

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

INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT, UNCONSOLIDATED
FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD ENDED
SEPTEMBER 30, 2008

Translated into English from the
Original Turkish Report

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

**INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
FOR THE PERIOD JANUARY 1, 2008 – SEPTEMBER 30, 2008**

To the Board of Directors of
T.C. Ziraat Bankası A.Ş.
Ankara

We have reviewed the accompanying balance sheet of T.C. Ziraat Bankası A.Ş. (the “Bank”) as at September 30, 2008 and related statements of income, changes in shareholders’ equity and cash flows for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. Since a review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed a full scope 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 financial statements do not give a true and fair view of financial position, the results of its operations and its cash flows, of the Bank for the period ended September 30, 2008 in accordance with prevailing accounting principles and standards set out as per Article No:37 of the Banking Act No: 5411, other regulations communiqué and circulars issued by Banking Regulation and Supervision Agency and pronouncements made by Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

DRT BAĞIMSIZ DENETİM VE
SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Ankara, November, 19 2008

H. Erdem Selçuk
Partner

Additional paragraph for the English translation:

The accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices accepted in countries and jurisdictions other than those in Turkey. The standard procedures and practices to audit the accompanying unconsolidated financial statements are those accepted and approved in Turkey.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

THE UNCONSOLIDATED INTERIM FINANCIAL REPORT FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

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

The unconsolidated financial report for the nine months period ended on September 30, 2008 in line with Communiqué on Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures designed by the Banking Regulation and Supervision Agency consists of the sections listed below:

- 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
- 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, 2008, are prepared in thousands of New 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 including the Banks' records, have been reviewed and presented as attached.

Mehmet MUMCUOĞLU
Vice Chairman of the Board of
Directors'

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

Hikmet Aydın SİMİT
Member of the Board of
Directors
(Member of the Audit
Committee)

Can Akın ÇAĞLAR
General Manager

İsmail Erdal MAZLUM
Assistant General Manager
responsible for Financial
Reporting

Mehmet Şükrü TAŞÇI
Vice Head of General
Accounting and Financial
Reporting Department

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

Name/Title : Atakan BEKTAŞ/Manager
Telephone Number : 0312 584 70 97 – 70 98
Fax Number : 0312 584 71 50 - 53

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TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A. Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION

I. ESTABLISHMENT DATE OF THE BANK, INITIAL ARTICLES OF ASSOCIATION, THE HISTORY OF BANK INCLUDING THE CHANGES REGARDING THESE ARTICLES

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. 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 Under Secretariat of Treasury of the Turkish Republic.

II. CAPITAL STRUCTURE OF THE BANK, SHAREHOLDERS THAT RETAIN DIRECT OR INDIRECT MANAGEMENT AND CONTROL OF THE BANK SOLELY OR TOGETHER, CHANGES DURING THE YEAR AND EXPLANATIONS ABOUT THE GROUP

The sole shareholder of the Bank is the Under Secretariat of Treasury of the Turkish Republic.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A. Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION (cont'd)

III. EXPLANATIONS REGARDING THE BANK'S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, AUDIT COMMITTEE MEMBERS, GENERAL MANAGER AND ASSISTANTS AND THEIR SHARES IN THE BANK

Name	Administrative Function
Prof. Dr. İlhan ULUDAĞ	Chairman
Members of the Board of Directors	
Mehmet MUMCUOĞLU	Vice Chairman
Can Akın ÇAĞLAR	General Manager and Board Member
Mehmet Emin ÖZCAN	Member
Ahmet CANDAN	Member
Burhanettin AKTAŞ	Member
Oğuz KAYHAN	Member
Hikmet Aydın SİMİT	Member
Dr. Ümran DEMİRÖRS	Member
Chief Assistant General Managers	
Selim Güray ÇELİK	Strategy and Operations
Senih BOYACIGİL	Banking
Assistant General Managers	
Ali Rıza AKBAŞ	Commercial Banking
Ahmet Mesut GÜRAYLI	Retail Banking
Bülent YALIM	Banking Operations
Cem ÖZŞEN	Fund Management (International Relations and Participations – By Proxy)
Elif Zeynep ERÜL	Corporate Communication
Ercüment Güler	Resource Management
İsmail Erdal MAZLUM	General Accounting and Finance
Kemal GÜLERDİ	Loans and Overdue Loans
Mustafa ŞAHİN	Support Services
Nuh Mehmet YILMAZKOLUKISA	Agricultural Banking
Seyfettin SAĞLAM	Human Resources
Group Heads	
Yusuf BİLMEZ	Internal Control
M.Ayhan ALTINTAŞ	Risk Management
Dr. Muzaffer ŞAHİN	Regional Coordination
Emin ÇUBIKCI	Regional Coordination
Hüsamettin GÜLHAN	Regional Coordination
Recep TÜRKAY	Regional Coordination
Members of the Audit Committee	
Oğuz KAYHAN	Member
Hikmet Aydın SİMİT	Member

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A. Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION (cont'd)

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
Under Secretariat of Treasury	2,500,000	100	2,500,000	-.-

The sole shareholder of the Bank is the Under Secretariat of Treasury.

