

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 30 SEPTEMBER 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 30 September 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 30 September 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, 3 November 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 30 SEPTEMBER 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 nine months period ended on September 30, 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.

3 November 2011

Muharrem KARSLI
Chairman of the Board of
Directors

Hüseyin AYDIN
Member of the Board of Directors
General Manager

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

Bilgehan KURU
Assistant General Manager
Responsible for Financial Reporting P.

Mehmet Şükrü TAŞÇI
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
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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 30 SEPTEMBER 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 30 SEPTEMBER 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	Title
Members of the Board of Directors	
Muharrem KARSLI	Chairman
Mehmet MUMCUOĞLU	Deputy Chairman
Hüseyin AYDIN	General Manager and Member
Burhanettin AKTAŞ	Member
Halil ÇELİK	Member
Hikmet Aydın SİMİT	Member
Oğuz KAYHAN	Member
Dr. Ümran DEMİRÖRS	Member
Mustafa ÇETİN (**)	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
Bilgehan KURU	Fund Management
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
Numan BEK	External Relations and Associates
Seyfettin SAĞLAM	Human Resources
Celal REYHAN (*)	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

(*) Appointed as proxy pursuant to the Decision No.1551 of General Manager Regulatory Approval, dated 9 August 2011.

(**) Pursuant to the Decision No.185 of the Board of Directors, dated 26 July 2011, Mustafa ÇETİN was appointed to the empty position of Executive Board Membership.

(***) As described in footnote No. VI, of section five, with the decision of the Board of Directors as of 28 October 2011 several changes have been applied to the Bank’s organizational structure and senior managerial staff.

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2011

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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.

V. SUMMARY INFORMATION ON THE BANK'S ACTIVITIES AND SERVICES

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

As of 30 September 2011, Bank carries its activities with a grand total of 1.446 branches; 1.424 domestic branches including 1.359 branches, 27 bureaus, 36 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, 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 Gönelyi 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. Rodos branch in Greece started to operate as of 7 October 2011 and the number of branches abroad increased to 23. Besides, preparations for opening sub branches in Georgia (Batumi) and in Turkish Republic of Northern Cyprus (İskele) 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 30 SEPTEMBER 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 (30/09/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		ASSETS					
I. CASH BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	14.601.101	3.950.524	18.551.625	7.652.000	2.613.064	10.265.064
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or (LOSS) (Net)	(2)	131.739	22.801	154.540	211.577	28.012	239.589
2.1 Financial Assets Held for Trading		131.739	22.801	154.540	211.577	28.012	239.589
2.1.1 Public Sector Debt Securities		60.850	21.022	81.872	183.889	26.229	210.118
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.1.3 Derivative Financial Assets Held for Trading		70.889	1.779	72.668	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)	89.583	1.428.950	1.518.533	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)	34.470.615	4.237.443	38.708.058	35.943.019	3.781.486	39.724.505
5.1 Securities Representing a Share in Capital		126.047	82.036	208.083	118.312	46.394	164.706
5.2 Public Sector Debt Securities		33.940.347	4.108.106	38.048.453	35.618.082	3.695.037	39.313.119
5.3 Other Marketable Securities		404.221	47.301	451.522	206.625	40.055	246.680
VI. LOANS AND RECEIVABLES	(5)	62.933.536	7.243.567	70.177.103	51.982.988	5.460.465	57.443.453
6.1 Loans and Receivables		62.655.293	7.243.429	69.898.722	51.700.885	5.460.465	57.161.350
6.1.1 Loans Granted to Risk Group of The Bank		16.257	279.532	295.789	-	206.449	206.449
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		62.639.036	6.963.897	69.602.933	51.700.885	5.254.016	56.954.901
6.2 Loans under Follow-up		867.760	12.489	880.249	844.746	10.324	855.070
6.3 Specific Provisions (-)		589.517	12.351	601.868	562.643	10.324	572.967
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	27.452.200	4.840.315	32.292.515	32.331.551	4.056.500	36.388.051
8.1 Public Sector Debt Securities		27.443.722	4.839.795	32.283.517	32.325.607	4.056.071	36.381.678
8.2 Other Marketable Securities		8.478	520	8.998	5.944	429	6.373
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	57.055	-	57.055	52.177	-	52.177
9.1 Accounted with Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		57.055	-	57.055	52.177	-	52.177
9.2.1 Financial Associates		51.525	-	51.525	47.123	-	47.123
9.2.2 Non-financial Associates		5.530	-	5.530	5.054	-	5.054
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	122.284	576.250	698.534	114.700	520.976	635.676
10.1 Unconsolidated Financial Subsidiaries		116.563	576.250	692.813	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)		902.230	8.812	911.042	821.178	4.864	826.042
XV. INTANGIBLE ASSETS (Net)		52.310	10.913	63.223	33.736	1.688	35.424
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		52.310	10.913	63.223	33.736	1.688	35.424
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(12)	-	-	-	-	-	-
XVII. TAX ASSET		270.555	-	270.555	316.340	-	316.340
17.1 Current Tax Asset		211	-	211	1.504	-	1.504
17.2 Deferred Tax Asset		270.344	-	270.344	314.836	-	314.836
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(13)	51.966	-	51.966	14.945	-	14.945
18.1 Held for Sale		51.966	-	51.966	14.945	-	14.945
18.2 Held from Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS		720.815	50.639	771.454	478.769	54.332	533.101
TOTAL ASSETS		141.855.989	22.420.573	164.276.562	129.997.494	21.162.214	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 30 SEPTEMBER 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 (30/09/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		LIABILITIES AND EQUITY					
I. DEPOSITS	(1)	96.897.728	23.343.945	120.241.673	103.371.049	22.425.423	125.796.472
1.1 Deposits Held By the Risk Group of the Bank		1.256.328	41.762	1.298.090	1.395.435	131.613	1.527.048
1.2 Other		95.641.400	23.302.183	118.943.583	101.975.614	22.293.810	124.269.424
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	26.912	9.801	36.713	5.514	85	5.599
III. FUNDS BORROWED	(3)	69.793	322.932	392.725	28.679	70.084	98.763
IV. MONEY MARKET BALANCES		21.611.732	1.216.525	22.828.257	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		21.611.732	1.216.525	22.828.257	5.003.477	-	5.003.477
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		3.711.664	-	3.711.664	3.525.458	-	3.525.458
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		3.711.664	-	3.711.664	3.525.458	-	3.525.458
VII. MISCELLANEOUS PAYABLES		665.595	190.310	855.905	574.576	139.130	713.706
VIII. OTHER LIABILITIES	(4)	931.948	287.572	1.219.520	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)	1.593.189	6.126	1.599.315	1.223.040	4.990	1.228.030
12.1 General Provisions		857.473	128	857.601	254.814	31	254.845
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		634.080	-	634.080	600.830	-	600.830
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		101.636	5.998	107.634	367.396	4.959	372.355
XIII. TAX LIABILITY	(8)	250.418	149	250.567	405.625	179	405.804
13.1 Current Tax Liability		250.418	149	250.567	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)	13.107.771	32.452	13.140.223	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		728.493	32.452	760.945	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		167.650	32.452	200.102	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		1.648.971	-	1.648.971	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		1.489.173	-	1.489.173	3.712.602	-	3.712.602
TOTAL LIABILITIES AND EQUITY		138.866.750	25.409.812	164.276.562	128.035.501	23.124.207	151.159.708

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UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 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

