treasury	2.500.000	100	2.500.000	-

The sole shareholder of the Bank is the Undersecretariat of Treasury of the Turkish Republic.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(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 31 March 2011, Bank carries its activities with a grand total of 1.408 branches; 1.386 domestic branches including 1.316 branches, 25 bureaus, 43 private operation centers, 2 mobile branches (31 December 2010: 1.379 domestic branches including 1.299 branches, 25 bureaus, 53 private operation centers, 2 mobile branches) and 22 branches abroad including 15 branches and 7 sub branches (New York branch in United States, London branch in England, Tbilisi branch in Georgia, Baghdad and Arbil branches in Iraq, Athens, Gümülçine and İskeçe branches in Greece, Sofia branch and Filibe/Plovdiv, Kardzhali and Varna sub branches in Bulgaria, Jeddah branch in Saudi Arabia, Lefkoşa, Girne, Güzelyurt, Gazimağusa and Gönyeli branches with Paşaköy, Near East University, Karaoğlanoğlu and Çatalköy sub branches in Turkish Republic of Northern Cyprus). The Bank also has 1 representative office in Tehran, Iran. Besides, preparations for opening sub branches in Georgia (Batumi), in Turkish Republic of Northern Cyprus (İskele) and branches in Greece (Rodos), in Kosova (Pristine) with a sub branch in Prizren connected to this branch are still continuing.

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, in line with the demands of the customers, can enable the usage of agricultural loan limits associated with the Başakkart. 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.

**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 31 MARCH 2011 AND 31 DECEMBER 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**SECTION TWO
THE BANK’S UNCONSOLIDATED FINANCIAL STATEMENTS**

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Current Period (31/03/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		ASSETS					
I. CASH BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	9.336.766	2.565.388	11.902.154	7.652.000	2.613.064	10.265.064
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(2)	118.593	19.053	137.646	211.577	28.012	239.589
2.1 Financial Assets Held for Trading		118.593	19.053	137.646	211.577	28.012	239.589
2.1.1 Public Sector Debt Securities		118.481	18.189	136.670	183.889	26.229	210.118
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		112	864	976	27.688	1.783	29.471
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)	49.420	2.030.635	2.080.055	44.514	4.597.596	4.642.110
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)	36.808.738	4.069.955	40.878.693	35.943.019	3.781.486	39.724.505
5.1 Securities Representing a Share in Capital		125.104	51.877	176.981	118.312	46.394	164.706
5.2 Public Sector Debt Securities		36.281.900	3.977.328	40.259.228	35.618.082	3.695.037	39.313.119
5.3 Other Marketable Securities		401.734	40.750	442.484	206.625	40.055	246.680
VI. LOANS AND RECEIVABLES	(5)	53.853.649	5.892.512	59.746.161	51.982.988	5.460.465	57.443.453
6.1 Loans and Receivables		53.582.953	5.892.512	59.475.465	51.700.885	5.460.465	57.161.350
6.1.1 Loans Granted to Risk Group of The Bank		-	214.254	214.254	-	206.449	206.449
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		53.582.953	5.678.258	59.261.211	51.700.885	5.254.016	56.954.901
6.2 Loans under Follow-up		833.885	10.461	844.346	844.746	10.324	855.070
6.3 Specific Provisions (-)		563.189	10.461	573.650	562.643	10.324	572.967
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	30.270.050	4.101.288	34.371.338	32.331.551	4.056.500	36.388.051
8.1 Public Sector Debt Securities		30.263.998	4.100.848	34.364.846	32.325.607	4.056.071	36.381.678
8.2 Other Marketable Securities		6.052	440	6.492	5.944	429	6.373
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	53.290	-	53.290	52.177	-	52.177
9.1 Accounted with Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		53.290	-	53.290	52.177	-	52.177
9.2.1 Financial Associates		47.837	-	47.837	47.123	-	47.123
9.2.2 Non-financial Associates		5.453	-	5.453	5.054	-	5.054
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	121.518	520.976	642.494	114.700	520.976	635.676
10.1 Unconsolidated Financial Subsidiaries		115.797	520.976	636.773	108.979	520.976	629.955
10.2 Unconsolidated Non-Financial Subsidiaries		5.721	-	5.721	5.721	-	5.721
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	50.359	50.359	-	43.231	43.231
11.1 Accounted with Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Entities Under Common Control		-	50.359	50.359	-	43.231	43.231
11.2.1 Financial Entities Under Common Control		-	50.359	50.359	-	43.231	43.231
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)		827.533	6.365	833.898	821.178	4.864	826.042
XV. INTANGIBLE ASSETS (Net)		35.332	6.499	41.831	33.736	1.688	35.424
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		35.332	6.499	41.831	33.736	1.688	35.424
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET		372.439	-	372.439	316.340	-	316.340
17.1 Current Tax Asset		23.434	-	23.434	1.504	-	1.504
17.2 Deferred Tax Asset		349.005	-	349.005	314.836	-	314.836
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(13)	51.679	-	51.679	14.945	-	14.945
18.1 Held for Sale		51.679	-	51.679	14.945	-	14.945
18.2 Held from Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS		618.709	24.125	642.834	478.769	54.332	533.101
TOTAL ASSETS		132.517.716	19.287.155	151.804.871	129.997.494	21.162.214	151.159.708

**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 31 MARCH 2011 AND 31 DECEMBER 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

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 31 MARCH 2011 AND 31 DECEMBER 2010
(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 (31/03/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		LIABILITIES AND EQUITY					
I. DEPOSITS	(1)	105.459.046	21.562.155	127.021.201	103.371.049	22.425.423	125.796.472
1.1 Deposits Held By the Risk Group of the Bank		1.173.347	149.832	1.323.179	1.395.435	131.613	1.527.048
1.2 Other		104.285.699	21.412.323	125.698.022	101.975.614	22.293.810	124.269.424
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	29.592	1.678	31.270	5.514	85	5.599
III. FUNDS BORROWED	(3)	39.710	120.017	159.727	28.679	70.084	98.763
IV. MONEY MARKET BALANCES		5.173.999	-	5.173.999	5.003.477	-	5.003.477
4.1 Interbank Money Market Borrowings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		5.173.999	-	5.173.999	5.003.477	-	5.003.477
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		3.470.883	-	3.470.883	3.525.458	-	3.525.458
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		3.470.883	-	3.470.883	3.525.458	-	3.525.458
VII. MISCELLANEOUS PAYABLES		591.340	152.965	744.305	574.576	139.130	713.706
VIII. OTHER LIABILITIES	(4)	584.447	322.638	907.085	626.643	297.670	924.313
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. PAYABLES FROM LEASING TRANSACTIONS (Net)	(5)	-	-	-	-	1	1
10.1 Finance Lease Payables		-	-	-	-	1	1
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	-	-	-	-	-
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)	1.351.304	5.329	1.356.633	1.223.040	4.990	1.228.030
12.1 General Provisions		641.774	89	641.863	254.814	31	254.845
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		608.445	-	608.445	600.830	-	600.830
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		101.085	5.240	106.325	367.396	4.959	372.355
XIII. TAX LIABILITY	(8)	428.033	230	428.263	405.625	179	405.804
13.1 Current Tax Liability		428.033	230	428.263	405.625	179	405.804
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)	12.408.472	103.033	12.511.505	13.271.440	186.645	13.458.085
16.1 Paid-in Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000
16.2 Capital Reserves		944.864	103.033	1.047.897	1.302.740	186.645	1.489.385
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		384.021	103.033	487.054	741.963	186.645	928.608
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		17.361	-	17.361	17.295	-	17.295
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		543.482	-	543.482	543.482	-	543.482
16.3 Profit Reserves		8.230.307	-	8.230.307	5.596.300	-	5.596.300
16.3.1 Legal Reserves		2.290.756	-	2.290.756	2.012.298	-	2.012.298
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		5.305.510	-	5.305.510	3.000.593	-	3.000.593
16.3.4 Other Profit Reserves		634.041	-	634.041	583.409	-	583.409
16.4 Profit or Loss		733.301	-	733.301	3.872.400	-	3.872.400
16.4.1 Prior Years Profit/Loss		159.798	-	159.798	159.798	-	159.798
16.4.2 Net Period Profit/Loss		573.503	-	573.503	3.712.602	-	3.712.602
TOTAL LIABILITIES AND EQUITY		129.536.826	22.268.045	151.804.871	128.035.501	23.124.207	151.159.708

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 31 MARCH 2011 AND 31 DECEMBER 2010
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)**