V. SUMMARY OF THE BANK'S FUNCTIONS AND LINES OF ACTIVITIES

The purpose of activity of the Bank is stated in articles of association as to perform all kind 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 associations 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, 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 September 30, 2008, Bank carries its activities with a grand total of 1,265 branches; 1,255 domestic branches including 1,153 branches, 29 bureaus, 70 private operation centers, 1 charge bureau, 2 mobile branches and abroad branches each in United States (New York), England (London), Bulgaria (Sofia), Iraq (Baghdad) and Georgia (Tbilisi) and 4 branches and 1 bureau in Turkish Republic of Northern Cyprus. Also, Bank has 1 representative office in Pakistan and Iran, 1 sub branch in England. Moreover, activities for the opening of 2 branches in Greece are still pending.

The bank signed a contract with T. İş Bankası A.Ş. on January 22, 2007 to provide longer installment plan and bonus points to their credit card users. The Bank's credit card users will be benefiting 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 from the merchants that apply. Transactions between the two banks are administered by Interbank Card Centre.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A. Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION II: UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
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- I. BALANCE SHEET
- II. STATEMENT OF OFF-BALANCE SHEET ACCOUNTS
- III. STATEMENT OF INCOME
- IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- V. STATEMENT OF CASH FLOWS
- VI. STATEMENT OF PROFIT DISTRIBUTION

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION III: ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

According to Article 37 of the Banking Act No:5411, consulting the associations of institutions and the Turkish Accounting Standards Board, banks should apply uniformity in their accounting systems in line with the principles and procedures established by the Banking Regulation and Supervision Agency (BRSA) based on the international standards; record all their transactions based on their real nature; and timely and correctly prepare their financial reports in a style and format that will meet the requirements of providing information, that is clear, reliable and comparable and suitable for auditing, analysis and interpretation. Besides, as also stated in 1st Provisional Article of the related Act, “Any legislation, which has been put into force based on repealed provisions shall remain in force and effect before any decrees, regulations and communiqués shall be put into effect in accordance with the related Act that are not in conflict herewith”.

In this context; the Bank’s unconsolidated financial statements are prepared in accordance with the Communiqué on “Procedures and Principles Regarding the Bank’s Accounting Practices and Maintaining Documents” published in the Official Gazette No: 26333 on November 1, 2006, the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) effective by the Turkish Accounting Standards Board. The Bank’s accounting records are maintained in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

Balance sheet and statement of off-balance sheet accounts are presented comparatively with audited balances as of December 31, 2007 while, statements of income, cash flows and changes in shareholders’ equity are presented comparatively with balances as of September 30, 2007 that are reviewed.

Unless otherwise specified, all balances in the financial statements and footnotes are expressed in thousands of New Turkish Lira (Thousand TRY).

II. EXPLANATIONS ON STRATEGY OF USE OF FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

Main activity of the Bank comprises 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, shareholders’ equity and funds transferred from the government 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 rate of return. 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, 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

III: ACCOUNTING POLICIES (cont'd)

II. EXPLANATIONS ON STRATEGY OF USE OF FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS (cont'd)

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 repo, 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.

Except for the Cyprus branches, assets and liabilities of the abroad branches of the Bank are translated into TRY according to the Bank's prevailing counter currency buying rates at the balance sheet date while, profit and loss are translated based on the average rates. Resulting differences from translation are followed under equity as other capital reserves.

Valuation differences arising from the translation of foreign currency investments compared with cost of Bank's share in associates, subsidiaries and entities under common control to TRY, are accounted under equity as other capital reserves.

III. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

The derivative instruments of the Bank are composed of foreign currency-foreign currency swaps and foreign currency forward agreements. 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 "Financial Instruments: Recognition and Measurement" (TAS 39). 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 meet the determination criteria for classifying as hedging instruments or whether such derivative transactions are finalized through sale, term expiry or fulfillment of obligations under the contract.