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II. OFF-BALANCE SHEET COMMITMENTS	Note (Section Five III)	Current Period (30/09/2011)			Prior Period (31/12/2010)		
		TL	FC	Total	TL	FC	Total
		A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)	35.607.290	18.339.373	53.946.663	21.918.514
I.	GUARANTEES AND WARRANTIES	3.632.103	6.598.056	10.230.159	2.600.853	4.921.101	7.521.954
1.1	Letters of Guarantee	3.630.069	5.132.105	8.762.174	2.598.621	3.898.990	6.497.611
1.1.1	Guarantees Subject to State Tender Law	381.799	4.820.288	5.202.087	306.182	3.675.222	3.981.404
1.1.2	Guarantees Given for Foreign Trade Operations	2.476.547	-	2.476.547	1.782.538	-	1.782.538
1.1.3	Other Letters of Guarantee	771.723	311.817	1.083.540	509.901	223.768	733.669
1.2	Bank Acceptances	2.000	199.859	201.859	2.000	37.164	39.164
1.2.1	Import Letter of Acceptance	-	4.807	4.807	-	8.721	8.721
1.2.2	Other Bank Acceptances	2.000	195.052	197.052	2.000	28.443	30.443
1.3	Letters of Credit	34	1.266.092	1.266.126	232	984.947	985.179
1.3.1	Documentary Letters of Credit	34	1.266.092	1.266.126	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	28.995.770	7.858.781	36.854.551	17.265.250	4.282.801	21.548.051
2.1	Irrevocable Commitments	7.300.658	794.552	8.095.210	5.684.559	491.315	6.175.874
2.1.1	Asset Purchase and Sale Commitments	146.676	219.311	365.987	93.489	167.788	261.277
2.1.2	Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries	1.000	-	1.000	2.000	-	2.000
2.1.4	Loan Granting Commitments	105	-	105	-	-	-
2.1.5	Securities Issue Brokerage Commitments	-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7	Commitments for Cheques	2.475.379	-	2.475.379	2.303.845	-	2.303.845
2.1.8	Tax and Fund Liabilities from Export Commitments	-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits	3.652.137	-	3.652.137	2.673.734	-	2.673.734
2.1.10	Commitments for credit cards and banking services promotions	7.885	-	7.885	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	1.017.476	575.241	1.592.717	600.533	323.527	924.060
2.2	Revocable Commitments	21.695.112	7.064.229	28.759.341	11.580.691	3.791.486	15.372.177
2.2.1	Revocable Loan Granting Commitments	21.694.810	7.064.229	28.759.039	11.580.339	3.791.486	15.371.825
2.2.2	Other Revocable Commitments	302	-	302	352	-	352
III.	DERIVATIVE FINANCIAL INSTRUMENTS	2.979.417	3.882.536	6.861.953	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	2.979.417	3.882.536	6.861.953	2.052.411	2.148.669	4.201.080
3.2.1	Forward Foreign Currency Buy/Sell Transactions	71.206	73.335	144.541	9.352	10.353	19.705
3.2.1.1	Forward Foreign Currency Transactions-Buy	35.612	36.655	72.267	4.682	5.187	9.869
3.2.1.2	Forward Foreign Currency Transactions-Sell	35.594	36.680	72.274	4.670	5.166	9.836
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	2.908.211	3.809.201	6.717.412	2.043.059	2.138.316	4.181.375
3.2.2.1	Foreign Currency Swap-Buy	-	3.371.249	3.371.249	61.728	2.039.638	2.101.366
3.2.2.2	Foreign Currency Swap-Sell	2.908.211	437.952	3.346.163	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)	197.827.333	13.370.692	211.198.025	144.257.120	7.326.577	151.583.697
IV.	ITEMS HELD IN CUSTODY	18.940.086	1.141.490	20.081.576	12.077.658	645.771	12.723.429
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	3.199.620	840.582	4.040.202	2.917.066	515.859	3.432.925
4.3	Checks Received for Collection	875.378	35.866	911.244	867.258	15.434	882.692
4.4	Commercial Notes Received for Collection	2.640.625	179.611	2.820.236	2.161.082	75.767	2.236.849
4.5	Other Assets Received for Collection	8.899	-	8.899	-	8.442	8.442
4.6	Assets Received for Public Offering	12.004.615	95	12.004.710	5.920.736	305	5.921.041
4.7	Other Items Under Custody	209.300	85.336	294.636	201.422	38.406	239.828
4.8	Custodians	1.649	-	1.649	1.652	-	1.652
V.	PLEDGES RECEIVED	178.887.247	12.169.409	191.056.656	132.179.462	6.647.063	138.826.525
5.1	Marketable Securities	263.138	37.368	300.506	261.333	13.549	274.882
5.2	Guarantee Notes	21.687.957	4.161.002	25.848.959	15.576.321	2.641.709	18.218.030
5.3	Commodity	1.248.653	14.379	1.263.032	1.227.795	25.555	1.253.350
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	145.493.461	6.460.761	151.954.222	107.084.713	3.050.964	110.135.677
5.6	Other Pledged Items	10.188.829	1.488.757	11.677.586	8.024.091	909.357	8.933.448
5.7	Pledged Items-Depository	5.209	7.142	12.351	5.209	-	11.158
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES	-	59.793	59.793	-	33.743	33.743
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		233.434.623	31.710.065	265.144.688	166.175.634	18.679.148	184.854.782

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

III. INCOME STATEMENT					
INCOME AND EXPENSE ITEMS	Note (Section Five IV)	Current Period 1/1-30/9/2011	Prior Period 1/1-30/9/2010	Current Period 1/7-30/9/2011	Prior Period 1/7-30/9/2010
I. INTEREST INCOME	(1)	9.956.462	9.094.566	3.529.304	3.034.416
1.1 Interest Income from Loans		5.341.323	4.155.481	1.964.910	1.470.414
1.2 Interest Income From Reserve Deposits		1.203	823	444	296
1.3 Interest Income from Banks		28.433	170.170	7.830	61.831
1.4 Interest Income from Money Market Placements		36	2.287	2	961
1.5 Interest Income from Marketable Securities		4.577.344	4.757.915	1.554.805	1.498.963
1.5.1 Financial Assets Held for Trading		8.143	19.631	3.732	6.964
1.5.2 Financial Assets at Fair Value through Profit and Loss		-	-	-	-
1.5.3 Financial Assets Available-for-Sale		2.331.167	1.878.320	776.479	604.293
1.5.4 Investments Held-to-Maturity		2.238.034	2.859.964	774.594	887.706
1.6 Finance Lease Income		-	-	-	-
1.7 Other Interest Income		8.123	7.890	1.313	1.951
II. INTEREST EXPENSES	(2)	6.251.525	5.165.969	2.289.058	1.841.664
2.1 Interest Expense on Deposits		5.623.524	4.782.092	1.969.736	1.716.037
2.2 Interest on Borrowings		4.359	1.249	2.171	457
2.3 Interest on Money Market Borrowings		603.654	367.188	313.587	122.169
2.4 Interest on Marketable Securities Issued		-	-	-	-
2.5 Other Interest Expense		19.988	15.440	3.564	3.001
III. NET INTEREST INCOME/EXPENSES (I - II)		3.704.937	3.928.597	1.240.246	1.192.752
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		471.282	370.873	131.440	123.980
4.1 Fees and Commissions Received		578.348	441.732	172.257	150.592
4.1.1 Non-cash Loans		31.385	20.077	13.239	7.487
4.1.2 Other		546.963	421.655	159.018	143.105
4.2 Fees and Commissions Paid		107.066	70.859	40.817	26.612
4.2.1 Non-cash Loans		3	-	3	-
4.2.2 Other		107.063	70.859	40.814	26.612
V. DIVIDEND INCOME		31.751	29.749	608	228
VI. TRADING PROFIT/LOSS (Net)	(3)	(93.774)	40.721	(22.211)	17.400
6.1 Profit/Loss from Capital Market Operations		86.219	15.552	62.973	3.132
6.2 Profit/losses on Derivative Financial Transactions		308.027	(65.092)	165.074	(37.132)
6.3 Profit/Loss from Foreign Exchanges		(488.020)	90.261	(250.258)	51.400
VII. OTHER OPERATING INCOME	(5)	303.290	703.149	94.252	242.326
VIII. TOTAL OPERATING INCOMES/EXPENSES (III+IV+V+VI+VII)		4.417.486	5.073.089	1.444.335	1.576.686
IX. PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)	(6)	508.821	199.665	139.235	64.000
X. OTHER OPERATING EXPENSES(-)	(7)	1.960.043	1.579.225	691.089	516.666
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		1.948.622	3.294.199	614.011	996.020
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)	1.948.622	3.294.199	614.011	996.020
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9)	(459.449)	(561.022)	(143.484)	(173.563)
16.1 Current Tax Provision		(228.184)	(558.890)	(81.798)	(240.687)
16.2 Deferred Tax Provision		(231.265)	(2.132)	(61.686)	67.124
XVII. NET PROFIT/LOSSES FROM CONTINUING OPERATIONS (XV±XVI)		1.489.173	2.733.177	470.527	822.457
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)	1.489.173	2.733.177	470.527	822.457
Earnings/Loss per Share		0,000596	0,001093	0,000189	0,0003290