II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period (31/03/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		A		29.801.746	15.952.719	45.754.465	21.918.514
I. GUARANTEES AND WARRANTIES	(1)	3.006.351	5.251.645	8.257.996	2.600.853	4.921.101	7.521.954
1.1 Letters of Guarantee		3.004.119	3.935.702	6.939.821	2.598.621	3.898.990	6.497.611
1.1.1 Guarantees Subject to State Tender Law		331.659	3.723.800	4.055.459	306.182	3.675.222	3.981.404
1.1.2 Guarantees Given for Foreign Trade Operations		1.988.932	-	1.988.932	1.782.538	-	1.782.538
1.1.3 Other Letters of Guarantee		683.528	211.902	895.430	509.901	223.768	733.669
1.2 Bank Acceptances		2.000	43.021	45.021	2.000	37.164	39.164
1.2.1 Import Letter of Acceptance		-	8.852	8.852	-	8.721	8.721
1.2.2 Other Bank Acceptances		2.000	34.169	36.169	2.000	28.443	30.443
1.3 Letters of Credit		232	1.272.922	1.273.154	232	984.947	985.179
1.3.1 Documentary Letters of Credit		232	1.272.922	1.273.154	232	984.947	985.179
1.3.2 Other Letters of Credit		-	-	-	-	-	-
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)	23.728.291	7.221.626	30.949.917	17.265.250	4.282.801	21.548.051
2.1 Irrevocable Commitments		6.859.593	1.054.387	7.913.980	5.684.559	491.315	6.175.874
2.1.1 Asset Purchase and Sale Commitments		534.218	592.984	1.127.202	93.489	167.788	261.277
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		2.000	-	2.000	2.000	-	2.000
2.1.4 Loan Granting Commitments		3	-	3	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		2.490.670	-	2.490.670	2.303.845	-	2.303.845
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		3.066.146	-	3.066.146	2.673.734	-	2.673.734
2.1.10 Commitments for credit cards and banking services promotions		6.562	-	6.562	10.958	-	10.958
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		759.994	461.403	1.221.397	600.533	323.527	924.060
2.2 Revocable Commitments		16.868.698	6.167.239	23.035.937	11.580.691	3.791.486	15.372.177
2.2.1 Revocable Loan Granting Commitments		16.868.396	6.167.239	23.035.635	11.580.339	3.791.486	15.371.825
2.2.2 Other Revocable Commitments		302	-	302	352	-	352
III. DERIVATIVE FINANCIAL INSTRUMENTS		3.067.104	3.479.448	6.546.552	2.052.411	2.148.669	4.201.080
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		3.067.104	3.479.448	6.546.552	2.052.411	2.148.669	4.201.080
3.2.1 Forward Foreign Currency Buy/Sell Transactions		6.629	12.961	19.590	9.352	10.353	19.705
3.2.1.1 Forward Foreign Currency Transactions-Buy		3.316	6.481	9.797	4.682	5.187	9.869
3.2.1.2 Forward Foreign Currency Transactions-Sell		3.313	6.480	9.793	4.670	5.166	9.836
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		3.060.475	3.466.487	6.526.962	2.043.059	2.138.316	4.181.375
3.2.2.1 Foreign Currency Swap-Buy		-	3.245.315	3.245.315	61.728	2.039.638	2.101.366
3.2.2.2 Foreign Currency Swap-Sell		3.060.475	221.172	3.281.647	1.981.331	98.678	2.080.009
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)		163.481.389	8.098.234	171.579.623	144.257.120	7.326.577	151.583.697
IV. ITEMS HELD IN CUSTODY		16.523.623	740.255	17.263.878	12.077.658	645.771	12.723.429
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		3.108.898	561.612	3.670.510	2.917.066	515.859	3.432.925
4.3 Checks Received for Collection		770.802	15.794	786.596	867.258	15.434	882.692
4.4 Commercial Notes Received for Collection		2.255.000	107.255	2.362.255	2.161.082	75.767	2.236.849
4.5 Other Assets Received for Collection		8.567	-	8.567	8.442	-	8.442
4.6 Assets Received for Public Offering		10.174.738	423	10.175.161	5.920.736	305	5.921.041
4.7 Other Items Under Custody		203.966	55.171	259.137	201.422	38.406	239.828
4.8 Custodians		1.652	-	1.652	1.652	-	1.652
V. PLEDGES RECEIVED		146.957.766	7.324.354	154.282.120	132.179.462	6.647.063	138.826.525
5.1 Marketable Securities		265.933	14.209	280.142	261.333	13.549	274.882
5.2 Guarantee Notes		17.603.294	2.884.968	20.488.262	15.576.321	2.641.709	18.218.030
5.3 Commodity		1.248.301	14.403	1.262.704	1.227.795	25.555	1.253.350
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		118.851.592	3.467.964	122.319.556	107.084.713	3.050.964	110.135.677
5.6 Other Pledged Items		8.983.437	936.783	9.920.220	8.024.091	909.357	8.933.448
5.7 Pledged Items-Depository		5.209	6.027	11.236	5.209	5.929	11.138
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	33.625	33.625	-	33.743	33.743
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		193.283.135	24.050.953	217.334.088	166.175.634	18.679.148	184.854.782

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 FOR THE INTERIM PERIODS
FROM 1 JANUARY TO 31 MARCH 2011 AND 2010**

(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 01/01-31/03/2011	Prior Period 01/01-31/03/2010
I. INTEREST INCOME	(1)	3.063.981	3.036.388
1.1 Interest Income from Loans		1.595.810	1.323.710
1.2 Interest Income From Reserve Deposits		364	257
1.3 Interest Income from Banks		13.929	52.890
1.4 Interest Income from Money Market Placements		33	199
1.5 Interest Income from Marketable Securities		1.448.987	1.655.591
1.5.1 Financial Assets Held for Trading		2.178	10.703
1.5.2 Financial Assets at Fair Value through Profit and Loss		-	-
1.5.3 Financial Assets Available-for-Sale		751.096	640.611
1.5.4 Investments Held-to-Maturity		695.713	1.004.277
1.6 Finance Lease Income		-	-
1.7 Other Interest Income		4.858	3.741
II. INTEREST EXPENSES	(2)	1.825.260	1.632.834
2.1 Interest Expense on Deposits		1.731.275	1.483.860
2.2 Interest on Borrowings		1.075	427
2.3 Interest on Money Market Borrowings		85.664	140.803
2.4 Interest on Marketable Securities Issued		-	-
2.5 Other Interest Expense		7.246	7.744
III. NET INTEREST INCOME/EXPENSES (I - II)		1.238.721	1.403.554
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		166.111	124.608
4.1 Fees and Commissions Received		194.412	145.070
4.1.1 Non-cash Loans		8.432	5.518
4.1.2 Other		185.980	139.552
4.2 Fees and Commissions Paid		28.301	20.462
4.2.1 Non-cash Loans		-	-
4.2.2 Other		28.301	20.462
V. DIVIDEND INCOME		29.298	24.907
VI. TRADING PROFIT/LOSS (Net)	(3)	(23.855)	18.402
6.1 Profit/Loss from Capital Market Operations		13.941	3.680
6.2 Profit/losses on Derivative Financial Transactions		64.753	13.138
6.3 Profit/Loss from Foreign Exchanges		(102.549)	1.584
VII. OTHER OPERATING INCOME	(5)	131.890	157.696
VIII. TOTAL OPERATING INCOMES/EXPENSES (III+IV+V+VI+VII)		1.542.165	1.729.167
IX. PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)	(6)	188.814	84.285
X. OTHER OPERATING EXPENSES(-)	(7)	620.365	525.089
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		732.986	1.119.793
XII. GAINS RECORDED AFTER MERGER		-	-
XIII. PROFIT/LOSS ON EQUITY METHOD		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(8)	732.986	1.119.793
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9)	(159.483)	(207.204)
16.1 Current Tax Provision		(83.438)	(220.802)
16.2 Deferred Tax Provision		(76.045)	13.598
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)		573.503	912.589
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		-	-
19.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures (Business Partners)		-	-
19.3 Other Expenses From Discontinued Operations		-	-
XX. PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI. PROVISION FOR INCOME TAXES FROM DISCONTINUED OPERATIONS (±)		-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSSES (XVII+XXII)	(10)	573.503	912.589
Earnings/Loss per Share		0,000229	0,000365

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 31 MARCH 2011 AND 2010**

(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 (31/03/2011)	Prior Period (31/03/2010)
I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	125.228	477.911
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(2.979)	1.339
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	(397)	-
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	(7.959)	(15.891)
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	113.893	463.359
XI. CURRENT YEAR PROFIT/LOSS	(555.447)	(404.090)
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	(555.728)	(392.851)
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	281	(11.239)
XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X±XI)	(441.554)	59.269

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 31 MARCH 2010**

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

V. CHANGES IN SHAREHOLDERS' EQUITY		Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancell. 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
31 March 2010																		
I.	Beginning Balance (*)		2.500.000	543.483	-	-	1.758.096	-	1.074.290	304.134	-	3.670.753	490.607	-	12.764	-	-	10.354.127
II.	Corrections According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The Effects of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I + II)		2.500.000	543.483	-	-	1.758.096	-	1.074.290	304.134	-	3.670.753	490.607	-	12.764	-	-	10.354.127
Changes in Period																		
IV.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	57.930	-	-	-	-	57.930
VI.	Hedging Funds (Active Part)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-	-	-	-	-	-	-	1.052	-	-	1.052
X.	Foreign Exchange Differences		-	24	-	-	-	-	-	(4)	-	-	1.339	-	-	-	-	1.359
XI.	Changes Resulted from Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes Resulted from Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Increase in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	From Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Net Profit or Losses		-	-	-	-	-	-	-	-	912.589	-	-	-	-	-	-	912.589
XX.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.1	Dividend Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Legal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V +...+XVIII+XIX+XX)			2.500.000	543.507	-	-	1.758.096	-	1.074.290	304.130	912.589	3.670.753	549.876	-	13.816	-	-	11.327.057

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 31 MARCH 2011**

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

V. CHANGES IN SHAREHOLDERS' EQUITY																	
31 March 2011	Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancell. 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	-	-	2.012.298	-	3.000.593	583.409	-	3.872.400	928.608	-	17.295	-	-	13.458.085
	Changes in the Period																
II.	Increase/Decrease Related to Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences	-	-	-	-	-	-	-	-	-	-	(438.575)	-	-	-	-	(438.575)
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)	-	-	-	-	-	-	-	-	-	-	-	-	66	-	-	66
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	(2.979)	-	-	-	-	(2.979)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Net Profit or Losses	-	-	-	-	-	-	-	-	573.503	-	-	-	-	-	-	573.503
XVIII.	Profit Distribution	-	-	-	-	278.458	-	2.304.917	50.632	-	(3.712.602)	-	-	-	-	-	(1.078.595)
18.1	Dividend Distributed	-	-	-	-	-	-	-	-	-	(1.078.595)	-	-	-	-	-	(1.078.595)
18.2	Transfers to Legal Reserves	-	-	-	-	278.458	-	2.304.917	50.632	-	(2.634.007)	-	-	-	-	-	-
18.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance																
	(I+II+III+.....+XVI+XVII+XVIII)	2.500.000	543.482	-	-	2.290.756	-	5.305.510	634.041	573.503	159.798	487.054	-	17.361	-	-	12.511.505

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 31 MARCH 2011 AND 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS			
	Note (Section)	Current Period 01/01-31/03/2011	Prior Period 01/01-31/03/2010
A. CASH FLOWS FROM BANKING OPERATIONS	Five)		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		1.578.923	1.292.346
1.1.1 Interest Received		3.759.962	3.471.228
1.1.2 Interest Paid		(1.768.355)	(1.565.350)
1.1.3 Dividend Received		32.591	14.354
1.1.4 Fees and Commissions Received		204.014	145.010
1.1.5 Other Income		253.179	40.257
1.1.6 Collections from Previously Written-off Loans and Other Receivables		219.080	189.435
1.1.7 Payments to Personnel and Service Suppliers		(563.358)	(298.574)
1.1.8 Taxes Paid		(110.301)	(266.460)
1.1.9 Other		(447.889)	(437.554)
1.2 Changes in Operating Assets and Liabilities		(956.135)	(2.333.514)
1.2.1 Net Decrease/(Increase) in Trading Securities		43.130	88.647
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3 Net Decrease in Banks		126.928	58.046
1.2.4 Net (Increase) in Loans		(2.237.983)	(2.657.193)
1.2.5 Net (Increase) in Other Assets		(246.337)	(146.801)
1.2.6 Net Increase/(Decrease) in Bank Deposits		347.951	(160.389)
1.2.7 Net (Decrease)/Increase in Other Deposits		990.714	3.849.266
1.2.8 Net (Decrease)/Increase in Funds Borrowed		60.645	(2.212)
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net (Decrease)/Increase in Other Liabilities		(41.183)	(3.362.878)
I. Net Cash Provided from Banking Operations		622.788	(1.041.168)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		(2.602.701)	(1.945.584)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control		(14.784)	-
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control		-	-
2.3 Fixed Assets Purchases		(21.939)	(1.597)
2.4 Fixed Assets Sales		2.546	296
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(9.589.969)	(2.971.740)
2.6 Cash Obtained from Sale of financial Assets Available for Sale		7.404.864	-
2.7 Cash Paid for Purchase of Investment Securities		(4.383.083)	(1.829.181)
2.8 Cash Obtained from sale of Investment Securities		6.164.686	2.856.638
2.9 Other		(2.165.022)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		1.078.594	(1)
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		-	-
3.4 Dividends Paid		1.078.595	-
3.5 Payments for Finance Leases		(1)	(1)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		101.495	107.851
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		(799.824)	(2.878.902)
VI. Cash and Cash Equivalents at the Beginning of the Period		12.301.841	12.816.573
VII. Cash and Cash Equivalents at the End of the Period		11.502.017	9.937.671

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 31 MARCH 2011**
(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 Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA. 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. 26430 dated 10 February 2007.