Derivative financial instruments are carried at their fair value as of their agreement date and revalued by internal rate of return method in post reporting periods. Positive valuation differences are shown in the balance sheet as "Held for Trading Derivative Financial Assets" and negative valuation differences are shown in the balance sheet as "Held for Trading Derivative Financial Liabilities", and they are recognized under "Profit/Loss from Capital Market Transactions" in the income statement.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION III: ACCOUNTING POLICIES (cont'd)

IV. 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 No: 26333 dated November 1, 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.

V. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

Commission income from banking, agency and intermediary services is recognized as income on the date they are collected. Whereas, commission income from individual, trade and agricultural cash loans are recognized on an accrual basis by using internal rate of return method. The other fees and commission expenses are recorded as expense on the date they are paid.

VI. 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 instruments 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.

Cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

Financial assets held for trading are securities that are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are securities included in a portfolio for short-term profit making purposes.

Trading securities are initially recognized at cost including the transaction costs and 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 Istanbul Stock Exchange (ISE) are carried at weighted average ISE prices as of the balance sheet date and those securities that are not traded in ISE are carried at prices of the Central Bank of Republic of Turkey. Eurobonds are carried at prices in the over the counter markets.

The difference between the cost and fair value of held for trading securities is accounted under “Other interest and income accrual” or “Impairment loss for marketable securities” account. Interest received from financial assets held for trading is reflected as interest income.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION III: ACCOUNTING POLICIES (cont'd)

VI. EXPLANATIONS ON FINANCIAL ASSETS (cont'd)

Investments held to maturity include financial assets other than 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 is fixed or determinable payments with fixed maturity;

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

Financial assets available for sale include all securities other than loans and receivables, and those held to maturity and held for trading.

Financial assets are classified as securities held-to-maturity, loans and receivables, financial assets available for sale or held-for-trading at their acquisition dates.

Investments held-to-maturity, financial assets available for sale, and loans and receivables are initially carried at cost.

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

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

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

Financial assets available for sale are subsequently measured at amortized cost with internal rate of return, and they are accounted for by setting forth provision for impairment loss or by posting interest income accrual. Amortized values and costs are also compared and the difference is recognized as an interest income/expense for impairment losses. Fair values and amortized costs of those securities are subject to comparison and the difference is presented under shareholders' equity as a "Marketable Securities Valuation Differences".

Sale and purchase transactions of financial assets are accounted for at the settlement dates.

Loans are to be 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 TRY by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TRY 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 No: 26333 dated November 1, 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. Allocated provisions are deducted from the income for the period. If the loans for which provisions were set in the previous year 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**
(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION III: ACCOUNTING POLICIES (cont'd)

VII. 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.

Loans and other receivables are classified in accordance with the Communiqué on “Methods, Principles on Determining the Nature of Loans, Other Receivables, and Allocation of Provisions” published in the Official Gazette numbered 26333 and dated November 1, 2006. 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 and they are recognized in the statement of income. Collections made related to those loans are offset against the principal and interest collections are recognized under the “Interest Received from Non-performing Loans” item in the income statement.

In accordance with the provisions of the above mentioned legislation, the Bank provides general loan loss provisions for loans and its receivables in addition to specific provisions. Based on the decision of Bank’s Asset and Liability Management, total loans excluding loans originated from funds whose risk is not beared by the Bank, general provision ratio is set as 3%. Additional provision provided upon this decision is presented under other provisions within the balance sheet.

VIII. 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 a party currently has a legally enforceable right to set off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

(Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION III: ACCOUNTING POLICIES (cont'd)

IX. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES

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 valuation principles of the related portfolios.

Total costs including the interest income accruals of held to maturity investments and available for sale securities sold under repurchase agreements amount to TRY 3,868,678 Thousand (December 31, 2007: TRY 196,230 Thousand), and TRY 504,735 Thousand (December 31, 2007: None) respectively. Funds obtained by these agreements are followed under the “Funds from Repurchase Agreements” account in the balance sheet and interest expense accrual is calculated according to the valuation principles of the related portfolios. As of September 30, 2008 the Bank has no reverse repo transaction. (December 31, 2007: TRY 2,611,226 Thousand).

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

X. EXPLANATIONS ON TANGIBLE FIXED ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND THE LIABILITIES ABOUT THOSE ASSETS

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

The Bank’s immovables acquired amount to TRY 3,182 Thousand consisting of TRY 3,036 Thousand on its commercial loans and TRY 146 Thousand on its agricultural loans. Total assets held for sale together with its movables amounting to TRY 47 Thousand equal to TRY 3,229 Thousand. Total depreciation expense is TRY 44 Thousand for these assets.