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
PROFIT AND LOSS ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	Current Period (30/09/2011)	Prior Period (30/09/2010)
I. ADDITIONS TO THE MARKETABLE VALUATION DIFFERENCES FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	341.374	926.223
II. PROPERTY AND EQUIPMENT REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(18.060)	(4.421)
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	(216)	-
IX. DEFERRED TAX RELATED TO VALUATION DIFFERENCES	(5.409)	(161.742)
X. NET PROFIT OR LOSS ACCOUNTED DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	317.689	760.060
XI. CURRENT YEAR PROFIT/LOSS	(1.046.195)	(528.189)
11.1 Net change in fair value of marketable securities (transfer to profit-loss)	(1.048.057)	(505.267)
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	1.862	(22.922)
XII. TOTAL PROFIT/LOSS RELATED TO THE CURRENT PERIOD (X±XI)	(728.506)	231.871

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2010**

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

V. CHANGES IN SHAREHOLDERS' EQUITY																		
30 September 2010		Note (Section Five)	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancl. Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
I.	Prior Period End Balance		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 the Period																	
II.	Increase/Decrease Related to Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	236.292	-	-	-	-	236.292
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)		-	-	-	-	-	-	-	-	-	-	-	-	4.531	-	-	4.531
VIII.	Foreign Exchange Differences		-	-	-	-	-	-	-	-	-	-	(4.421)	-	-	-	-	(4.421)
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		-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
XVII.	Net Profit or Losses		-	-	-	-	-	-	-	-	2.733.177	-	-	-	-	-	-	2.733.177
XVIII.	Profit Distribution		-	-	-	-	254.202	-	1.926.303	279.275	-	(3.510.954)	-	-	-	-	-	(1.051.174)
18.1	Dividend Distributed		-	-	-	-	-	-	-	-	-	(1.051.174)	-	-	-	-	-	(1.051.174)
18.2	Transfers to Legal Reserves		-	-	-	-	254.202	-	1.926.303	279.275	-	(2.459.780)	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Closing Balance		2.500.000	543.482	-	-	2.012.298	-	3.000.593	583.409	2.733.177	159.799	722.478	-	17.295	-	-	12.272.531
	(I+II+III+.....+XVI+XVII+XVIII)		2.500.000	543.482	-	-	2.012.298	-	3.000.593	583.409	2.733.177	159.799	722.478	-	17.295	-	-	12.272.531

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2011**

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

V. CHANGES IN SHAREHOLDERS' EQUITY																		
30 September 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		-	-	-	-	-	-	-	-	-	-	(710.446)	-	-	-	-	(710.446)
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		-	-	-	-	-	-	-	-	-	-	(18.060)	-	-	-	-	(18.060)
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		-	-	-	-	-	-	-	-	1.489.173	-	-	-	-	-	-	1.489.173
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	1.489.173	159.798	200.102	-	17.361	-	-	13.140.223

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2011**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS AT 30 SEPTEMBER 2011 AND 2010**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

VI. STATEMENT OF CASH FLOWS			
	Note (Section Five)	Current Period 1/1-30/9/2011	Prior Period 1/1-30/9/2010
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		1.603.608	3.356.767
1.1.1 Interest Received		10.805.514	9.241.334
1.1.2 Interest Paid		(6.259.596)	(5.150.004)
1.1.3 Dividend Received		31.751	20.248
1.1.4 Fees and Commissions Received		578.743	441.318
1.1.5 Other Income		490.614	535.843
1.1.6 Collections from Previously Written-off Loans and Other Receivables		593.790	435.092
1.1.7 Payments to Personnel and Service Suppliers		(1.780.831)	(1.423.759)
1.1.8 Taxes Paid		(528.585)	(697.176)
1.1.9 Other		(2.327.792)	(46.129)
1.2 Changes in Operating Assets and Liabilities		(532.847)	802.931
1.2.1 Net Decrease/(Increase) in Trading Securities		122.804	199.845
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3 Net Decrease in Banks		(1.283.982)	(306.760)
1.2.4 Net (Increase) in Loans		(12.381.824)	(10.379.289)
1.2.5 Net (Increase) in Other Assets		(185.492)	(78.083)
1.2.6 Net Increase/(Decrease) in Bank Deposits		18.557.094	(3.589.995)
1.2.7 Net (Decrease)/Increase in Other Deposits		(6.277.490)	14.517.865
1.2.8 Net (Decrease)/Increase in Funds Borrowed		292.410	11.417
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net (Decrease)/Increase in Other Liabilities		623.633	427.931
I. Net Cash Provided from Banking Operations		1.070.761	4.159.698
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		3.284.121	(1.782.399)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control		(74.675)	(19.236)
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control		-	-
2.3 Fixed Assets Purchases		(149.505)	(37.122)
2.4 Fixed Assets Sales		18.065	5.086
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		(33.622.809)	(11.741.371)
2.6 Cash Obtained from Sale of financial Assets Available for Sale		32.593.420	3.086.682
2.7 Cash Paid for Purchase of Investment Securities		(4.462.795)	(2.331.737)
2.8 Cash Obtained from sale of Investment Securities		9.087.613	9.255.299
2.9 Other		(105.193)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(1.078.596)	(1.043.364)
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)	(1.043.364)
3.5 Payments for Finance Leases		(1)	-
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		598.856	(113.223)
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		3.875.142	1.220.712
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		16.176.983	14.037.285

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 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 30 September 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.
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(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.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
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(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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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 positive difference between the cost and fair value of held for trading securities is accounted under “Other Interest and Income Accrual” and the negative difference is accounted under “Impairment Loss for Marketable Securities” account. The positive difference between the cost and amortized cost is accounted under “Interest income” account, the negative difference is accounted under “impairment loss” account. The positive difference between the fair value and amortized cost is accounted under “profits from capital markets” account and the negative difference is accounted under” loss from capital markets” account.

b. Held-to-maturity financial assets:

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

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

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income

accrual.

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**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
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(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 there is lack of price quotation on the basis of fair value calculations in an active market or in cases that fair value cannot be measured reliably, the fair value of available-for-sale-financial-assets is determined by using the effective interest rate with the amortized value or appropriate valuation methods.

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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. Moreover, the amendments made to the Regulation on the Amendment of the Regulation on the Procedures and Principles Determining the Characteristics of Loans and other Receivables by Banks and the Reserves that Set Aside for Them on the dates of 28 May 2011 and 18 June 2011 were reflected on the accounts regarding the additional, general provision amounts applied by the Bank.

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

As of the balance sheet date, there is no security of the bank subject to lending transactions.

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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. Constitutional Court has been mainly examined the case of cancellation and rejected suspension request of effect, with the cancellation of articles with the decision at the meeting of 30 March 2011 dated.

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

The technical balance sheet report as of 30 June 2011 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, gold, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXIII. EXPLANATIONS ON SEGMENT REPORTING

Information about operating segments which are determined in line with TFRS 8 “Turkish Accounting Standard about Operating Segments” together with organizational and internal reporting structure of the Bank, are disclosed in Note 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, TL111.845 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, TL4.155 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 15,87% (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)	56.248.746	-	1.854.905	16.096.404	47.684.515	732.954	2.718.157
Cash	1.604.308	-	73	-	-	-	-
Matured Marketable Securities	7.190	-	-	-	-	-	-
Central Bank of the Republic of Turkey	13.229.458	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	1.296.592	-	216.406	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	3.716.606	-	-	-	-	-	-
Loans ⁽¹⁾	5.068.628	-	327.717	15.860.161	43.856.316	732.954	2.718.157
Loans Under Follow-up (Net)	-	-	-	-	103.489	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	31.810.964	-	-	-	8.755	-	-
Receivables from Forward Sale of Assets	-	-	-	-	3.146	-	-
Sundry Debtors	14.275	-	69.256	-	187.541	-	-
Interest and Income Accruals	487.060	-	17.787	236.243	1.229.076	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	805.948	-	-
Tangible Fixed Assets	-	-	-	-	962.840	-	-
Other Assets	310.257	-	143.480	-	310.998	-	-
Off-Balance Sheet Items	290.288	-	298.480	-	6.738.478	-	-
Non-cash Loans and Commitments	290.288	-	253.035	-	6.738.095	-	-
Derivative Financial Instruments	-	-	45.445	-	383	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	56.539.034	-	2.153.385	16.096.404	54.422.993	732.954	2.718.157

⁽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)

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 ⁽¹⁾	4.547.023	-	184.218	13.056.906	38.545.233	55.855	-
Loans Under Follow-up (Net)	-	-	-	-	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.

Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	69.437.617	53.999.274
Market Risk Base Amount (MRBA)	6.683.338	5.526.838
Operational Risk Base Amount (ORBA)	10.895.348	10.009.066
Shareholders' Equity	13.810.953	13.350.237
Shareholders' Equity/(CRBA+MRBA+ORBA) * 100	15,87	19,20

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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 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	1.648.971	3.872.400
Net Profit of the Period	1.489.173	3.712.602
Retained Earnings	159.798	159.798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	8.658	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⁾	31.685	16.666
Prepaid Expenses (-) ⁽³⁾	-	73.771
Intangible Assets (-)	31.538	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	12.868.195	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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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Information related to components of shareholders’ equity: (Continued)

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	857.601	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	90.046	417.874
From Subsidiaries and Associates	36.665	36.763
From Financial Assets Available for Sale	53.381	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	965.008	690.014
TIER-III CAPITAL	-	-
CAPITAL	13.833.203	13.368.126
DEDUCTIONS FROM CAPITAL	22.250	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	21.314	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	168	190
Other	768	-
TOTAL SHAREHOLDERS’ EQUITY	13.810.953	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	415.811
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	20.340
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	96.562
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	1.954
(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)	534.667
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	6.683.338

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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
23.09.2011	1,8273	2,4657	1,7895	0,33179	0,26640	2,0198	1,7773	0,31401	2,8199	0,47216	2,3889
26.09.2011	1,8534	2,4899	1,7959	0,33498	0,26910	2,0525	1,7904	0,31896	2,8778	0,47883	2,4199
27.09.2011	1,8348	2,4948	1,8260	0,33556	0,27249	2,0507	1,7998	0,32052	2,8780	0,47420	2,3865
28.09.2011	1,8395	2,4960	1,8162	0,33582	0,27129	2,0485	1,7950	0,31907	2,8777	0,47523	2,4008
29.09.2011	1,8437	2,5081	1,8084	0,33734	0,27179	2,0607	1,7862	0,31896	2,8947	0,47654	2,3944
30.09.2011	1,8534	2,4842	1,7984	0,33424	0,26968	2,0444	1,7792	0,31616	2,8877	0,47885	2,4039

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
1,7878	2,4583	1,8305	0,33056	0,26970	2,0576	1,7854	0,31877	2,8262	0,46315	2,3224

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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	3.827.496	78.171	386	44.471	3.950.524
Banks	333.204	907.364	358	188.024	1.428.950
Financial Assets at Fair Value Through Profit and Loss	9.497	11.525	-	-	21.022
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	2.773.005	1.464.438	-	-	4.237.443
Loans ⁽²⁾	3.168.420	4.053.553	-	23.468	7.245.441
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) ⁽⁴⁾	360.357	228.783	-	37.469	626.609
Investments Held-to-Maturity	1.875.891	2.964.090	-	334	4.840.315
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	4.130	2.216	-	2.466	8.812
Intangible Assets	885	3.996	-	6.032	10.913
Other Assets	36.783	6.422	3	4.592	47.800
Total Assets	12.389.668	9.720.558	747	306.856	22.417.829
Liabilities					
Interbank Deposits	100.642	263.442	-	7.524	371.608
Foreign Currency Deposits	13.449.084	8.938.544	389	584.320	22.972.337
Money Market Borrowings	-	1.216.525	-	-	1.216.525
Funds Provided from Other Financial Institutions	10.702	312.230	-	-	322.932
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	173.364	15.797	-	1.149	190.310
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	129.504	128.419	16	35.908	293.847
Total Liabilities	13.863.296	10.874.957	405	628.901	25.367.559
Net Balance Sheet Position	(1.473.628)	(1.154.399)	342	(322.045)	(2.949.730)
Net Off-Balance Sheet Position⁽³⁾	1.281.790	1.217.991	-	433.491	2.933.272
Assets on Derivative Instruments	1.308.143	1.666.270	-	433.491	3.407.904
Liabilities on Derivative Instruments	26.353	448.279	-	-	474.632
Non-cash Loans	1.935.139	4.439.325	3.641	219.951	6.598.056
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 6,75% is CHF, 18,55% is GBP, 21,63% is DKK, and the remaining 53,07% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 34,38% is CHF, 45,33% is GBP, 10,48% is DKK and the remaining 9,81% is other foreign currencies.

⁽²⁾ TL1.343 equivalent of thousand USD and TL531 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 interest duration, convexity and re-pricing gap analysis are 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	36.393	-	-	-	-	18.515.232	18.551.625
Banks	481.665	345.231	170.633	-	-	521.004	1.518.533
Financial Assets at Fair Value Through Profit and Loss	251	10.728	27.803	25.962	9.938	79.858	154.540
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	9.602.046	7.298.365	6.303.366	10.350.621	4.545.920	607.740	38.708.058
Loans Given	18.368.585	5.366.098	13.578.099	25.791.962	6.793.977	278.382	70.177.103
Investments Held-to-Maturity	7.916.023	13.926.581	5.144.092	2.501.644	2.804.175	-	32.292.515
Other Assets	-	-	-	-	-	2.874.188	2.874.188
Total Assets	36.404.963	26.947.003	25.223.993	38.670.189	14.154.010	22.876.404	164.276.562
Liabilities							
Interbank Deposits	3.123.462	-	2.000	-	-	79.368	3.204.830
Other Deposits	26.235.545	57.096.378	13.883.549	571.919	-	19.249.452	117.036.843
Money Market Borrowings	20.229.763	1.946.801	651.693	-	-	-	22.828.257
Sundry Creditors	-	-	-	-	-	855.905	855.905
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	259.216	13.614	104.572	15.297	26	-	392.725
Other Liabilities	15.688	207	20.818	3.711.664	-	16.209.625	19.958.002
Total Liabilities	49.863.674	59.057.000	14.662.632	4.298.880	26	36.394.350	164.276.562
Balance Sheet Long Position	-	-	10.561.361	34.371.309	14.153.984	-	59.086.654
Balance Sheet Short Position	(13.458.711)	(32.109.997)	-	-	-	(13.517.946)	(59.086.654)
Off-Balance Sheet Long Position	8.024	577.169	-	-	-	-	585.193
Off-Balance Sheet Short Position	-	-	(27.311)	(532.800)	-	-	(560.111)
Total Position	(13.450.687)	(31.532.828)	10.534.050	33.838.509	14.153.984	(13.517.946)	25.082

- (1) Balances without fixed maturity are shown in the “Up to 1 Month” and “Non-Interest Bearing” columns.
- (2) TL3.688.451 of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the “1-5 Years” column. TL23.213 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	2,45	1,67	-	-
Financial Assets at Fair Value Through Profit and Loss	3,25	5,57	-	7,60
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4,65	6,16	-	8,30
Loans Given ⁽²⁾	4,70	3,91	-	16,05
Investments Held-to-Maturity	6,23	7,00	-	9,08
Liabilities				
Interbank Deposits ⁽³⁾	0,77	0,49	-	7,18
Other Deposits	1,98	2,52	-	6,77
Money Market Borrowings	-	0,99	-	6,26
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3,61	1,00	-	7,25

⁽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)

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.

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.

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EXPLANATIONS RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. EXPLANATIONS ON THE LIQUIDITY RISK (Continued)