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 are presented comparatively with balances as of 31 December 2010 while, statements of income, cash flows and changes in shareholders’ equity are presented comparatively with balances as of 31 March 2010.

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.

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, 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.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(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, 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; Istanbul Stock Exchange (“ISE”), 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.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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.

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Bank’s derivative transactions mostly include currency 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 on 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.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

Commission income from banking, agency, intermediary services and commission income from individual loans which are not attributable to interest rates applied is recognized as income on the date they are collected. Whereas, commission income from trade 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) in accordance with the matching principle, are recognized on an accrual basis by using internal rate of return method and transferred to the income statement. The 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.

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 held for trading of the Bank are securities that are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or independent from acquisition reason, are securities included in a portfolio for short-term profit making purposes.

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 ISE are carried at weighted average exchange prices of ISE as of the balance sheet date and those securities that are not traded in ISE 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 difference between the cost and fair value of held for trading securities is accounted under “Other Interest and Income Accrual” or “Impairment Loss for Marketable Securities” account. Interest received from financial assets held for trading is reflected as interest income. Interest received from financial assets held for trading is reflected as interest income.

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.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

b. Held-to-maturity financial assets: (Continued)

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:

Loans and receivables originated by the Bank 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.

Loans and receivables originated by the Bank 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”. However, the Bank does not limit the provision amount with the minimum rates defined in related regulation and allocates 100% specific provision for such loans without considering the guarantees taking into consideration the prudence principle. 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 asset 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, amortised cost using the effective interest method and cost is compared and the difference is booked as interest income or impairment expense. Fair value and amortised 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 fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method or appropriate valuation methods.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2011**
(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.

In accordance with the provision of the related legislation, the Bank provides general loan loss provision for loans and other receivables in addition to specific provisions. As of 1 January 2011, the Bank terminated the practice of considering the provision rate as 0% for cash loans, except credit card receivables, granted before 6 March 2010 and started to make 1% provision for standard cash loans after this date parallel to the Note (a) of first paragraph of 7th article of Communiqué related to Provisions. Besides, based on the decision taken on Asset-Liability Committee (“ALCO”) Meeting dated 21 December 2010, the practice of making 3% general and free provision for total loans, except interest loans, is terminated as of 1 January 2011 and free provision held for this purpose has been transferred to general provision accounts.

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

As of the balance sheet date, there are securities lending transactions.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at 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 recognised 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (Continued)

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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

XVI. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

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).

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. Employees Pension 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

b. Pension Rights: (Continued)

It has been applied to the Constitutional Court at 19 June 2008 for cancellation of some articles of the new law about transfer of pension funds to Social Security Agency and requested them to be ineffective. As of the date of the publication of the financial statements, there is no decision of the Constitutional Court announced regarding the court case of abrogation.

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

In accordance with 58th article and 7th provisional article of the Banking 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, 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.

The technical balance sheet report as of 31 December 2010 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON TAXATION (Continued)

a. Current Tax (Continued)

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

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital in accordance with Corporate Tax Law or held in a special account under shareholder's equity for five years. Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

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

b. Deferred tax

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

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

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON BORROWINGS

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

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, 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 VI. of Section Four.

XXIV. EXPLANATIONS ON OTHER MATTERS

The General Assembly for year 2010 was carried out on 1 March 2011. In accordance with the decision taken, of the profit for the year 2010 amounting to TL3.712.602, TL278.458 is transferred to legal reserves, TL111.635 is distributed as dividend to employees provided that dividend amount does not exceed two month gross wage for each employee and TL818.205 is distributed to Undersecretariat of Treasury after deducting withholding tax of 15% (TL144.390) in cash on 30 March 2011. Besides, TL2.304.917 of the profit has been preserved and deferred tax income amounting to TL50.632 is not distributed. As of the report date, TL4.365 of dividend has remained undistributed to be paid to employees.

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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 17,50% (31 December 2010: 19,20%).

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

Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published in the Official Gazette, dated 1 November 2006 and numbered 26333.

In the computation of capital adequacy standard ratio, information prepared in accordance with the statutory accounting requirements is used. Additionally, the market risk, the credit risk and the operational risk amounts are calculated in accordance with the Communiqué on the “Measurement and Assessment of Capital Adequacy of Banks” and is taken into consideration in the capital adequacy standard ratio calculation.

Amounts deducted from the capital in the calculation of shareholders’ equity are not considered in the calculation of risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and value loss among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciation and value loss.

In the calculation of the amounts subject to credit risk regarding the transactions on the non-cash loans, the net receivable amount from the counter parties is calculated by deducting the specific provision amount set in accordance with the Communiqué on “Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions”, if any, and the net amount is multiplied by the conversion rates presented in Clause (1) in Article 5 of the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks”. Then the risk ratios declared in the Capital Adequacy Analysis Form are used to weight the resulting amount.

To calculate the amounts subject to credit risk for foreign exchange and interest rate transactions, receivables from counter parties are multiplied by the conversion rates stated in Clause (2), Article 5 of the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks” and weighted by risk weights declared in the Capital Adequacy Analysis Form.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Information related to capital adequacy ratio:

Current Period	Risk Weights						
	Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Credit Risk Base Amount							
Balance Sheet Items (Net)	51.208.811	-	2.260.083	14.141.872	43.073.458	50.518	-
Cash	970.313	-	13	-	-	-	-
Matured Marketable Securities	5.973	-	-	-	-	-	-
Central Bank of the Republic of Turkey	8.545.713	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	1.970.317	-	106.983	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	2.385.756	-	-	-	-	-	-
Loans ⁽¹⁾	4.478.738	-	186.349	13.970.343	39.841.930	50.518	-
Loans Under Follow-up (Net) ⁽¹⁾	-	-	-	-	98.718	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	33.946.663	-	-	-	6.156	-	-
Receivables from Forward Sale of Assets	-	-	-	-	4.333	-	-
Sundry Debtors	42.601	-	114	-	220.231	-	-
Interest and Income Accruals	431.789	-	9.342	171.529	928.956	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	746.143	-	-
Tangible Fixed Assets	-	-	-	-	885.447	-	-
Other Assets	401.265	-	93.948	-	234.561	-	-
Off-Balance Sheet Items	278.402	-	199.996	-	5.519.555	-	-
Non-cash Loans and Commitments	278.402	-	170.503	-	5.519.463	-	-
Derivative Financial Instruments	-	-	29.493	-	92	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	51.487.213	-	2.460.079	14.141.872	48.593.013	50.518	-

⁽¹⁾ The balance of loans originated by funds whose risk does not belong to the Bank which is presented in Loans Under Follow-up (Net) balance in the financial statements; is shown in the 0% risk weight column in the table above.

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

Information related to capital adequacy ratio: (Continued)

Prior Period	Risk Weights						
	Bank Only						
	0%	10%	20%	50%	100%	150%	200%
Credit Risk Base Amount							
Balance Sheet Items (Net)	51.566.459	-	4.906.371	13.127.561	41.412.283	55.855	-
Cash	1.291.045	-	129	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	6.549.245	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	4.543.751	-	97.392	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	2.424.645	-	-	-	-	-	-
Loans	4.547.023	-	184.218	13.056.906	38.545.233	55.855	-
Loans Under Follow-up (Net) ⁽¹⁾	-	-	-	-	112.952	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	35.638.709	-	-	-	6.146	-	-
Receivables from Forward Sale of Assets	-	-	-	-	2.932	-	-
Sundry Debtors	19.775	-	120	-	123.971	-	-
Interest and Income Accruals	753.601	-	1.722	70.655	846.303	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	731.084	-	-
Tangible Fixed Assets	-	-	-	-	840.797	-	-
Other Assets	342.416	-	176.431	-	105.473	-	-
Off-Balance Sheet Items	248.224	-	167.813	-	4.924.591	-	-
Non-cash Loans and Commitments	248.224	-	128.169	-	4.924.497	-	-
Derivative Financial Instruments	-	-	39.644	-	94	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	51.814.683	-	5.074.184	13.127.561	46.336.874	55.855	-

⁽¹⁾ The balance of loans originated by funds whose risk does not belong to the Bank which is presented in Loans Under Follow-up (Net) balance in the financial statements; is shown in the 0% risk weight column in the table above.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	56.231.742	53.999.274
Market Risk Base Amount (MRBA)	6.230.738	5.526.838
Operational Risk Base Amount (ORBA)	10.895.348	10.009.066
Shareholders' Equity	12.834.469	13.350.237
Shareholders' Equity/(CRBA+MRBA+ORBA) * 100	17,50	19,20

Information related to 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 for Paid-in Capital	543.482	543.482
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	2.290.756	2.012.298
1st Degree Legal Reserves (TCC 466/1)	1.018.023	834.924
2nd Degree Legal Reserves (TCC 466/2)	1.272.733	1.177.374
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	5.939.551	3.584.002
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	5.939.551	3.584.002
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	733.301	3.872.400
Net Profit of the Period	573.503	3.712.602
Retained Earnings	159.798	159.798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	8.744	275.125
Subsidiary and Associate Shares and Gains on Sale of Real Estate To Be Added To Capital ⁽¹⁾	-	-
Primary Subordinated Loans (up to 15% of the Core Capital)	-	-
Loss(-) Portion of Losses that Cannot be Covered by Reserves	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-) ⁽²⁾	17.273	16.666
Prepaid Expenses (-) ⁽³⁾	-	73.771
Intangible Assets (-)	24.558	18.758
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	11.974.003	12.678.112

(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”.

(2) In accordance with the regulation mentioned above, the name of “Leasehold Improvements” is changed into “Costs for Operational Leasing Development”.