XI. 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 carried at historical costs and 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. Annual depreciation rate is 20% (5 years) for establishment/formation expenses 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 capitalized and amortized considering the useful lives of the initial costs.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XII. EXPLANATIONS ON TANGIBLE FIXED ASSETS

Tangible fixed assets are carried at cost and if results of appraisal reports exceed the costs, they are not subject to any revaluation. The Bank's tangible fixed assets purchased before January 1, 2005 are carried at restated cost in the balance sheet before December 31, 2004 and its tangible fixed assets that are purchased subsequent to January 1, 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.

Estimated depreciation rates of tangible fixed assets are as follows:

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

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.

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.

XIII. EXPLANATIONS ON LEASING TRANSACTIONS

The Bank, as the lessee, recognizes its leasing operations in accordance with the requirements of the Turkish Accounting Standards (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.

As of the balance sheet date, the Bank has no financial leasing operations as a lesser.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XIV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES

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.

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

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

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 TRY 100 Thousand amounts to TRY 204,301 Thousand. Full provision has been provided in the accompanying financial statements for law suits ended against the Bank but not finalized yet, amounting to TRY 9,250 Thousand.

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

XV. EXPLANATIONS ON EMPLOYEE BENEFIT LIABILITIES

Employee benefits liabilities are recognized in accordance with the Turkish Accounting Standard (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, lump sum payments are made to all employees who retire or whose employment is terminated without due cause. According to the related legislation, depending on the status and position of the employee in the Bank and social security institution, retirement pay 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 extend that the payments and/or salary amount does not exceed the Retirement Payment Provision ceiling).

As the data on the unused vacation time could not be obtained from the application system in line with the legislation that requires 10 days of paid leave to be used at minimum and the assumption that 12 days of paid vacation is used on average, unused vacation liability is calculated by deducting 12 days of paid vacation from the total earned vacation time.

As of September 30, 2008, provision allocated by the Bank for all employee benefit liabilities is TRY 491,600 Thousand. The Bank is not employing its personnel by means of limited-period contracts.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XV. EXPLANATIONS ON EMPLOYEE BENEFIT LIABILITIES (cont'd)

The Bank's personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası Çalışanları Emekli Sandığı Vakfı (T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund) which was established by 20th provisional article of Social Security Agency (SSK) Act of no 506. In accordance with 23rd provisional clause of the Banking Act No: 5411, the pension fund is expected to be transferred to the Social Security Agency by three years following the declaration of the Banking Act No: 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act No: 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court.

The technical balance sheet report as of December 31, 2007 which is prepared in accordance with the principles in the Council of Ministers decision 2006/11345 declared in the Official Gazette dated December 15, 2006 numbered 26377, which defines the principles of such transfer, by using a technical interest rate of 10.24% concludes no technical deficit arises in the above mentioned fund.

In accordance with the Act No: 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette No: 26870 on May 8, 2008, 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.

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

The technical balance sheet report as of June 30, 2008 which is prepared in accordance with the principles Act No: 5754 declared in the Official Gazete dated June 8, 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded no technical deficit arises in the above mentioned fund.

XVI. EXPLANATIONS ON TAXATION

Corporate Tax:

In accordance with Article 6 "Taxation and Payment of Tax Payers - Determination of Tax Base" and Article 32 "Corporate Tax and Provisional Rates" of the Corporate Tax Law No: 5220, corporate tax is calculated based on the net corporate income of tax-payers in an accounting period by using 20% as tax rate.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XVI. EXPLANATIONS ON TAXATION (cont'd)

Corporate Tax: (cont'd)

In accordance with the requirements of Income Tax Act (by considering non-deductable charges, discounts and exceptions and provisions of the Tax Procedure Law on revaluation), corporate tax-payers pay provisional tax which is calculated with the current tax rate and will be offset against the current period's corporate tax.

Corporate tax returns are delivered to related tax administration in the period between the 1st and the 25th days of the fourth month subsequent to the end of accounting period and paid in full before the end of the related month. Nevertheless, the tax audit authorities can investigate accounting records in 5 year-period and the corporate tax payable amount may subject to a change in case of determination of any false entry.

In case of a taxable base financial profit, provision is provided for Corporate and Income Tax liabilities based on the results of the current period activities.

Deferred Tax Liability/Asset:

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

Deferred tax is recognized on 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 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.