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	18.551.625	-	-	-	-	-	-	18.551.625
Banks	521.004	481.665	345.231	170.633	-	-	-	1.518.533
Financial Assets at Fair Value Through Profit and Loss	7.190	28.539	34.672	27.546	46.581	10.012	-	154.540
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	654.640	323.985	1.531.083	23.095.646	12.894.621	208.083	38.708.058
Loans Given	-	2.932.644	6.097.381	24.797.208	32.790.676	3.280.812	278.382	70.177.103
Investments Held-to-Maturity	-	216.265	121.539	2.783.055	23.509.601	5.662.055	-	32.292.515
Other Assets	568.711	-	-	211	3.146	-	2.302.120	2.874.188
Total Assets	19.648.530	4.313.753	6.922.808	29.309.736	79.445.650	21.847.500	2.788.585	164.276.562
Liabilities								
Interbank Deposits	79.366	3.123.464	-	2.000	-	-	-	3.204.830
Other Deposits	19.249.452	26.235.545	57.096.378	13.883.549	571.919	-	-	117.036.843
Funds Provided from Other Financial Instruments	-	6.663	13.614	104.572	15.297	252.579	-	392.725
Money Market Borrowings	-	20.229.763	1.946.801	651.693	-	-	-	22.828.257
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	524.257	331.648	-	-	-	-	-	855.905
Other liabilities ⁽³⁾	1.225.939	183.253	83.209	20.818	3.711.664	634.080	14.099.039	19.958.002
Total liabilities	21.079.014	50.110.336	59.140.002	14.662.632	4.298.880	886.659	14.099.039	164.276.562
Liquidity Gap	(1.430.484)	(45.796.583)	(52.217.194)	14.647.104	75.146.770	20.960.841	(11.310.454)	-
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) TL3.688.451 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 TL23.213 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 in Turkey, it extends agricultural operations and investment loans from its own sources for vegetable and animal production, fishery products and agricultural mechanization directly to producers and 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 30 September 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⁾	1.287.434	465.736	558.265	2.077.606	28.445	4.417.486
Net Operating Profit	558.653	202.096	242.247	901.532	12.343	1.916.871
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	31.751
Income Before Taxes	-	-	-	-	-	1.948.622
Tax Provision	-	-	-	-	-	(459.449)
Net Profit for the Period	-	-	-	-	-	1.489.173
Segment Assets-net ⁽³⁾	31.466.942	15.967.063	22.067.028	89.104.619	2.796.722	161.402.374
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	805.948
Undistributed Assets ⁽⁵⁾	-	-	-	-	-	2.068.240
Total Assets	-	-	-	-	-	164.276.562
Segment Liabilities – net ⁽³⁾	23.567.042	11.958.468	20.238.676	88.266.014	2.788.107	146.818.307
Undistributed Liabilities ⁽⁵⁾	-	-	-	-	-	4.318.032
Shareholders' Equity	-	-	-	-	-	13.140.223
Total Liabilities	-	-	-	-	-	164.276.562
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	47.442
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⁾	3.470.765	76.620	28.101	1.464.780	32.823	5.073.089
Net Operating Profit	1.773.690	62.273	15.981	1.403.458	9.048	3.264.450
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	29.749
Income Before Taxes	-	-	-	-	-	3.294.199
Tax Provision	-	-	-	-	-	(561.022)
Net Profit for the Period	-	-	-	-	-	2.733.177
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	-	-	-	-	-	36.639
Restructuring Costs	-	-	-	-	-	-

- (1) Trade and corporate banking column includes results of operations and total assets and liabilities of 4 corporate and 7 trade branches of the Bank. Since any trading and corporate banking operations in other branches could not be distributed; they are not included in this column.
- (2) Real estate loans transferred from Emlak Bank and agricultural loans, liabilities regarding these loans and operating income related with them are included in “Specialized Banking” column. Besides, the current period amounts in specialized banking column include the results and the assets and liabilities of the Bank’s 7 agricultural branches opened in current period (Income from specialized banking operations are presented at “Specialized Banking” column and since the Bank’s deposit interest expense from related operations cannot be decomposed; these amounts are presented in operating profit row within “Retail Banking” column).
- (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 30 September 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	1.334.080	259.372	1.078.065	206.992
Central Bank of the Republic of Turkey	13.267.021	3.680.223	6.573.935	2.399.955
Other	-	10.929	-	6.117
Total	14.601.101	3.950.524	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 and loans which are provided by banks and followed on branches abroad constitutes the required reserves liabilities.

As of balance sheet date, according to CBRT’s “Required Reserves Announcement” No. 2005/1, required reserves ratios for commercial banks operating in Turkey, are as follows; for demand deposits, notice deposits and for deposits up to 1-month maturity (including 1 month) 16%, for deposits up to 3-months maturity (including 3 months) 13%, for deposits up to 6-months maturity (including 6 months) 9%, for deposits up to 1-year maturity 6%, for deposits up to 1-year and longer maturity 5%, and for TL liabilities other than deposits 13%. For FC deposit accounts, FC for demand deposits, for deposits up to 1-month, up to 3-months, up to 6-months and up to 1-year maturities 11,5%, for FC deposits up to FC 1-year and longer maturity 9,5%, for other FC liabilities up to 1-year maturity (including 1 year) 11,5%, for other FC liabilities up to 3-years maturity (including 3 years) 9,5%, for other FC liabilities longer than 3-years maturity 8,5%.

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	13.229.458	-	6.549.245	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves ⁽¹⁾⁽²⁾	37.563	3.680.223	24.690	2.399.955
Total	13.267.021	3.680.223	6.573.935	2.399.955

(1) Required reserve of branches abroad amounting to TL45.027 is presented in this line (31 December 2010: TL30.582).

(2) TL993.680 in FC required reserves is the part of TL required reserves kept as FC.

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	817	3	253	21
Swap Transactions	70.072	1.776	27.435	1.762
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	70.889	1.779	27.688	1.783

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	-	164.057	-	1.520.551
Foreign Banks	89.583	1.264.893	44.514	3.077.045
Foreign Head Office and Branches	-	-	-	-
Total	89.583	1.428.950	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	8.677.694	-
Assets Blocked/Given as Collateral	525.325	280
Total	9.203.019	280

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt Securities	38.634.880	39.570.457
Quoted in Stock Exchange	38.229.517	39.569.453
Not Quoted in Stock Exchange	405.363	1.004
Share Certificates	208.812	165.345
Quoted in Stock Exchange	83.166	47.519
Not Quoted	125.646	117.826
Provision for Impairment (-)	135.634	11.297
Total	38.708.058	39.724.505

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	247.490	-	209.595	-
Total	247.490	-	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	45.089.923	137.942	2.793.106	95.421
Discount Notes	1.339	-	-	-
Export Loans	1.411.676	-	1.989	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	550.046	-	-	-
International Loans	829.346	99	28	-
Consumer Loans	25.872.199	9.647	2.255.280	20.734
Credit Cards	1.549.445	520	41.400	-
Precious Metals Loans	-	-	-	-
Other	14.875.872	127.676	494.409	74.687
Specialized Lending ⁽²⁾	19.514.900	160.390	568.433	51.008
Other Receivables	-	-	-	-
Interest Income Accruals	1.487.599	-	-	-
Total	66.092.422	298.332	3.361.539	146.429

⁽¹⁾ Interest income accruals of restructured standard loans and other receivables and those under close monitoring cannot be decomposed from the existing data processing system.

⁽²⁾ Agricultural loans exists under the account of Specialized Lending.

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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	428.914	27.453.356	27.882.270
Real Estate Loans	2.616	7.797.090	7.799.706
Vehicle Loans	2.448	317.220	319.668
Consumer Loans	421.399	19.172.464	19.593.863
Abroad ⁽²⁾	2.451	166.582	169.033
Other	-	-	-
Consumer Loans- Indexed to FC	-	18	18
Real Estate Loans	-	18	18
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	23	535	558
Real Estate Loans	-	58	58
Vehicle Loans	-	-	-
Consumer Loans	23	477	500
Other	-	-	-
Individual Credit Cards-TL	1.452.155	936	1.453.091
With Installment	461.229	851	462.080
Without Installment	990.926	85	991.011
Individual Credit Cards-FC	2.015	-	2.015
With Installment	-	-	-
Without Installment	2.015	-	2.015
Personnel Loans-TL	16.662	161.347	178.009
Real Estate Loans	-	1.031	1.031
Vehicle Loans	-	-	-
Consumer Loans	5.557	159.475	165.032
Abroad ⁽²⁾	22	841	863
Other	11.083	-	11.083
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	66.565	27	66.592
With Installment	25.636	22	25.658
Without Installment	40.929	5	40.934
Personnel Credit Cards-FC	133	-	133
With Installment	-	-	-
Without Installment	133	-	133
Overdraft Accounts-TL (Real Person)	266.901	-	266.901
Overdraft Accounts-FC (Real Person)	-	-	-
Total	2.233.368	27.616.219	29.849.587

⁽¹⁾ As TL226.014 of interest income accrual could not be decomposed by type and are not included in the table above.