(3) In accordance with the regulation mentioned above, the practice of making “Prepaid Expenses” a discount item from the Core Capital has been cancelled.

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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	641.863	254.845
45% of Movable Assets Revaluation Fund	-	-
45% of Immovables Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	17.361	17.295
Primary Subordinated Loans Excluding the Portion included in the Core Capital	-	-
Secondary Subordinated Loan	-	-
45% of Marketable Securities Revaluation Fund	219.174	417.874
From Subsidiaries and Associates	36.584	36.763
From Financial Assets Available for Sale	182.590	381.111
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	878.398	690.014
TIER-III CAPITAL	-	-
CAPITAL	12.852.401	13.368.126
DEDUCTIONS FROM CAPITAL	17.932	17.889
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	17.704	17.699
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	130	190
Other	98	-
TOTAL SHAREHOLDERS’ EQUITY	12.834.469	13.350.237

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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” issued in the Official Gazette numbered 26333 and dated 1 November 2006.

Market risk management strategy policy and implementation procedures of the Bank are determined within the context of “Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management”.

Bank pays attention not to change the position materially in the view of foreign exchange position management and maximum position amount is limited. Also, there is position limit application for limiting interest rate risk stated within the context of market risk of Bank.

Bank reaches the amount subject to the total market risk 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.

Daily Value at Risk (“VAR”) forecasts is made based on financial instruments with different risk factors and portfolios in the Bank and is reported to the related units. Also, backward testing is performed so as to measure performance of used model. Bank limits market risk exposure by VAR based limit within the context of “Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management”.

Also, Bank performs monthly market risk stress tests so as to observe the effect of excessive market fluctuations that are not covered by models over the Bank’s financial position.

Information Related to Market Risk:

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	411.363
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	17.342
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	68.650
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	1.104
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	498.459
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	6.230.738

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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.

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	100JPY
24.03.2011	1,5420	2,1845	1,5731	0,29319	0,24440	1,7037	1,5819	0,27757	2,4948	0,39860	1,9030
25.03.2011	1,5437	2,1802	1,5841	0,29267	0,24279	1,6892	1,5777	0,27662	2,4827	0,39900	1,8985
28.03.2011	1,5465	2,1792	1,5870	0,29240	0,24293	1,6864	1,5860	0,27694	2,4765	0,39988	1,8884
29.03.2011	1,5537	2,1826	1,5885	0,29295	0,24430	1,6884	1,5905	0,27657	2,4827	0,40155	1,8831
30.03.2011	1,5492	2,1748	1,5955	0,29195	0,24387	1,6741	1,5919	0,27633	2,4851	0,40027	1,8614
31.03.2011	1,5395	2,1829	1,5861	0,29186	0,24297	1,6785	1,5799	0,27732	2,4612	0,39692	1,8484

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
1,5695	2,1976	1,5841	0,29490	0,24705	1,7092	1,6054	0,28034	2,5346	0,40589	1,9180

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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	JPY	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	2.456.575	76.357	437	32.019	2.565.388
Banks	486.209	1.086.679	1.921	455.826	2.030.635
Financial Assets at Fair Value Through Profit and Loss	8.479	9.710	-	-	18.189
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	2.506.241	1.563.714	-	-	4.069.955
Loans ⁽²⁾	2.537.178	3.338.437	-	19.364	5.894.979
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) ⁽⁵⁾	382.227	151.639	-	37.469	571.335
Investments Held-to-Maturity	1.636.705	2.464.300	-	283	4.101.288
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	3.299	1.057	-	2.009	6.365
Intangible Assets	560	969	-	4.970	6.499
Other Assets	7.577	5.957	-	8.774	22.308
Total Assets	10.025.050	8.698.819	2.358	560.714	19.286.941
Liabilities					
Interbank Deposits	68.777	751.598	11	7.723	828.109
Foreign Currency Deposits	11.512.649	8.753.517	1.903	465.977	20.734.046
Money Market Borrowings	-	-	-	-	-
Funds Provided from Other Financial Institutions	3.263	116.754	-	-	120.017
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	148.892	2.981	16	1.076	152.965
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	108.629	181.417	1.957	36.194	328.197
Total Liabilities	11.842.210	9.806.267	3.887	510.970	22.163.334
Net Balance Sheet Position	(1.817.160)	(1.107.448)	(1.529)	49.744	(2.876.393)
Net Off-Balance Sheet Position⁽³⁾	1.765.866	1.222.234	-	36.044	3.024.144
Assets on Derivative Instruments	1.838.367	1.328.161	-	85.268	3.251.796
Liabilities on Derivative Instruments	72.501	105.927	-	49.224	227.652
Non-cash Loans	1.553.855	3.581.912	2.393	113.485	5.251.645
Prior Period					
Total Assets	11.322.952	9.289.547	687	551.331	21.164.517
Total Liabilities	11.845.163	10.571.741	318	520.224	22.937.446
Net Balance Sheet Position	(522.211)	(1.282.194)	369	31.107	(1.772.929)
Net Off-Balance Sheet Position⁽³⁾	580.141	1.322.538	-	38.302	1.940.981
Financial Derivative Assets	609.850	1.396.673	-	38.302	2.044.825
Financial Derivative Liabilities	29.709	74.135	-	-	103.844
Non-cash Loans⁽⁴⁾	1.399.582	3.440.443	1.357	79.719	4.921.101

(1) Of the foreign currencies presented in the other FC column of assets 25,04% is CHF, 41,57% is GBP, 10,42% is DKK, and the remaining 22,97% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 30,51% is CHF, 49,12% is GBP, 11,33% is DKK and the remaining 9,05% is other foreign currencies.

(2) TL1.407 equivalent of thousand USD and TL1.060 equivalent of thousand EUR loans are originated as foreign currency indexed loans (31 December 2010: TL2.745 equivalent of thousand USD and TL2.376 equivalent of thousand 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.

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IV. EXPLANATIONS ON THE INTEREST RATE RISK

The Bank’s structural interest rate management policy and methods of applications are set under the scope of “Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management”.

The structural interest rate risk analysis is made based on the income and economic value approaches. Under economic value approach, the Bank is applying the Banking Accounts Interest Shock Value Loss analysis, whereas under income approach the Bank is applying Net Interest Margin/Income analysis. The Banking Accounts Interest Shock Value Loss Analysis is applied over interest rate sensitive balance sheet items excluding the positions subject to the market risk and the results are compared with discounted total assets. At the Net Interest Margin/Income analysis the change in the interest income of the Bank resulting from changes in interest rates is analyzed. About the structural interest rate risk the duration analysis is applied at the Bank. The Bank limits the interest rate exposure. Moreover, an early warning system regarding the structural interest rate risk has also been established by the Bank.

a) Measurement of interest rate sensitivity of assets, liabilities and off-balance sheet items:

Interest rate sensitivity of assets and liabilities is followed periodically by applying various analysis methods.

b) Effects of interest rate fluctuations in the market on financial position and cash flow of the Bank, expectations on interest income, limitations on daily interest rates by the Bank’s Board of Directors:

To eliminate the negative effects of interest rate fluctuations in the market on the balance sheet of the Bank, Assets-Liabilities Committee follows interest margin and monitors its effects on profitability on a consistent basis. The committee makes interest rate arrangements especially for sources and defines the limits for the maximum interest rates considering the interest rate risk.

c) Measures taken for the current interest rate risk of the Bank and expected effects on the following periods’ net income and shareholders’ equity:

In the current period, the Bank is not exposed to any significant interest rate risk that requires structural changes in its positions or takes necessary measures.

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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):

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	29.984	-	-	-	-	11.872.170	11.902.154
Banks	1.194.593	217.523	66.513	-	-	601.426	2.080.055
Financial Assets at Fair Value Through Profit and Loss	814	25.423	15.080	71.208	19.148	5.973	137.646
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	9.657.219	7.958.661	8.139.286	11.129.536	3.417.700	576.291	40.878.693
Loans Given	15.591.437	4.256.177	14.819.214	21.955.152	2.853.485	270.696	59.746.161
Investments Held-to-Maturity	7.937.727	13.927.149	6.850.857	2.812.148	2.843.457	-	34.371.338
Other Assets	-	-	-	-	-	2.688.824	2.688.824
Total Assets	34.411.774	26.384.933	29.890.950	35.968.044	9.133.790	16.015.380	151.804.871
Liabilities							
Interbank Deposits	2.254.684	325.081	-	-	-	70.180	2.649.945
Other Deposits	71.859.864	27.333.981	6.527.883	168.795	-	18.480.733	124.371.256
Money Market Borrowings	5.098.921	75.078	-	-	-	-	5.173.999
Sundry Creditors	-	-	-	-	-	744.305	744.305
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	117.822	6.615	30.593	4.669	28	-	159.727
Other Liabilities	24.924	6.099	247	3.183.182	-	15.491.187	18.705.639
Total Liabilities	79.356.215	27.746.854	6.558.723	3.356.646	28	34.786.405	151.804.871
Balance Sheet Long Position	-	-	23.332.227	32.611.398	9.133.762	-	65.077.387
Balance Sheet Short Position	(44.944.441)	(1.361.921)	-	-	-	(18.771.025)	(65.077.387)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	(29.617)	(6.660)	(52)	-	-	-	(36.329)
Total Position	(44.974.058)	(1.368.581)	23.332.175	32.611.398	9.133.762	(18.771.025)	(36.329)

- (1) Balances without fixed maturity are shown in the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL3.183.182 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1 - 5 Years” column. TL287.701 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.

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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	TL
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⁾	-	-	-	5,00
Banks	1,42	0,92	-	7,25
Financial Assets at Fair Value Through Profit and Loss	3,22	5,57	-	7,81
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,64	6,07	-	7,90
Loans Given ⁽²⁾	4,13	3,55	-	13,98
Investments Held-to-Maturity	6,23	7,00	-	8,47
Liabilities				
Interbank Deposits ⁽³⁾	0,80	1,33	-	6,46
Other Deposits	1,71	2,41	-	6,52
Money Market Borrowings	-	-	-	6,58
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3,23	0,86	-	6,98

⁽¹⁾ The ratio in TL 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.