XVII. ADDITIONAL EXPLANATIONS ON BORROWINGS

The Bank accounts its debt instruments in accordance with the Turkish Accounting Standard (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 valuation of debt instruments and liabilities representing the borrowings.

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

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SECTION III: ACCOUNTING POLICIES (cont'd)

XVIII. EXPLANATIONS ON SHARES ISSUED

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

XIX. EXPLANATIONS ON BILL GUARANTEES AND ACCEPTANCES

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

XX. EXPLANATIONS ON GOVERNMENT INCENTIVES

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

XXI. EXPLANATIONS ON SEGMENT REPORTING

The Bank has operations in retail (consumer) banking, corporate and commercial banking, agricultural banking, treasury transactions 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. 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 financing, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

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

Treasury 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 has commission revenue from insurance and other finance institutions by rendering agency services through its branches.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XXI. EXPLANATIONS ON SEGMENT REPORTING (cont'd)

The Bank performs its international banking operations via branches each in New York, London, Baghdad, Sofia and Tbilisi, 4 branches and 1 bureau in the Turkish Republic of North Cyprus and representative offices in Pakistan and Iran. Moreover, the Bank operates in Germany, Bosnia Herzegovina, Macedonia, Russia, Kazakhstan, Azerbaijan, Turkmenistan and Uzbekistan via equity investments abroad.

As of September 30, 2008 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:

	Retail Banking	Trade and Corporate Banking (*)	Specialized Banking (**)	Treasury	International Banking	Total Operations of the Bank
Current Period						
Total Operating Income/Expense (***)	2,055,614	284,941	858,615	512,369	25,182	3,736,721
Net Operating Profit/(Loss)	555,431	214,980	858,615	447,406	4,389	2,080,821
Income from Subsidiaries (****)	-	-	-	-	-	19,920
Income before Taxes	-	-	-	-	-	2,080,821
Tax Provision	-	-	-	-	-	(439,741)
Minority Rights	-	-	-	-	-	-
Net Profit/(Loss) for the Period	-	-	-	-	-	1,641,080
Segment Assets-net (***)	12,268,024	8,360,309	8,601,653	60,959,462	680,201	90,869,649
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-	518,936
Undistributed Assets (****)	-	-	-	-	-	949,536
Total Assets						92,338,121
Segment Liabilities – net (***)	61,947,704	14,637,979	2,763,270	3,872,579	670,756	83,892,288
Undistributed Liabilities (****)	-	-	-	-	-	1,715,975
Shareholders' Equity	-	-	-	-	-	6,729,858
Total Liabilities	-	-	-	-	-	92,338,121
Other segment items	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	30,307
Restructuring Costs	-	-	-	-	-	-

(*) Trade and corporate banking column includes results of operations and total assets and liabilities of 3 corporate and 27 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.

(**) Agricultural loans and real estate loans transferred from Emlakbank, liabilities regarding these loans and operating income related with them are included in “Specialized Banking” column. Besides, income from specialized banking operations are presented at “Specialized Banking” column and since the Bank’s deposit interest expense from related operations can not be decomposed; these amounts are presented at operating profit row in “Retail Banking” column.

(***) 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.

(****) “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 branches.

(*****) The total of tangible and intangible assets, tax asset and tangible fixed assets held for sale is shown in “Undistributed Assets” row, however the total of provisions and tax liability is shown in “Undistributed Liabilities” row.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

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SECTION III: ACCOUNTING POLICIES (cont'd)

XXI. EXPLANATIONS ON SEGMENT REPORTING (cont'd)

Table for Segment Reporting: (cont'd)

	Retail Banking	Trade and Corporate Banking (*)	Specialized Banking (**)	Treasury	International Banking	Total Operations of the Bank
Prior Period						
Total Operating Income/Expense (***)	2,729,914	469,699	809,660	654,612	46,233	4,710,118
Net Operating Profit/(Loss)	1,239,668	341,263	807,639	560,680	13,810	2,963,060
Income from Subsidiaries (****)	-	-	-	-	-	25,640
Income before Taxes	-	-	-	-	-	2,963,060
Tax Provision	-	-	-	-	-	(611,969)
Minority Rights	-	-	-	-	-	-
Net Profit/(Loss) for the Period	-	-	-	-	-	2,351,091
Segment Assets-net (***)	12,531,423	2,684,124	7,394,841	56,369,835	817,502	79,797,725
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-	373,847
Undistributed Assets	-	-	-	-	-	770,739
Total Assets	-	-	-	-	-	80,942,311
Segment Liabilities – net (***)	54,339,262	13,775,677	2,769,294	589,554	808,248	72,282,035
Undistributed Liabilities	-	-	-	-	-	1,442,174
Shareholders' Equity	-	-	-	-	-	7,218,102
Total Liabilities	-	-	-	-	-	80,942,311
Other segment items	-	-	-	-	-	-
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	43,657
Restructuring Costs	-	-	-	-	-	-

(*) Trade and corporate banking column includes results of operations and total assets and liabilities of 3 corporate and 26 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.