⁽²⁾ TL863 Thousand of consumer loans used by the personnel abroad and TL169.032 Thousand of consumer loans have been shown under “International Loans” of 5-b table.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

5. Information related to loans: (Continued)

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

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans-TL	286.569	4.530.480	4.817.049
Business Loans	88	136.760	136.848
Vehicle Loans	3.332	395.113	398.445
Consumer Loans	263.807	3.615.775	3.879.582
Other	19.342	382.832	402.174
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	-	1.835	1.835
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	1.835	1.835
Other	-	-	-
Corporate Credit Cards-TL	69.109	226	69.335
With Installment	751	226	977
Without Installment	68.358	-	68.358
Corporate Credit Cards-FC	199	-	199
With Installment	-	-	-
Without Installment	199	-	199
Overdraft Account-TL (Legal Entity)	12.357	-	12.357
Overdraft Account-FC (Legal Entity)	-	-	-
Total ⁽¹⁾	368.234	4.532.541	4.900.775

⁽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	67.581.650	55.656.522
Foreign Loans	829.473	581.262
Interest Income Accruals of Loans	1.487.599	923.566
Total	69.898.722	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	295.789	206.449
Indirect loans granted to subsidiaries and investments	-	-
Total ⁽¹⁾	295.789	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	14.071	14.730
Loans and other receivables with doubtful collectability	103.776	101.888
Uncollectible loans and other receivables	484.021	456.349
Total	601.868	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: Loans and receivables with limited collectability	Group IV: Loans and receivables with doubtful collectability	Group V: Uncollectible loans and receivables
Current period	3.354	23.809	59.669
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	3.354	23.809	59.669
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 (+)	395.323	68.777	154.869
Transfers from other Categories of Loans under Follow-Up (+)	-	286.481	276.761
Transfers to other categories of Loans under Follow-Up (-)	286.481	276.761	-
Collections (-) ⁽¹⁾	116.965	77.460	399.365
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	68.669	167.434	644.146
Specific Provision (-)	14.071	103.776	484.021
Net Balance on Balance Sheet ⁽²⁾	54.598	63.658	160.125

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

⁽²⁾ Includes the loans originated from funds amounting to TL174.696 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	28	5.936	6.525
Specific Provision (-)	6	5.820	6.525
Net Balance on Balance Sheet	22	116	-
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)	54.598	63.658	160.125
Loans to Real Persons and Legal Entities (Gross)	68.669	116.664	644.146
Specific Provisions (-)	14.071	53.006	484.021
Loans to Real Persons and Legal Entities (Net)	54.598	63.658	160.125
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	50.770	-
Specific Provisions (-)	-	50.770	-
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)	-	-	-

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	13.498.519	1.171.182	4.960.309	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	13.498.519	1.171.182	4.960.309	-

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I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	7.062.560	-	5.301.398	-
Other	-	-	-	-
Total	7.062.560	-	5.301.398	-

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

	Current Period	Prior Period
Government Bonds	32.283.517	36.381.678
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	32.283.517	36.381.678

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	32.298.790	36.388.051
Quoted in a Stock Exchange	29.971.436	34.064.577
Not Quoted in a Stock Exchange	2.327.354	2.323.474
Provision for Impairment (-)	6.275	-
Total	32.292.515	36.388.051

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	805.959	(17.236)
Purchases During the Year	4.192.393	1.447.839
Disposals through Sales and Redemptions	(9.087.613)	(9.886.348)
Provision for Impairment (-)	6.275	-
Period End Balance	32.292.515	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 the amendment of TAS 39 for Financial Instruments: published in the Official Gazette No. 27040 dated 31 October 2008 by TASB.

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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: (Continued)

Revaluation differences of reclassified available for sale securities before deferred tax are TL68.984, EUR(23.067) thousand and USD(15.207) thousand respectively and are recorded under shareholders' equity. These balances will be amortized until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of balance sheet date, positive revaluation difference, which is accounted under shareholders' equity, is TL(5.751), negative revaluation differences which are accounted under shareholders' equity are USD(14.108) thousand and EUR(12.394) thousand respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR38.768 thousand and USD68.366 thousand respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TL14.629 would have been recorded. As of 30 September 2011, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TL(10.312).

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	21.526	17.174	6.364	430	-	1.309	2.525	-
2	38.784	27.914	2.552	2.033	4	12.265	9.899	-

- (1) Since shares of associates are not traded in the stock market, fair values cannot be identified.
(2) Current period financial statement information of Bankalararası Kart Merkezi A.Ş. has been provided from audited financial statements as of 30 June 2011 and of Kredi Kayıt Bürosu A.Ş. has been provided from unaudited financial statements as of 30 September 2011. Prior period profit/loss balances have been provided from reviewed financial statements as of 30 September 2010.
(3) Total non-current assets include long term loans other than fixed assets.

b) 1) Information about consolidated associates:

	Description	Address (City/Country)	The Bank's Share Percentage, if Different, Voting Percentage (%) ⁽³⁾	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	2.527.845	339.422	23.786	35.178	21.147	33.540	18.558	-

- (1) Since shares of ArapTürk Bankası A.Ş. are not traded in the stock market, fair values cannot be identified.
(2) Current period financial statements information of ArapTürk Bankası A.Ş. has been provided from unaudited financial statements as of 30 September 2011 and prior period profit/loss balances of ArapTürk Bankası A.Ş. have been provided from unaudited financial statements as of 30 September 2010.
(3) The shareholding right of the Arap Türkiye Bankası A.Ş. which is 62.37%, excluding dividends, was transferred to the Savings Deposit Insurance Fund with Council of Ministers Decree No. 2011/2001, was promulgated in Official Gazette No. 27982, dated 02 July 2011. Hikmet Aydın Simit and Oğuz Kayhan, who were members of the Executive Board of the Bank, have been appointed as the executive board members of Arap Türk Bankası A.Ş. by the Saving Deposit Insurance Fund.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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

2) Explanation regarding consolidated associates:

	Current Period	Prior Period
Beginning Balance	47.123	74.147
Movement During the Period	4.402	(27.024)
Additions	-	-
Bonus Share Certificates	-	-
Shares of Current Year Profits	-	-
Transfer to Available for Sale Fin. Assets	-	47.123
Sales	-	(74.147)
Revaluation	4.402	-
Impairment Provision	-	-
Ending Balance	51.525	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

3) Sector information about consolidated associates:

	Current Period	Prior Period
Banks	51.525	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).

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	62,50	52,50
2	Fintek Finansal Teknoloji Hizmetleri A.Ş.	Ankara/Turkey	62,50	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	23.102	12.564	2.661	656	-	2.379	4.063	-
2	10.558	4.667	77	138	77	441	287	-

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

(2) Current period information of subsidiaries has been provided from unaudited financial statements as of 30 September 2011 and prior period profit/loss balances has been provided from audited financial statements as of 30 September 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)

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	50,25
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	98,81
10	Ziraat Banka Ad Skopje	Skopje/Macedonia	100,00	100,00

	Total Assets ⁽³⁾	Shareholders’ Equity ⁽³⁾	Total Non- Current Assets ⁽³⁾	Interest Income ⁽³⁾	Income from Marketable Securities Portfolio ⁽²⁾	Current Period Profit/Loss ⁽²⁾	Prior Period Profit/Loss ⁽³⁾	Fair Value ⁽¹⁾
1	851.472	116.638	807	-	48.316	48.210	30.721	-
2	200.413	64.411	716	-	8.114	31.377	6.928	-
3	573.356	122.750	457	242	-	13.053	9.979	-
4	113.037	73.404	697	27.543	1.083.108	12.918	8.895	-
5	9.973	9.379	6	623	2.525	1.274	1.365	-
6	2.013.518	388.592	2.593	30.130	4.078	5.363	2.571	323.328
7	213.471	89.038	9.537	6.582	333	772	594	48.632
8	100.203	51.812	4.024	3.871	76	1.695	1.144	43.477
9	201.725	143.504	8.940	3.893	563	2.354	(658)	123.344
10	105.776	46.606	3.599	2.271	1.326	547	1.227	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 have 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 30 September 2011, the prior period profit/loss balances have been provided from audited financial statements as of 30 September 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)

2) Information about consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	629.955	-
Movements During the Period	62.858	629.955
Additions to Scope of Consolidation ⁽¹⁾	-	629.955
Purchases	55.515	-
Bonus Shares Obtained	7.343	-
Dividends from current year income	-	-
Transfers to available for sale assets	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	692.813	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.

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

	Current Period	Prior Period
Banks	576.250	520.975
Insurance Companies	39.984	39.984
Factoring Companies	-	-
Leasing Companies	57.443	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	6.744	6.744	75.109	12.190	19.244	6.507	3.575
Uzbekistan- Turkish Bank	20.280	20.288	213.543	3.360	2.613	5.271	3.691
Azer Türk Bank ASC	13.214	14.363	78.012	76.095	357	23.726	22.377
Total	40.237	41.394	366.664	91.645	22.214	35.504	29.961

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

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued)

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 consumer, trade and agricultural receivables and immovables for which has no necessity of usage exists by the Bank. Those immovables considered for sales are announced at the web site of the Bank.