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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	24.690	-	-	-	-	10.240.374	10.265.064
Banks	3.533.936	33.971	180.042	-	-	894.161	4.642.110
Financial Assets at Fair Value Through Profit and Loss	181.302	2.897	20.710	23.735	10.945	-	239.589
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	10.841.104	6.016.715	9.710.485	10.074.915	2.715.629	365.657	39.724.505
Loans Given	17.434.103	3.636.438	13.552.569	20.019.291	2.518.949	282.103	57.443.453
Investments Held-to-Maturity	12.572.545	16.380.174	2.334.664	2.048.890	3.051.778	-	36.388.051
Other assets	-	-	-	-	-	2.456.936	2.456.936
Total Assets	44.587.680	26.070.195	25.798.470	32.166.831	8.297.301	14.239.231	151.159.708
Liabilities							
Interbank Deposits	2.411.992	3.061	-	-	-	57.463	2.472.516
Other Deposits	82.014.044	16.206.916	6.023.946	147.097	-	18.931.953	123.323.956
Money Market Borrowings	5.003.477	-	-	-	-	-	5.003.477
Sundry Creditors	-	-	-	-	-	713.706	713.706
Issued Marketable Securities	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	2.027	10.268	80.421	5.942	105	-	98.763
Other Liabilities	5.441	140	18	3.180.350	-	16.361.341	19.547.290
Total Liabilities	89.436.981	16.220.385	6.104.385	3.333.389	105	36.064.463	151.159.708
Balance Sheet Long Position	-	9.849.810	19.694.085	28.833.442	8.297.196	-	66.674.533
Balance Sheet Short Position	(44.849.301)	-	-	-	-	(21.825.232)	(66.674.533)
Off Balance Sheet Long Position	20.606	227	558	-	-	-	21.391
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(44.828.695)	9.850.037	19.694.643	28.833.442	8.297.196	(21.825.232)	21.391

- (1) Balances without fixed maturity are shown under the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL3.180.350 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1 - 5 Years” column. TL345.108 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.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

IV. EXPLANATIONS ON THE INTEREST RATE RISK (Continued)

Average interest rate applied to the monetary financial instruments:

	EUR	USD	Yen	TL
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	0,84	1,05	-	-
Financial Assets at Fair Value Through Profit and Loss	3,56	5,58	-	8,78
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,68	6,04	-	8,22
Loans Given ⁽²⁾	4,06	3,74	-	14,90
Investments Held-to-Maturity	6,23	7,00	-	8,79
Liabilities				
Interbank Deposits ⁽³⁾	0,88	0,21	-	6,93
Other Deposits	1,65	2,23	-	6,95
Money Market Borrowings	-	-	-	6,66
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3,04	0,93	-	7,13

⁽¹⁾ The ratio in TL 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.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. EXPLANATIONS ON THE LIQUIDITY RISK

General principles of liquidity and financial emergency state management and the related application procedures are considered in the scope of “Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management”.

Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management consist of subjects about early warning system and process of transition to liquidity and financial emergency state management.

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

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

The Bank’s source of funds is mainly formed 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 “Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State 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 is 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 is long when compared with the deposits, securities with coupon payments constituting majority of the securities portfolio 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 repo transactions.

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

The Bank’s major source of funds is deposits, and these funds are invested in securities portfolio, other banks and loan placements. Since most significant cash inflows are originated from securities portfolio and cash inflows from these assets are regular, the liquidity risk of the Bank is suggested to be reduced. Furthermore, periodical collections on consumer loans have role to cover the Bank’s need of fund source.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. EXPLANATIONS ON THE LIQUIDITY RISK (Continued)

Presentation of 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	11.902.154	-	-	-	-	-	-	11.902.154
Banks	601.427	1.194.592	217.523	66.513	-	-	-	2.080.055
Financial Assets at Fair Value Through Profit and Loss	5.974	749	25.423	14.837	71.451	19.212	-	137.646
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	631.018	726.969	3.055.262	22.621.677	13.666.786	176.981	40.878.693
Loans Given	-	1.740.829	4.629.125	22.876.929	27.255.100	2.973.482	270.696	59.746.161
Investments Held-to-Maturity	-	217.829	117.061	4.533.620	22.690.346	6.812.482	-	34.371.338
Other Assets	445.509	-	-	23.434	4.333	-	2.215.548	2.688.824
Total Assets	12.955.064	3.785.017	5.716.101	30.570.595	72.642.907	23.471.962	2.663.225	151.804.871
Liabilities								
Interbank Deposits	70.181	2.254.683	325.081	-	-	-	-	2.649.945
Other Deposits	18.480.733	71.859.864	27.333.981	6.527.883	168.795	-	-	124.371.256
Funds Provided from Other Financial Instruments	-	8.503	6.615	30.163	5.099	109.347	-	159.727
Money Market Borrowings	-	5.098.921	75.078	-	-	-	-	5.173.999
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	493.317	250.988	-	-	-	-	-	744.305
Other liabilities ⁽³⁾	912.904	656.830	90.157	247	3.183.182	608.445	13.253.874	18.705.639
Total liabilities	19.957.135	80.129.789	27.830.912	6.558.293	3.357.076	717.792	13.253.874	151.804.871
Liquidity Gap	(7.002.071)	(76.344.772)	(22.114.811)	24.012.302	69.285.831	22.754.170	(10.590.649)	-
Prior Period								
Total Assets	11.601.845	12.846.917	5.986.673	30.850.070	68.140.930	19.276.584	2.456.689	151.159.708
Total Liabilities	20.397.863	90.170.278	16.473.522	6.042.640	3.333.895	662.625	14.078.885	151.159.708
Liquidity Gap	(8.796.018)	(77.323.361)	(10.486.849)	24.807.430	64.807.035	18.613.959	(11.622.196)	-

(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) TL3.183.182 of the funds balance, whose risk is not bore by the Bank, is included in other liabilities and shown under the "1-5 year" column, fund balance amounted to TL287.701 is not granted as loan and is included under “Up to 1 Month” column.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. 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 and commercial banking, agricultural banking, investment banking 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 and commercial 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 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, 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 agricultural credit corporations. 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 Fund Management and Fund Management Middle Office Departments. 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.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

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

As of 31 March 2011 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”.

Table for Segment Reporting:

	Consumer Banking	Commercial and SME Banking⁽¹⁾	Specialized Banking⁽²⁾	Investment Banking	International Banking	Total Operations of the Bank
Current Period						
Total Operating Income/Expense ⁽³⁾	431.915	159.675	203.603	738.180	8.792	1.542.165
Net Operating Profit	197.082	72.859	92.904	336.831	4.012	703.688
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	29.298
Income Before Taxes	-	-	-	-	-	732.986
Tax Provision	-	-	-	-	-	(159.483)
Net Profit for the Period	-	-	-	-	-	573.503
Segment Assets-net ⁽³⁾	26.908.550	14.405.202	17.708.010	87.600.137	2.494.148	149.116.047
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	746.143
Undistributed Assets ⁽⁵⁾	-	-	-	-	-	1.942.681
Total Assets	-	-	-	-	-	151.804.871
Segment Liabilities – net ⁽³⁾	23.092.806	12.362.485	18.667.824	79.054.443	2.519.795	135.697.353
Undistributed Liabilities ⁽⁵⁾	-	-	-	-	-	3.596.013
Shareholders’ Equity	-	-	-	-	-	12.511.505
Total Liabilities	-	-	-	-	-	151.804.871
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	12.556
Restructuring Costs	-	-	-	-	-	-

(1) Commercial and SME Banking column shows the Bank’s commercial and SME loans with interest and commission income related to these loans.

(2) Specialized Banking column for current period shows agricultural loans with interest and commission income related to these loans.

(3) 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.

(4) “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.

(5) 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.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. EXPLANATIONS ON OPERATING SEGMENTS (Continued)

Table for Segment Reporting: (Continued)

	Consumer Banking	Commercial and SME Banking ⁽¹⁾	Specialized Banking ⁽²⁾	Investment Banking	International Banking	Total Operations of the Bank
Prior Period ⁽⁶⁾						
Total Operating Income/Expense ⁽³⁾	764.996	72.785	299.754	581.109	10.523	1.729.167
Net Operating Profit	190.857	40.716	299.754	561.293	2.266	1.094.886
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	24.907
Income Before Taxes	-	-	-	-	-	1.119.793
Tax Provision	-	-	-	-	-	(207.204)
Net Profit for the Period	-	-	-	-	-	912.589
Segment Assets-net ⁽³⁾	24.929.058	15.306.196	16.685.924	89.147.122	2.634.472	148.702.772
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	731.084
Undistributed Assets ⁽⁵⁾	-	-	-	-	-	1.725.852
Total Assets	-	-	-	-	-	151.159.708
Segment Liabilities - net ⁽³⁾	21.283.066	13.067.593	17.770.987	79.567.149	2.642.211	134.331.006
Undistributed Liabilities ⁽⁵⁾	-	-	-	-	-	3.370.617
Shareholders' Equity	-	-	-	-	-	13.458.085
Total Liabilities	-	-	-	-	-	151.159.708
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	53.559
Restructuring Costs	-	-	-	-	-	-

⁽¹⁾ Commercial and SME Banking column shows the Bank's commercial and SME loans with interest and commission income related to these loans.

⁽²⁾ Specialized Banking column for current period shows agricultural loans with interest and commission income related to these loans.

⁽³⁾ 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.

⁽⁴⁾ "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.

⁽⁵⁾ 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 provisions and tax liability is shown in "Undistributed Liabilities" row.

⁽⁶⁾ Income statement balance shows balances as of 31 March 2010.

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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	760.709	203.471	1.078.065	206.992
Central Bank of the Republic of Turkey	8.576.057	2.355.771	6.573.935	2.399.955
Other	-	6.146	-	6.117
Total	9.336.766	2.565.388	7.652.000	2.613.064

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 constitutes the required reserves liabilities.

In accordance with the “Communiqué on Required Reserves” of Central Bank of the Republic of Turkey numbered 2005/1, banks that are performing in Turkey constitute required reserves at ratios between 5% and 12% (31 December 2010: 6%) in line with their maturities for TL liabilities and 11% (31 December 2010: 11%) for foreign currency liabilities consisting USD or EUR. As of 31 March 2011, interest is not calculated on required reserves.

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	8.545.713	-	6.549.245	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves ⁽¹⁾	30.344	2.355.771	24.690	2.399.955
Total	8.576.057	2.355.771	6.573.935	2.399.955

⁽¹⁾ Required reserve of branches abroad amounting to TL37.019 is presented in this line (31 December 2010: TL30.582).

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.