(**) Agricultural loans and real estate loans transferred from Emlakbank, liabilities regarding these loans and operating income related with them are included in "Specialized Banking" column.

(***) 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.

(****) "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 branches.

XXII. EXPLANATIONS ON OTHER MATTERS

The General Assembly for year 2007 was carried out on April 8, 2008. In accordance with the decision taken, of the profit for the year 2007 amounting to TRY 2,351,091 Thousand, TRY 316,865 Thousand is transferred to legal reserves, TRY 40,318 Thousand and TRY 1,649,555 Thousand are distributed as dividend to employees provided that dividend amount does not exceed one month gross wage for each employee and to Treasury after deducting withholding tax of 15% (TRY 291,098 Thousand) respectively. Cash payment is done to Treasury on April 21, 2008. As of September 30, 2008, TRY 4,682 Thousand of dividend remained undistributed to be paid to employees who do not have received dividend yet.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE

I. EXPLANATIONS RELATED TO 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 19.26% (December 31, 2007: 25.44%).

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 November 1, 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, credit risk and 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 loan amount 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.

Since financial assets available for sale represent more than 10% of the Bank's total securities, these assets are considered as held for trading and is not included in risk weighted assets in the current period in accordance with the additional article of Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" which is effective from January 1, 2008. For determining market risk base amount, the capital requirement is calculated for these balances with regards to general market and specific risk.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. EXPLANATIONS RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)

Information related to capital adequacy ratio:

Current Period	Risk Weights						
	Bank Only						
	0%	10%	20%	50%	100%	150% ⁽²⁾	200% ⁽²⁾
Credit Risk Base Amount							
Balance Sheet Items (Net)	53,054,600	-	1,889,123	5,153,801	21,483,591	15,101	-
Cash	937,852	-	232	-	-	-	-
Matured Marketable Securities	125	-	-	-	-	-	-
Central Bank of Republic of Turkey	2,915,473	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	1,887,458	-	61,408	-	-
Interbank Money Market Placements	600,000	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,472,595	-	-	-	-	-	-
Loans ⁽¹⁾	2,813,198	-	-	5,134,182	19,654,735	15,101	-
Loans Under Follow-up (Net) ⁽¹⁾	-	-	-	-	498	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-	21,540	-	-
Investments Held to Maturity	43,250,824	-	-	-	3,742	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,979	-	-
Sundry Debtors	7,033	-	732	-	115,425	-	-
Interest and Income Accruals	913,404	-	696	19,619	710,091	-	-
Subsidiaries, Associates and Joint Ventures (business associations) (Net)	-	-	-	-	7,951	-	-
Tangible Fixed Assets	-	-	-	-	817,898	-	-
Other Assets	144,096	-	5	-	84,324	-	-
Off Balance Sheet Items	112,794	-	48,663	-	2,581,460	-	-
Non-cash Loans and Commitments	112,794	-	48,663	-	2,579,068	-	-
Derivative Financial Instruments	-	-	-	-	2,392	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	53,167,394	-	1,937,786	5,153,801	24,065,051	15,101	-

¹ In the financial statements, Loans under Follow-up (Net) is TRY 99,343 Thousand (December 31, 2007: TRY 79,826 Thousand). However, TRY 98,845 Thousand of this balance (December 31, 2007: TRY 79,563 Thousand) is shown in the 0% risk weight column since it represents the amount of loans originated by funds whose risk does not belong to the Bank.