The Bank's immovables acquired amount to TL51.060 consisting of TL52.166 on its commercial loans and TL1.106 on its agricultural loans. Total depreciation expense is TL200 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	6.329.672	-	3.981.613	41.507.614	5.358.561	655.314	953.853	-	58.786.627
Foreign Currency Deposits	3.574.541	-	3.776.234	7.868.227	1.861.819	678.537	5.215.062	-	22.974.420
Residents in Turkey	3.288.647	-	3.614.076	7.106.410	1.630.365	507.685	4.739.856	-	20.887.039
Residents Abroad	285.894	-	162.158	761.817	231.454	170.852	475.206	-	2.087.381
Public Sector Deposits	6.233.182	-	1.308.662	4.545.537	204.555	87.754	14.730	-	12.394.420
Commercial Inst. Deposits	1.907.651	-	2.006.275	5.236.862	2.074.037	1.317.669	52.410	-	12.594.904
Other Inst. Deposits	1.204.406	-	474.476	4.578.361	3.766.063	186.808	76.358	-	10.286.472
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	79.369	-	2.937.017	186.444	-	-	2.000	-	3.204.830
CBRT	1.510	-	1.297	-	-	-	-	-	2.807
Domestic Banks	30.878	-	2.933.681	-	-	-	2.000	-	2.966.559
Foreign Banks	32.244	-	2.039	186.444	-	-	-	-	220.727
Participation Banks	14.737	-	-	-	-	-	-	-	14.737
Other	-	-	-	-	-	-	-	-	-
Total	19.328.821	-	14.484.277	63.923.045	13.265.035	2.926.082	6.314.413	-	120.241.673

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	30.430.882	30.298.251	28.102.427	28.090.165
Foreign Currency Saving Deposits	7.377.767	6.883.869	9.142.316	7.051.300
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance ⁽¹⁾	404.477	287.445	34.545	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, TL15.245 and TL7.117 respectively, cannot be decomposed by type and are therefore included in the table above (31 December 2010: Bulgaria and Greece, respectively TL6.730, TL4.802).

Based on the Council of Minister’s decree dated 29 December 2003 and numbered 2003/6668, TL3.323 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, TL356.929 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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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: (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	3.675	33.935
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	3.207	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	806	22	241	-
Swap Transactions	26.106	9.779	5.273	85
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	26.912	9.801	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	69.793	33.669	28.679	8.073
Foreign Banks, Institutions and Funds	-	289.263	-	62.011
Total	69.793	322.932	28.679	70.084

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	66.044	67.653	27.090	7.397
Medium and Long-Term	3.749	255.279	1.589	62.687
Total	69.793	322.932	28.679	70.084

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

3. c) Further information is disclosed for the areas of liability concentrations. Main liability concentration areas are fund suppliers, sector groups or other risk concentration criteria:

73,19% 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	857.601	254.845
Allocated for Group-I Loans and Receivables	718.103	114.210
Allocated for Group-II Loans and Receivables	80.175	74.552
Allocated for Non-cash Loans	33.851	24.858
Other	25.472	41.225

Information required regarding the number of changes and extended terms in the original payment schedule of loans in accordance with the changes made in “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Provided” on 28 May 2011:

i) Rescheduled loan and other receivables that are standard:

30 September 2011	Up-to-1-month	1-3 months	3-12 months	1-5 years	5 years and above	Total
Number of rescheduled loan agreement	143	418	3.493	2.659	4	6.717
Risk amount	4.031	16.565	136.195	84.767	127	241.685

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

7. Explanations on provisions: (Continued)

a) Information on general provisions: (Continued)

ii) Rescheduled loan and other receivables that are closely monitored:

30 September 2011	Up-to-1- month	1-3 months	3-12 months	1-5 years	5 years and above	Total
Number of rescheduled loan agreement	6	19	179	507	33	744
Risk amount	275	865	8.028	21.592	1.687	32.447

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 TL3.826.

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 6 March 2010, the Bank terminated the practice of considering the provision rate as 0% for cash loans, except credit card receivables, granted before 1 January 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	8.659	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 TL67.860. 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.

TL107.634 of other provision amount consists of TL3.826 for unindemnified non-cash loans, TL8.500 for cash transfers made by clerks, TL15.517 for previously unconfirmed current account recordings and TL7.800 for other provisions.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

7. Explanations on provisions: (Continued)

e) Vacation and employment termination benefits obligations:

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	(40.420)	(28.720)
Charge for the period	64.570	45.720
Total	513.850	446.000

⁽¹⁾ Represents the movement for the period ended on 30 September 2010.

As of 30 September 2011 unpaid vacation liability amounted to TL120.230 (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 30 September 2011, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL81.332 (31 December 2010: TL252.667).

2) Information on current taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	81.332	252.667
Taxation on Income From Securities	110.433	90.373
Property Tax	789	747
Banking Insurance Transactions Tax (BITT)	35.493	30.390
Foreign Exchange Transactions Tax	5	4
Value Added Tax Payable	673	1.141
Other	20.787	29.582
Total	249.512	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	19	17
Social Security Premiums - Employer	27	26
Bank Social Aid Pension Fund Premium - Employee	129	110
Bank Social Aid Pension Fund Premium - Employer	221	192
Pension Fund Membership Fees and Provisions - Employee	18	6
Pension Fund Membership Fees and Provisions - Employer	17	16
Unemployment Insurance - Employee	205	164
Unemployment Insurance - Employer	413	357
Other	6	12
Total	1.055	900

b) Information on deferred tax liabilities, if any:

The Bank's deferred tax liability amounts to TL8.015 (31 December 2010: TL14.919). However, this amount is net off against the deferred tax asset and subsequently TL270.344 (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.

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.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued)

9. Information on shareholders’ equity: (Continued)

f) Indicators of the Bank’s income, profitability and liquidity for the previous periods and possible effects of future assumptions based on the uncertainty of these indicators on the Bank’s equity:

In the current period, the Bank follows its operations in line with the previous periods. The Bank’s balance sheet has been managed with precaution by being affected by the interest, rate of exchange and credit risks at the minimum level. This helps to reduce the effects of fluctuations in the market to the Bank is performance and contributes to the profitability structure to be sustainable.

g) Information on preferred shares:

The Bank has no preferred shares.

h) Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates and Entities under common control	-	81.479	-	81.694
Revaluation Difference	-	81.479	-	81.694
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	167.650	(49.027)	741.963	104.951
Revaluation Difference	157.883	(49.027)	938.119	104.951
Deferred Tax Effect	9.767	-	(196.156)	-
Foreign Exchange Difference	-	-	-	-
Total	167.650	32.452	741.963	186.645

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	2.475.379	2.303.845
Asset Purchase Commitments	365.987	261.277
Commitments for Credit Card Expenditure Limits	3.652.137	2.673.734
Loan Granting Commitments	105	-
Other Irrevocable Commitments	1.592.717	924.060
Subsidiaries and Associates Capital Contribution Commitments	1.000	2.000
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	7.885	10.958
Total	8.095.210	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.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS (Continued)

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

	Current Period	Prior Period
Guarantee Letters	8.762.174	6.497.611
Bank Acceptances	201.859	39.164
Letter of Credits	1.266.126	985.179
Total	10.230.159	7.521.954

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

	Current Period	Prior Period
Letter of Temporary Guarantees	257.932	199.701
Letter of Certain Guarantees	4.729.309	3.384.045
Letters of Advance Guarantees	2.691.391	2.180.191
Letters of Guarantees given to Customs Offices	165.493	113.707
Other Letters of Guarantees	918.049	619.967
Total	8.762.174	6.497.611

c) 1) Total non-cash loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	856.674	593.228
With Original Maturity of One Year or Less	70.890	38.589
With Original Maturity of More than One Year	785.784	554.639
Other Non-Cash Loans	9.373.485	6.928.726
Total	10.230.159	7.521.954

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⁾	5.134.786	206.537	4.074.069	81.412
Short Term Loans	1.380.244	43.975	1.275.888	27.117
Medium and Long Term Loans	3.674.950	162.556	2.717.912	54.295
Interest on Non-Performing Loans	79.592	6	80.269	-
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	8.604	-	157.476	-
Domestic Banks	73	698	28	383
Foreign Banks	1.898	17.160	534	11.749
Head Office and Branches	-	-	-	-
Total	10.575	17.858	158.038	12.132

c) Information on interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	7.286	2.198

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks ⁽¹⁾	2.965	1.394	1.138	111
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	2.950	371	1.132	105
Foreign Banks	15	1.023	6	6
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	2.965	1.394	1.138	111

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

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

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	89.740	11.142

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

	Current Period	Prior Period
Profit	2.618.112	888.578
Profit from the Capital Market Transactions	86.909	15.562
Profit on Derivative Financial Instruments	1.148.871	236.469
Foreign Exchange Gains	1.382.332	636.547
Loss (-)	2.711.886	847.857
Loss from the Capital Market Transactions	690	10
Loss on Derivative Financial Instruments	840.844	301.561
Foreign Exchange Loss	1.870.352	546.286

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

	Current Period	Prior Period ⁽¹⁾
Effect of the change in exchange rates on profit/loss	141.866	(129.536)
Effect of the change in interest rates on profit/loss	166.161	64.444
Total	308.027	(65.092)

(1) The Bank values its derivative financial transactions according to discounted values as of 30 September 2010. Therefore, as of 30 September 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(206.411).