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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) Information on financial assets at fair value through profit and loss given or blocked as collateral:

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, Treasury Bills and Similar Securities	-	-	1	-
Other	-	-	-	-
Total	-	-	1	-

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	112	13	253	21
Swap Transactions	-	851	27.435	1.762
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	112	864	27.688	1.783

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	25.005	2.946	-	1.520.551
Foreign Banks	24.415	2.027.689	44.514	3.077.045
Foreign Head Office and Branches	-	-	-	-
Total	49.420	2.030.635	44.514	4.597.596

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	-	-
Assets Blocked/Given as Collateral	281	280
Total	281	280

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt Securities	40.897.229	39.570.457
Quoted in Stock Exchange	40.696.226	39.569.453
Not Quoted in Stock Exchange	201.003	1.004
Share Certificates	177.651	165.345
Quoted in Stock Exchange	53.004	47.519
Not Quoted	124.647	117.826
Provision for Impairment (-)	196.187	11.297
Total	40.878.693	39.724.505

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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	227.164	-	209.595	-
Total	227.164	-	209.595	-

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled ⁽¹⁾	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Non-Specialized Loans	38.702.911	368.572	2.761.462	125.453
Discount Notes	374	-	-	-
Export Loans	1.555.172	-	1.868	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	845.963	-	25	-
International Loans	675.214	102	-	-
Consumer Loans	21.848.198	1.653	2.260.391	25.767
Credit Cards	1.190.234	1.412	54.090	-
Precious Metals Loans	-	-	-	-
Other	12.587.756	365.405	445.088	99.686
Specialized Lending	15.502.984	29.619	732.633	150.067
Other Receivables	-	-	-	-
Interest Income Accruals ⁽²⁾	1.101.764	-	-	-
Total	55.307.659	398.191	3.494.095	275.520

⁽¹⁾ Since restructured loans under standard loans and other receivables amounting to TL274.196 cannot be decomposed by types they are shown in other under Restructured or Rescheduled column.

⁽²⁾ Interest income accruals of restructured standard loans and other receivables and those under close monitoring cannot be decomposed from the existing data processing system.

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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	463.977	23.439.352	23.903.329
Real Estate Loans	2.433	7.353.899	7.356.332
Vehicle Loans	3.259	283.001	286.260
Consumer Loans	455.047	15.643.816	16.098.863
Abroad ⁽²⁾	3.238	158.636	161.874
Other	-	-	-
Consumer Loans- Indexed to FC	-	24	24
Real Estate Loans	-	24	24
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	5	397	402
Real Estate Loans	-	52	52
Vehicle Loans	-	-	-
Consumer Loans	5	345	350
Other	-	-	-
Individual Credit Cards-TL	1.161.294	-	1.161.294
With Installment	306.408	-	306.408
Without Installment	854.886	-	854.886
Individual Credit Cards-FC	1.318	-	1.318
With Installment	-	-	-
Without Installment	1.318	-	1.318
Personnel Loans-TL	12.035	164.627	176.662
Real Estate Loans	-	926	926
Vehicle Loans	-	-	-
Consumer Loans	5.396	162.882	168.278
Abroad ⁽²⁾	34	819	853
Other	6.605	-	6.605
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	48.328	-	48.328
With Installment	18.242	-	18.242
Without Installment	30.086	-	30.086
Personnel Credit Cards-FC	112	-	112
With Installment	-	-	-
Without Installment	112	-	112
Overdraft Accounts-TL (Real Person)	218.318	-	218.318
Overdraft Accounts-FC (Real Person)	-	-	-
Total	1.905.387	23.604.400	25.509.787

⁽¹⁾ As TL190.205 of interest income accrual could not be decomposed by type and are not included in the table above.

⁽²⁾ TL161.874 of consumer loans have been shown under “International Loans” on table shown under 5b.

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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	114.425	3.632.165	3.746.590
Business Loans	560	150.657	151.217
Vehicle Loans	3.556	213.064	216.620
Consumer Loans	99.248	2.936.481	3.035.729
Other	11.061	331.963	343.024
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	-	1.524	1.524
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	1.524	1.524
Other	-	-	-
Corporate Credit Cards-TL	34.610	-	34.610
With Installment	308	-	308
Without Installment	34.302	-	34.302
Corporate Credit Cards-FC	74	-	74
With Installment	-	-	-
Without Installment	74	-	74
Overdraft Account-TL (Legal Entity)	8.599	-	8.599
Overdraft Account-FC (Legal Entity)	-	-	-
Total	157.708	3.633.689	3.791.397

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

e) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	57.698.385	55.656.522
Foreign Loans	675.316	581.262
Interest Income Accruals of Loans	1.101.764	923.566
Total	59.475.465	57.161.350

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

5. Information related to loans: (Continued)

f) Loans granted to subsidiaries and investments:

	Current Period	Prior Period
Direct loans granted to subsidiaries and investments	214.254	206.449
Indirect loans granted to subsidiaries and investments	-	-
Total	214.254	206.449

⁽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	11.686	14.730
Loans and other receivables with doubtful collectability	102.187	101.888
Uncollectible loans and other receivables	459.777	456.349
Total	573.650	572.967

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:	Group IV:	Group V:
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period	4.635	14.704	29.980
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	4.635	14.704	29.980
Rescheduled loans and other receivables	-	-	-
Prior period	1.581	10.616	36.394
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	1.581	10.616	36.394
Rescheduled loans and other receivables	-	-	-

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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:	Group IV:	Group V:
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period Ending Balance	76.792	166.397	611.881
Additions (+)	152.301	20.241	35.813
Transfers from other Categories of Loans under Follow-Up (+)	-	113.659	103.926
Transfers to other categories of Loans under Follow-Up (-)	113.659	103.926	-
Collections (-) ⁽¹⁾	53.931	32.225	132.923
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	61.503	164.146	618.697
Specific Provision (-)	11.686	102.187	459.777
Net Balance on Balance Sheet ⁽²⁾	49.817	61.959	158.920

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

(2) Includes the loans originated from funds amounting to TL171.723 whose risk does not belong to the Bank.

3) Information on foreign currency non-performing loans:

	Group III:	Group IV:	Group V:
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	-	4.937	5.524
Specific Provision (-)	-	4.937	5.524
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period Ending Balance	-	4.838	5.486
Specific Provision (-)	-	4.838	5.486
Net Balance on Balance Sheet	-	-	-

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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)	49.817	61.958	158.921
Loans to Real Persons and Legal Entities (Gross)	61.503	116.069	618.698
Specific Provisions (-)	11.686	54.111	459.777
Loans to Real Persons and Legal Entities (Net)	49.817	61.958	158.921
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	48.076	-
Specific Provisions (-)	-	48.076	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	62.062	64.509	155.532
Loans to Real Persons and Legal Entities (Gross)	76.792	118.843	611.881
Specific Provisions (-)	14.730	54.334	456.349
Loans to Real Persons and Legal Entities (Net)	62.062	64.509	155.532
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	47.554	-
Specific Provisions (-)	-	47.554	-
Other Loans and Receivables (Net)	-	-	-

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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	5.210.967	-	4.960.309	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	5.210.967	-	4.960.309	-

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	5.521.022	-	5.301.398	-
Other	-	-	-	-
Total	5.521.022	-	5.301.398	-

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

	Current Period	Prior Period
Government Bonds	34.364.846	36.381.678
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	34.364.846	36.381.678

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	34.371.338	36.388.051
Quoted in a Stock Exchange	32.047.929	34.064.577
Not Quoted in a Stock Exchange	2.323.409	2.323.474
Provision for Impairment (-)	-	-
Total	34.371.338	36.388.051

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

d) Movements of held-to-maturity investments:

	Current Period	Prior Period
Beginning Balance	36.388.051	44.843.796
Foreign Currency Differences on Monetary Assets	89.565	(17.236)
Purchases During the Year	4.058.408	1.447.839
Disposals through Sales and Redemptions	(6.164.686)	(9.886.348)
Provision for Impairment (-)	-	-
Period End Balance	34.371.338	36.388.051

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 “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement” published in the Official Gazette No. 27040 dated 31 October 2008 by TASB.

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, positive revaluation difference, which is accounted under shareholders’ equity, is TL(2.934), negative revaluation differences which are accounted under shareholders’ equity are USD(14.289) thousand and EUR(14.149) thousand respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR40.992 thousand and USD69.258 thousand respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TL20.468 would have been recorded. As of 31 March 2011, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TL(18.215).

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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	11,11	9,09

	Total Assets	Shareholders' Equity	Total Non- Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	21.011	15.865	6.792	912	-	1.465	1.067	-
2	45.045	19.875	2.527	778	-	4.175	2.638	-

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

(2) Current period financial statement information of Kredi Kayıt Bürosu A.Ş. has been provided from audited financial statements as of 31 March 2011 and prior period profit/loss balances of it has been provided from audited financial statements as of 31 March 2010. For Bankalararası Kart Merkezi A.Ş. the information in above table has been provided from audited financial statements as of 31 December 2010 and prior period profit/loss balances has been provided from audited financial statements as of 31 December 2009.

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

b) 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	20,00	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	2.317.519	312.435	23.776	8.053	6.278	6.553	4.914	-

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

(2) Current period information of ArapTürk Bankası A.Ş. have been provided from unaudited financial statements as of 31 March 2011 and prior period profit/loss balances of ArapTürk Bankası A.Ş. has been provided from unaudited financial statements as of 31 March 2010.

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

b) 1) Explanation regarding consolidated associates:

	Current Period	Prior Period
Beginning Balance	47.123	74.147
Movement During the Period	714	(27.024)
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer to Available for Sale Fin. Assets	-	47.123
Sales	-	(74.147)
Revaluation	714	-
Impairment Provision	-	-
Ending Balance	47.837	47.123
Capital Commitments	-	-
Period Ending Share of Capital Participation	15,43	15,43

⁽¹⁾ Axa Sigorta A.Ş. is classified under “Associates” account in prior period while it is classified under “Available for Sale Securities” in current period. Besides, Arap Türk Bankası A.Ş. has been involved in the consolidation process

2) Sector information about consolidated associates:

	Current Period	Prior Period
Banks	47.837	47.123
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Associates	-	-

4) Consolidated associates quoted to a stock exchange:

There is no consolidated associate quoted to a stock exchange (31 December 2010: None).

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

8. Information on subsidiaries (net):

a) 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	Bileşim Alternatif Dağıtım Kanalları ve Ödeme Sistemleri A.Ş.	Istanbul/Turkey	75,00	52,50
2	Fintek Finansal Teknoloji Hizmetleri A.Ş.	Ankara/Turkey	75,00	64,60

	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	20.281	11.316	2.769	204	-	1.131	485	-
2	11.966	4.391	100	33	11	165	106	-

⁽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 31 March 2011 and prior period profit/loss balances has been provided from audited financial statements as of 31 March 2010.