² In accordance with the change in regulation, 150% and 200% risk weights are started to be applied since March 2008.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. EXPLANATIONS RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)

Information related to capital adequacy ratio: (cont'd)

Prior Period	Risk Weights				
	Bank Only				
	0%	10%	20%	50%	100%
Credit Risk Base Amount					
Balance Sheet Items (Net)	56,924,232	-	3,167,755	3,484,121	16,160,619
Cash	755,357	-	39	-	-
Matured Marketable Securities	2,058	-	-	-	-
Central Bank of Republic of Turkey	3,368,946	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	2,870,569	-	40,109
Interbank Money Market Placements	-	-	-	-	-
Receivables from Reverse Repo Transactions	2,610,000	-	-	-	-
Required Reserve Deposits	1,414,358	-	-	-	-
Loans	2,783,298	-	-	3,478,028	14,780,887
Loans Under Follow-up (Net)	-	-	-	-	263
Financial Lease Receivables	-	-	-	-	-
Financial Assets Available-For-Sale	29,795,037	-	1,056	-	27,629
Investments Held to Maturity	13,506,052	-	-	-	3,720
Receivables from Forward Sale of Assets	-	-	-	-	7,509
Sundry Debtors	29,472	-	187	-	50,325
Interest and Income Accruals	2,531,056	-	4,002	6,093	555,814
Subsidiaries, Associates and Joint Ventures (business associations) (Net)	-	-	-	-	8,251
Tangible Fixed Assets	-	-	-	-	650,019
Other Assets	128,598	-	291,902	-	36,093
Off Balance Sheet Items	31,995	-	540,572	346,833	1,348,460
Non-cash Loans and Commitments	31,995	-	540,572	346,833	1,346,268
Derivative Financial Instruments	-	-	-	-	2,192
Non-Risk Weighted Accounts	-	-	-	-	-
Total Risk Weighted Assets	56,956,227	-	3,708,327	3,830,954	17,509,079

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. EXPLANATIONS RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)

Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	27,052,160	20,166,221
Market Risk Base Amount (MRBA)	1,050,875	398,175
Operational Risk Base Amount (ORBA)	8,115,602	7,915,880
Shareholders' Equity	6,975,833	7,244,742
Shareholders' Equity/(CRBA+MRBA+ORBA) *100	19.26	25.44

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	1,568,647	1,251,782
1 st Degree Legal Reserves (TCC 466/1)	568,041	452,915
2 nd Degree Legal Reserves (TCC 466/2)	1,000,606	798,867
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	365,905	214,396
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	365,905	317,575
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference (*)	-	(103,179)
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	1,800,878	2,510,889
Net Profit of the Period	1,641,080	2,351,091
Retained Earnings	159,798	159,798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	561,239	431,924
Subsidiary and Associate Shares and Gains on Sale of Real Estate To Be Added To Capital	-	-
Portion of Primary Tier-II Capital up to 15% of Core Capital	-	-
Portion of Losses that Cannot be Covered by Reserves (-)	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-) (**)	-	2,868
Prepaid Expenses (-) (**)	4,550	5,201
Intangible Assets (-) (**)	10,748	9,600
Deferred Tax Asset in excess of 10% of the Core Capital(-) (**)	-	-
Excess Amount defined in 3rd Clause 56th Article of the Banking Act (-)	-	-
Total Core Capital	7,340,151	7,452,473

(*) Foreign currency difference reserve of foreign associates, subsidiaries and entities under common control, which are shown in "Inflation Adjustment for Paid-in Capital" column in Shareholder's Equity Table, and foreign currency differences arising from translation of foreign branches are excluded from core capital and presented as supplementary capital since May 1, 2008.

(**) According to 1st Temporary Clause of regulation for Banks equity, up to January 1, 2009 considered as Deductions from Capital.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. EXPLANATIONS RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)

Information related to components of shareholders' equity: (cont'd)

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	212,918	148,002
45% of Movable Assets Revaluation Fund	-	-
45% of Immovables Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Joint Ventures (business associations)	12,764	2,158
Proportion of Primary Tier -II Capital excluded from the Core Capital Calculation	-	-
Tier -II Capital	-	-
45% of Marketable Securities Revaluation Fund	(61,818)	87,928
From Subsidiaries and Associates (*)	(88,430)	-
From Financial Assets Available For Sale	26,612	87,928
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	163,864	238,088
TIER-III CAPITAL	-	-
CAPITAL	7,504,015	7,690,561
DEDUCTIONS FROM CAPITAL	528,182	445,819
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	510,985	422,500
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	-	-
Borrowing Instruments and Loans qualified as Tier-II Capital from and to banks, financial institutions (domestic and foreign), preferred stockholders	1,875	5,624
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	24	26
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	6,975,833	7,244,742

(*) Foreign currency difference reserve of foreign associates, subsidiaries and entities under common control, which are shown in "Inflation Adjustment for Paid-in Capital" column in Shareholder's Equity Table, and foreign currency differences arisen from translation of foreign branches are excluded from core capital and presented as supplementary capital since May 1, 2008.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

II. EXPLANATIONS RELATED TO THE MARKET RISK

- a) **Whether measures are taken for hedging 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 risk, 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 against 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 November 1, 2006.