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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⁾	155.914	194.925
Group III Loans and Receivables	14.243	52.867
Group IV Loans and Receivables	53.126	104.693
Group V Loans and Receivables	88.545	37.365
General Provision Expenses ⁽²⁾	344.625	886
Provision Expenses for the Possible Losses ⁽²⁾	35	-
Marketable Securities Impairment Expense	1.135	1.864
Financial Assets at Fair Value through Profit and Loss	2	-
Financial Assets Available for Sale	1.133	1.864
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	6.811	1.059
Associates	536	-
Subsidiaries	-	-
Entities under Common Control	-	-
Investment Securities Held to Maturity	6.275	1.059
Other	301	931
Total	508.821	199.665

- (1) The relevant balance includes the expenses related to the current period. The provision reversals within the period amounting to TL129.259 are presented in other operating income (30 September 2010: TL209.643).
- (2) The relevant balances include the expenses related to the current period. The provision reversals within the period amounting to TL8.210 are presented in other operating income (30 September 2010: TL354.400).

7. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses ⁽¹⁾	1.043.451	864.168
Reserve for Employee Termination Benefits ⁽¹⁾	64.570	48.224
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	-	-
Depreciation Expenses of Tangible Fixed Assets	39.106	34.656
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	8.336	1.983
Impairment Expense for Equity Shares subject to the Equity Method	-	-
Impairment Expense for Investment Securities that will be Disposed	-	-
Amortization Expenses of Investment Securities that will be Disposed	-	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	436.470	313.617
Operational Leasing Expenses	54.211	35.032
Maintenance Expenses	28.428	41.513
Advertisement Expenses	19.037	14.955
Other Expenses	334.794	222.117
Loss on Sales of Assets	137	226
Other ⁽²⁾	367.973	316.351
Total	1.960.043	1.579.225

- (1) TL28.411 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
- (2) TL143.666 of the relevant balance is Savings Deposit Insurance Fund expense accrual (30 September 2010: TL117.406), TL145.164 is taxes, fees and tolls expenses (30 September 2010: TL121.657).

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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	3.704.937	3.928.597
Net Fees and Commissions Income	471.282	370.873
Dividend Income	31.751	29.749
Trading Income/Expense (Net)	(93.774)	40.721
Other Operating Income	303.290	703.149
Provision for Loan or Other Receivables Losses (-)	508.821	199.665
Other Operating Expenses (-)	1.960.043	1.579.225
Income(Loss) From Continuing Operations	1.948.622	3.294.199

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

As of 30 September 2011, the Bank's income tax provision amounting to TL(459.449) (30 September 2010: TL(561.022)) consists of TL(228.184) (30 September 2010: TL(558.890)) of current tax charge and TL(231.265) (30 September 2010: TL(2.132)) 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 TL1.489.173 (2010: TL2.733.177).

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 (30 September 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 30 September 2011, the Bank's other fee and commission income amounting to TL546.963 (30 September 2010: TL421.655) consists of TL137.738 (30 September 2010: TL105.706) of credit card fees and commission income, TL135.008 (30 September 2010: TL80.363) of insurance commission and the remaining TL274.217 (30 September 2010: TL235.586) of money order, account management fee and other commission income.

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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	1.682.234	636.792	-	-	-	-
Interest and Commissions Income	7.286	-	-	-	-	-

(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 TL580.500 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	2.198	-	-	-	-	-

(1) Accrual rediscount amount for period-end cash loans are not included in the table.

(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 30 September 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	1.298.090	1.527.048	-	-	-	-
Interest expense on deposits	89.740	11.142	-	-	-	-

(1) The prior period balance of the accrued interest expense of the deposit is the balance as of 30 September 2010.

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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	7.268	-			-	-
Total Profit/Loss	(274)	-			-	-
Risk Protection Oriented Processes	-	-			-	-
Opening Balance	-	-			-	-
Closing Balance	-	-			-	-
Total Profit/Loss	-	-			-	-

⁽¹⁾ The prior period loss balance is the balance as of 30 September 2010.

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

Fees paid to the Bank’s key management total amount is TL 9.322 (30 September 2010: TL7.527).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- Published in the Official Gazette No. 25995 dated 5 October 2011 and No. 2005/1 the Amendment of Communiqué on the Required Provisions Scale Obligation has been adjusted considering maturity structure. These ratios are presented below:

For Foreign Currency Liabilities;

FC Liabilities	Required Reserve Ratios (%)
FC demand deposit, notice FC deposits, FC private current accounts, up to 1-month, up to 3-months, up to 6-months and up to 1-year maturities	11
FC deposits/FC participation accounts	9
FC deposits/FC participation accounts up to 1-year or longer maturity and cumulative FC deposits/FC participation accounts	9
Special fund pools	Ratios correspond to maturities
Other FC liabilities up to 1-year maturity (including 1 year)	11
Other FC liabilities up to 3-years maturity (including 3 years)	9
Other FC liabilities with maturity longer than 3 years	6

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. In accordance with the Official Gazette No. 25995, dated 6 October 2011 and No. 2005/1 the Amendment of Communiqué on the Required Provisions Scale Obligation has been adjusted considering maturity structure of TL accounts. These ratios are presented below:

For Turkish Lira Liabilities;

TL Liabilities	Required Reserve Ratio (%)
For demand deposits, deposits/participation accounts up to 1-month (including 1 month)	16
For deposits/participation accounts up to 3-months maturity (including 3 months)	12,5
For deposits/participation accounts up to 6-months (including 6 months)	9
For deposits/participation accounts up to 1-year maturity	6
For deposits/participation accounts up to 1-year maturity or longer maturity	5
For other TL liabilities up to 1-year maturity	11
For deposits/participation accounts and other TL liabilities up to 3-years maturity (including 3 years)	8
For other TL liabilities with maturity longer than 3 years	5

3. In accordance with the Official Gazette No. 25995, dated 27 October 2011 and No. 2005/1 the Amendment of Communiqué on the Required Provisions Scale Obligation has been adjusted considering maturity structure of TL accounts. These related adjustments will be valid as of required provisions scale dated 28 October 2011 and required reserves calculated based on new ratios will be applied as of 11 November 2011. These ratios are presented below:

TL Liabilities	Required Reserve Ratio (%)
For demand deposits, notice deposits and private current accounts	11
For deposits/participation accounts up to 1-month maturity (including 1 month)	11
For deposits/participation accounts up to 3-months maturity (including 3months)	11
For deposits/participation accounts up to 6-month maturity (including 6 months)	8
For deposits/participation accounts up to 1-year maturity	6
For deposits/participation accounts up to 1-year maturity and longer, deposits/participation accounts	cumulative 5

Beside, upper limit of required reserves for TL accounts that can be kept as part of FC accounts has been increased from 20% to 40%.

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4. With the decision of the Board of Directors of the Bank dated 28 October 2011, the organizational structure of General Management has been changed as shown below and it has been decided to make necessary legal applications to assign the referred people as assistant general managers.

Assistant General Manager of Marketing	Ömer M. BAKTIR
Assistant General Manager of Consumer Banking	Cem İNAL
Assistant General Manager of Credit Allocation and Management	Musa ARDA
Assistant General Manager of Lending Policy	M. Cengiz GÖĞEBAKAN
Assistant General Manager of Treasury Management	Bilgehan KURU
Assistant General Manager of International Banking	Numan BEK
Assistant General Manager of Human Resources	Ali TOKER
Assistant General Manager of Support Services	Seyfettin SAĞLAM
Assistant General Manager of Operational Transactions	Alpaslan ÇAKAR
Assistant General Manager of Financial Management (*)	-
Chairman of the Internal Audit and Risk Management	Bülent YALIM

(*) Assistant General Manager of Financial Management position is temporarily carried out by Bilgehan Kuru.

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

**TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2011**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

SECTION SIX

OTHER EXPLANATIONS AND NOTES

I. OTHER EXPLANATIONS ON THE BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON THE INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS’ LIMITED REVIEW REPORT

As of 30 September 2011 unconsolidated financial statements and footnotes of the Bank disclosed here in 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 3 November 2011 is presented preceding the financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITORS

None.

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