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.	Istanbul/Turkey	100,00	99,98
2	Ziraat Sigorta A.Ş.	Istanbul/Turkey	100,00	99,98
3	Ziraat Finansal Kiralama A.Ş.	Istanbul/Turkey	100,00	50,01
4	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	100,00	62,00
5	Ziraat Portföy Yönetimi A.Ş.	Istanbul/Turkey	60,00	65,44
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	97,62
10	Ziraat Banka Ad Skopje	Skopje/Macedonia	100,00	100,00

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

b) 1) Explanation regarding consolidated subsidiaries: (Continued)

	Total Assets ⁽³⁾	Shareholders' Equity ⁽³⁾	Total Non-Current Assets ⁽³⁾	Interest Income ⁽³⁾	Income from Marketable Securities Portfolio	Current Period Profit/Loss ⁽²⁾	Prior Period Profit/Loss ⁽³⁾	Fair Value ⁽¹⁾
1	621.456	71.625	647	-	11.476	3.198	6.683	-
2	157.565	41.517	660	-	2.024	8.482	725	-
3	447.445	114.179	809	126	-	4.481	3.918	-
4	558.572	65.899	743	2.091	578.840	5.414	4.537	-
5	8.914	8.635	7	188	846	450	410	-
6	1.646.969	347.973	2.186	8.746	1.208	1.305	414	323.328
7	192.526	76.355	8.420	2.192	289	480	245	48.632
8	80.422	47.270	4.574	1.243	28	594	180	43.477
9	100.499	63.549	7.465	1.163	103	(470)	(569)	68.070
10	100.483	39.751	3.160	745	434	165	511	37.469

- (1) Except the subsidiaries presented in fair value, since they are not traded in stock exchange, fair value cannot be determined and they are carried at cost less impairment if any. For the subsidiaries which has fair value, fair value shows the portion belonging to the 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 31 March 2011, the prior period profit/loss balances has been provided from unaudited financial statements as of 31 March 2010.

b) 2) Information about consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	629.955	-
Movements During the Period	6.818	629.955
Additions to Scope of Consolidation ⁽¹⁾	-	629.955
Purchases	-	-
Bonus Shares Obtained	7.343	-
Dividends from current year income	-	-
Transfers to available for sale assets	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	(525)	-
Balance at the End of the Period	636.773	629.955
Capital Commitments	-	-
Share percentage at the end of the period (%)	-	-

- (1) According to Communiqué related to making amendments to communiqué about Publicly Announced Financial Statements of Banks and Related Disclosures was issued in Official Gazette no: 27824 dated 23 January 2011 the Bank consolidates all of its financial subsidiaries as of 31 December 2010.

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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	520.976	520.975
Insurance Companies	39.984	39.984
Factoring Companies	-	-
Leasing Companies	56.677	49.860
Financing Companies	-	-
Other Financial Subsidiaries	19.136	19.136

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	5.329	5.329	81.048	7.267	27.696	1.597	1.074
Uzbekistan- Turkish Bank	17.178	17.185	126.620	3.321	1.407	1.886	995
Azer Türk Bank ASC	9.984	10.852	48.179	50.213	2.625	4.541	4.182
Total	32.491	33.366	255.847	60.801	31.728	8.024	6.251

⁽¹⁾ Information on entities under common control is provided from the unaudited financial statements as of 31 March 2011.

⁽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):

None.

11. Information on derivative financial assets for hedging purposes:

None.

12. Information on investment property:

None (31 December 2010: 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 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 TL51.895 consisting of TL50.754 on its commercial loans and TL1.141 on its agricultural loans. Total depreciation expense is TL216 for these held for sale assets.

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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	6.195.527	-	6.492.104	41.797.991	4.793.298	504.300	600.011	-	60.383.231
Foreign Currency Deposits	3.083.886	-	4.362.764	6.812.422	2.076.509	314.395	4.084.071	-	20.734.047
Residents in Turkey	2.934.257	-	4.158.438	6.334.374	1.786.513	247.310	3.749.425	-	19.210.317
Residents Abroad	149.629	-	204.326	478.048	289.996	67.085	334.646	-	1.523.730
Public Sector Deposits	6.352.556	-	1.339.094	6.241.767	1.058.515	15.298	15.487	-	15.022.717
Commercial Inst. Deposits	1.966.853	-	3.044.230	10.105.008	2.255.818	31.542	46.945	-	17.450.396
Other Inst. Deposits	881.911	-	432.814	6.760.508	2.636.598	62.662	6.372	-	10.780.865
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	70.181	-	2.038.152	541.612	-	-	-	-	2.649.945
CBRT	1.463	-	1.078	-	-	-	-	-	2.541
Domestic Banks	39.788	-	1.918.534	372.480	-	-	-	-	2.330.802
Foreign Banks	19.432	-	118.540	169.132	-	-	-	-	307.104
Participation Banks	9.498	-	-	-	-	-	-	-	9.498
Other	-	-	-	-	-	-	-	-	-
Total	18.550.914	-	17.709.158	72.259.308	12.820.738	928.197	4.752.886	-	127.021.201

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	6.140.203	-	10.634.241	38.091.351	2.802.331	396.027	550.097	-	58.614.250
Foreign Currency Deposits	3.333.545	-	5.090.126	7.183.678	1.970.116	524.026	3.971.421	-	22.072.912
Residents in Turkey	3.211.711	-	4.921.626	6.709.267	1.663.946	463.559	3.647.069	-	20.617.178
Residents Abroad	121.834	-	168.500	474.411	306.170	60.467	324.352	-	1.455.734
Public Sector Deposits	5.873.459	-	1.631.287	4.803.742	678.124	2.410	13.871	-	13.002.893
Commercial Inst. Deposits	2.506.389	-	4.418.724	11.000.102	882.668	241.408	37.748	-	19.087.039
Other Inst. Deposits	1.078.357	-	1.178.823	7.111.987	1.119.916	50.230	6.201	-	10.545.514
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	57.463	-	2.388.340	26.000	2.061	-	-	-	2.473.864
CBRT	1.496	-	1.539	-	-	-	-	-	3.035
Domestic Banks	13.515	-	2.293.971	26.000	-	-	-	-	2.333.486
Foreign Banks	33.020	-	92.830	-	2.061	-	-	-	127.911
Participation Banks	9.432	-	-	-	-	-	-	-	9.432
Other	-	-	-	-	-	-	-	-	-
Total	18.989.416	-	25.341.541	68.216.860	7.455.216	1.214.101	4.579.338	-	125.796.472

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

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

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	30.980.480	30.298.251	29.156.714	28.090.165
Foreign Currency Saving Deposits	6.826.229	6.883.869	7.344.329	7.051.300
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance ⁽¹⁾	360.670	287.445	27.980	22.157
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, TL4.740, TL1.533, and TL9.090 of legal entity’s deposits of Sofia, Athens and Komotini branches respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2010: Sofia Branches; Athens Branch and Komotini Branch, respectively TL6.730, TL1.450 and TL3.352).

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL3.482 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 TL50 attributable to a real person is covered by the insurance, TL382.019 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 7 November 2006 and numbered 26339

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.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

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

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	35.684	33.935
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	3.023	2.038
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	108	10	241	-
Swap Transactions	29.484	1.668	5.273	85
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	29.592	1.678	5.514	85

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	39.710	10.268	28.679	8.073
Foreign Banks, Institutions and Funds	-	109.749	-	62.011
Total	39.710	120.017	28.679	70.084

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	38.182	9.619	27.090	7.397
Medium and Long-Term	1.528	110.398	1.589	62.687
Total	39.710	120.017	28.679	70.084

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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:

83,67% 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 financial leases, rental installments are determined by the cost of the leasehold good, interest rate for commercial loans and maturity of the agreement. Installment amounts stated in agreements are equally distributed. The Bank has no significant liabilities under the scope of these agreements.

Information on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	-	-	1	1
Between 1-4 Years	-	-	-	-
More than 4 Years	-	-	-	-
Total	-	-	1	1

6. Information on derivative financial liabilities for hedging purposes:

There are no derivative financial liabilities for hedging purposes.

7. Explanations on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions	641.863	254.845
Allocated for Group-I Loans and Receivables	505.699	114.210
Allocated for Group-II Loans and Receivables	75.392	74.552
Allocated for Non-cash Loans	29.394	24.858
Other	31.378	41.225

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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 TL3.699.

d) Information on other provisions:

1) Information on general provisions for possible risks:

In accordance with the provision of the legislation, the Bank provides general loan loss provision for loans and other receivables in addition to specific provisions. As of 1 January 2011, the Bank terminated the practice of considering the provision rate as 0% for cash loans, except credit card receivables, granted before 6 March 2010 and started to make 1% provision for standard cash loans after this date parallel to the Note (a) of first paragraph of 7th article of Communiqué related to Provisions. Besides, based on the decision taken on Asset-Liability Committee ("ALCO") Meeting dated 21 December 2010, the practice of making 3% general and free provision for total loans, except interest loans, is terminated as of 1 January 2011 and free provision amounting to TL266.330 held for this purpose has been transferred to general provision accounts.

	Current Period	Prior Period
General provisions for possible risks	8.744	275.125

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 TL63.518. Full provision has been provided in the accompanying financial statements for law suits ended against the Bank but not finalized yet, amounting to TL9.059. 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.

TL106.325 of other provision amount consists of TL3.699 for unindemnified non-cash loans, TL8.500 for cash transfers made by clerks, TL14.897 for previously unconfirmed current account recordings and TL7.238 for other provisions.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

7. Explanations on provisions: (Continued)

e) Vacation and employment termination benefits obligations:

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.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period ⁽¹⁾
As of 1 January	489.700	429.000
Payments in the period	(8.750)	(8.302)
Charge for the period ⁽²⁾	11.950	7.102
Total	492.900	427.800

⁽¹⁾ Represents the movement for the period ended on 31 March 2010.

⁽²⁾ Charge for the prior period shows net balance of employment termination benefits provision expense equal to TL9.602 and reversals equal to TL2.500.

As of 31 March 2011 unpaid vacation liability amounted to TL115.545 (31 December 2010: TL111.130) 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 31 March 2011, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL82.968 (31 December 2010: TL252.667).

2) Information on current taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	82.968	252.667
Taxation on Income From Securities	79.777	90.373
Property Tax	716	747
Banking Insurance Transactions Tax (BITT)	27.263	30.390
Foreign Exchange Transactions Tax	4	4
Value Added Tax Payable	609	1.141
Other	235.297	29.582
Total	426.634	404.904

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

8. Information on tax liability: (Continued)

a) Information on current tax liability: (Continued)

3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums - Employee	24	17
Social Security Premiums - Employer	37	26
Bank Social Aid Pension Fund Premium - Employee	114	110
Bank Social Aid Pension Fund Premium - Employer	195	192
Pension Fund Membership Fees and Provisions - Employee	8	6
Pension Fund Membership Fees and Provisions - Employer	22	16
Unemployment Insurance - Employee	402	164
Unemployment Insurance - Employer	806	357
Other	21	12
Total	1.629	900

b) Information on deferred tax liabilities, if any:

The Bank’s deferred tax liability amounts to TL221 (31 December 2010: TL14.919). However, this amount is net off against the deferred tax asset and subsequently TL349.005 (31 December 2010: TL314.836) of net deferred tax asset is presented in the financial statements.

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.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

9. Information on shareholders’ equity: (Continued)

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	-	81.298	-	81.694
Revaluation Difference	-	81.298	-	81.694
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	384.021	21.735	741.963	104.951
Revaluation Difference	470.320	21.735	938.119	104.951
Deferred Tax Effect	(86.299)	-	(196.156)	-
Foreign Exchange Difference	-	-	-	-
Total	384.021	103.033	741.963	186.645

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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	2.490.670	2.303.845
Asset Purchase Commitments	1.127.202	261.277
Commitments for Credit Card Expenditure Limits	3.066.146	2.673.734
Loan Granting Commitments	3	-
Other Irrevocable Commitments	1.221.397	924.060
Subsidiaries and Associates Capital Contribution Commitments	2.000	2.000
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	6.562	10.958
Total	7.913.980	6.175.874

b) Nature and amount of possible losses and commitments arising from the off-balance sheet items including the below mentioned:

Bank has no loss 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	6.939.821	6.497.611
Bank Acceptances	45.021	39.164
Letter of Credits	1.273.154	985.179
Total	8.257.996	7.521.954

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

	Current Period	Prior Period
Letter of Temporary Guarantees	231.924	199.701
Letter of Certain Guarantees	3.602.359	3.384.045
Letters of Advance Guarantees	2.210.103	2.180.191
Letters of Guarantees given to Customs Offices	135.157	113.707
Other Letters of Guarantees	760.278	619.967
Total	6.939.821	6.497.611

c) 1) Total non-cash loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	735.875	593.228
With Original Maturity of One Year or Less	2.270	38.589
With Original Maturity of More than One Year	733.605	554.639
Other Non-Cash Loans	7.522.121	6.928.726
Total	8.257.996	7.521.954

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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⁾	1.543.745	52.065	1.299.144	24.566
Short Term Loans	417.163	12.112	410.947	9.371
Medium and Long Term Loans	1.101.015	39.952	859.103	15.195
Interest on Non-Performing Loans	25.567	1	29.094	-
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	8.603	-	48.787	-
Domestic Banks	7	441	-	110
Foreign Banks	476	4.402	142	3.851
Head Office and Branches	-	-	-	-
Total	9.086	4.843	48.929	3.961

c) Information on interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	1.746	339

2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	792	283	386	41
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	786	89	386	38
Foreign Banks	6	194	-	3
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	792	283	386	41

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

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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	19.314	924

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

	Current Period	Prior Period
Profit	813.934	179.073
Profit from the Capital Market Transactions	15.484	3.680
Profit on Derivative Financial Instruments	335.447	76.678
Foreign Exchange Gains	463.003	98.715
Loss (-)	837.789	160.671
Loss from the Capital Market Transactions	1.543	-
Loss on Derivative Financial Instruments	270.694	63.540
Foreign Exchange Loss	565.552	97.131

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

	Current Period	Prior Period ⁽¹⁾
Effect of the change in exchange rates on profit/loss	60.539	13.138
Effect of the change in interest rates on profit/loss	4.214	-
Total	64.753	13.138

⁽¹⁾ The Bank values its derivative financial transactions according to discounted values as of 31 March 2010. Therefore, as of 31 March 2010 profit/loss resulting from derivative financial operations are shown in effect of the change in exchange rates on profit/loss.

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 TL(96.874).

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE INCOME STATEMENT (Continued)

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

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables ⁽¹⁾	57.180	82.578
Group III Loans and Receivables	11.653	47.180
Group IV Loans and Receivables	22.679	30.366
Group V Loans and Receivables	22.848	5.032
General Provision Expenses ⁽²⁾	128.927	313
Provision Expenses for the Possible Losses ⁽²⁾	35	-
Marketable Securities Impairment Expense	1.409	1.354
Financial Assets at Fair Value through Profit and Loss	-	16
Financial Assets Available for Sale	1.409	1.338
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	1.139	3
Associates	613	-
Subsidiaries	526	-
Entities under Common Control	-	-
Investment Securities Held to Maturity	-	3
Other	124	37
Total	188.814	84.285

⁽¹⁾ The relevant balance includes the expenses related to the current period. The provision reversals within the period amounting to TL56.332 are presented in other operating income (31 March 2010: TL29.577).

⁽²⁾ The relevant balances include the expenses related to the current period. The provision reversals within the period amounting to TL8.153 are presented in other operating income (31 March 2010: TL77.821).

7. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses ⁽¹⁾	339.433	288.859
Reserve for Employee Termination Benefits ⁽¹⁾	11.950	9.602
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	10.961	11.553
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	1.593	577
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	2	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	138.466	100.574
Operational Leasing Expenses	16.287	10.392
Maintenance Expenses	10.137	13.481
Advertisement Expenses	9.685	3.721
Other Expenses	102.357	72.980
Loss on Sales of Assets	69	5
Other ⁽²⁾	117.891	113.919
Total	620.365	525.089

⁽¹⁾ TL8.302 of retirement and termination benefit payments which have been recorded under the personnel expenses by the Bank in the prior period is presented under the reserve for employee termination benefits row.

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- ⁽²⁾ TL42.166 of the relevant balance is Savings Deposit Insurance Fund expense accrual (31 March 2010: TL36.783), TL49.322 is taxes, fees and tolls expenses (31 March 2010: TL31.398).

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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	1.238.721	1.403.554
Net Fees and Commissions Income	166.111	124.608
Dividend Income	29.298	24.907
Trading Income/Expense (Net)	(23.855)	18.402
Other Operating Income	131.890	157.696
Provision for Loan or Other Receivables Losses (-)	188.814	84.285
Other Operating Expenses (-)	620.365	525.089
Income(Loss) From Continuing Operations	732.986	1.119.793

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

As of 31 March 2011, the Bank's income tax provision amounting to TL(159.483) (31 March 2010: TL(207.204)) consists of TL(83.438) (31 March 2010: TL(220.802)) of current tax charge and TL(76.045) (31 March 2010: TL13.598) 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 TL573.503 (31 March 2010: TL912.589).

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 (31 March 2010: None).

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 31 March 2011, the Bank's other fee and commission income amounting to TL185.980 (31 March 2010: TL139.552) consists of TL37.337 (31 March 2010: TL31.119) of credit card fees and commission income, TL50.617 (31 March 2010: TL29.539) of insurance commission and the remaining TL98.026 (31 March 2010: TL78.894) of money order, account management fee and other commission income.

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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	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	1.239.818	351.271	-	-	-	-
Closing Balance	1.349.140	491.785	-	-	-	-
Interest and Commissions Income	1.746		-	-	-	-

(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 TL388.743 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	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	811.676	305.249	-	-	-	-
Closing Balance	1.239.818	351.271	-	-	-	-
Interest and Commissions Income	339	-	-	-	-	-

(1) Accrual amount for period-end cash loans are not included in the table since it could not be decomposed from the existing data processing system.

(2) The cash loans balance includes the investments to associates, subsidiaries and entities under common control.

(3) Placements to foreign banks in the risk group amounting to TL302.285 are included in the cash loans.

(4) Interest and commissions income balance is the balance as of 31 March 2010.

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	1.527.048	100.952	-	-	-	-
Closing Balance	1.323.179	1.527.048	-	-	-	-
Interest expense on deposits	19.314	924	-	-	-	-

(1) The prior period balance of the accrued interest expense of the deposit is the balance as of 31 March 2010.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. EXPLANATIONS AND NOTES RELATED TO THE RISK GROUP OF THE BANK (Continued)

2) Information on forward transactions, option agreements and similar transactions between the Bank’s risk group:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
The Fair Value Differences Through Profit and Loss						
Opening Balance	-	12.768	-	-	-	-
Closing Balance	1.419	-	-	-	-	-
Total Profit/Loss	(132)	(3)	-	-	-	-
Risk Protection Oriented Processes	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

⁽¹⁾ The prior period loss balance is the balance as of 31 March 2010.

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

Fees paid to the Bank’s key management amount to TL3.710 (31 March 2010: TL1.936).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

Changes in the Reserve Requirements Ratios

1. Published in the Official Gazette No. 27788 dated 24 March 2011 and No. 2011/5 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated 1 April 2011, to be effective with the Turkish lira liabilities required reserve ratio for deposits/participation were differentiated in terms of the maturity structure of funds. These ratios are presented below:

- a) For Turkish Lira Liabilities;

TL Liabilities	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	15
Deposits/participation accounts up to 1-month maturity (including 1 month)	15
Deposits/participation accounts up to 3 month maturity (including 3 months)	13
Deposits/participation accounts up to 6 month maturity (including 3 months)	
Deposits/participation accounts up to 1-year maturity	6
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	5
Special Funds	Ratios correspond to maturities
Other than deposits/participation accounts	13

- b) Required reserve ratio for foreign currency liabilities is 11%.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS (Continued)

2. Published in the Official Gazette No. 27913 dated 22 April 2011 and No. 2011/6 on the Amendment of the Communiqué on the Required Provisions Scale obligation dated 1 April 2011, to be effective with the Turkish lira and foreign currency liabilities required reserve ratio for deposits/participation were differentiated in terms of the maturity structure of funds. These ratios are presented below:

- a) For Turkish Lira Liabilities;

TL Liabilities	Required Reserve Ratio (%)
Demand deposits, notice deposits, private current accounts	16
Deposits/participation accounts up to 1-month maturity (including 1 month)	16
Deposits/participation accounts up to 3-month maturity (including 3 months)	13
Deposits/participation accounts up to 6-month maturity (including 3 months)	6
Deposits/participation accounts up to 1-year maturity	5
Deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	Ratios corresponding to maturities
Special Funds	13
Other than deposits/participation accounts	13

- b) For foreign currency liabilities;

FC Liabilities	Required Reserve Ratio (%)
FC demand deposit, Notice deposits, FC private current accounts, Deposits/participation accounts up to 1-month, 3-months, 6-months and up to 1-year maturities	12
FC deposits/FC participation accounts with 1-year or longer maturity, Cumulative FC deposits/FC participation accounts	11
Special Fund Pools	Ratios corresponding to maturities
FC other liabilities up to 1-year maturity (including 1 year)	12
FC other liabilities up to 3-years maturity (including 3 years)	11,5
FC other liabilities with maturity longer than 3 years	11

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SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS ON THE BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON THE INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT

As of 31 March 2011 unconsolidated financial statements and footnotes 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 Auditors’ Limited Review Report dated 9 May 2011 is presented preceding the financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

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