"T.C. Ziraat Bankası A.Ş. Market Risk Management Policy and Application Procedures" document exists so as to determine strategies when the Bank is exposed to market risk and to develop market risk managerial policy and application procedures.

Market risk management strategy policy and implementation procedures of the Bank are determined within the context of "Market and Financial Statement Risks Management Regulation".

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 the Bank.

Bank reaches 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 the Bank's Standard Capital Adequacy Ratio.

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

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

Information Related to Market Risk:

	Current Period Amount
(I) Capital Requirement to be Calculated For General Market Risk - Standard Method	58,240
(II) Capital Requirement to be Calculated For Specific Risk – Standard Method	-
(III) Capital Requirement to be Calculated For Currency Risk - Standard Method	25,410
(IV) Capital Requirement to be Calculated For Commodity Risk - Standard Method	420
(V) Capital Requirement to be Calculated For Settlement Risk - Standard Method	-
(VI) Capital Requirement to be Calculated For Market Risk Resulting From Options - Standard Method	-
(VII) Capital Requirement to be Calculated For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Calculated For Market Risk (I+II+III+IV+V+VI)	84,070
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	1,050,875

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

II. EXPLANATIONS RELATED TO THE MARKET RISK (cont'd)

b) Average market risk table calculated at the end of each month during the period:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

III. EXPLANATIONS RELATED TO 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 positions 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, Value at Risk (VAR) is calculated for daily foreign exchange position of the Bank 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:

The volume of these transactions is very low, when compared to the size of balance sheet.

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 and Euro, which are mainly used by the Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders’ Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
23.09.2008	1.2348	1.8166	1.0353	0.2439	0.1895	1.1422	1.1938	0.2215	2.2908	3290 ^{0.}	.1696 ¹
24.09.2008	1.2336	1.8054	1.0338	0.2424	0.1873	1.1343	1.1925	0.2193	2.2827	3286 ^{0.}	.1637 ¹
25.09.2008	1.2268	1.7964	1.0236	0.2412	0.1864	1.1304	1.1849	0.2180	2.2654	3267 ^{0.}	.1542 ¹
26.09.2008	1.2298	1.7942	1.0214	0.2410	0.1857	1.1315	1.1884	0.2176	2.2666	3277 ^{0.}	.1611 ¹
29.09.2008	1.2500	1.7901	1.0209	0.2407	0.1851	1.1319	1.2036	0.2165	2.2526	3335 ^{0.}	.1781 ¹

e) Simple arithmetic average of the Bank’s current foreign exchange bid rates for the last 30 days prior to the financial statement date:

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	JPY
1.2350	1.7718	1.0122	0.2379	0.1856	1.1134	1.1692	0.2176	2.2245	0.3292	1.1577

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

III. EXPLANATIONS RELATED TO THE CURRENCY RISK (cont'd)

Information on the foreign currency risk of the Bank:

	EURO	USD	Yen	Other FC ¹	Total
Current Period					
Assets					
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of Republic of Turkey	1,521,616	40,088	204	19,236	1,581,144
Banks	1,182,806	459,556	952	294,807	1,938,121
Financial Assets at Fair Value Through Profit and Loss	11,072	7,601	-	-	18,673
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	3,261,887	1,420,876	-	-	4,682,763
Loans ²	438,356	685,975	-	3,306	1,127,637
Subsidiaries, Associates and Entities Under Common Control (business associations)	250,856	57,609	-	28,439	336,904
Investments Held-to-Maturity	1,888,353	2,009,093	-	264	3,897,710
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	-	527	-	290	817
Intangible Assets	-	2	-	57	59
Other Assets	45,712	6,386	-	4,542	56,640
Total Assets	8,600,658	4,687,713	1,156	350,941	13,640,468
Liabilities					
Interbank Deposits	180,453	83,440	1	16,462	280,356
Foreign Currency Deposits	8,282,485	4,514,039	131	327,691	13,124,346
Money Market Borrowings	-	-	-	-	-
Funds provided from Other Financial Institutions	784	1,482	-	-	2,266
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	120,641	1,871	-	161	122,673
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	35,450	54,923	791	3,133	94,297
Total Liabilities	8,619,813	4,655,755	923	347,447	13,623,938
Net Balance Sheet Position	(19,155)	31,958	233	3,494	16,530
Net Off-Balance Sheet Position³	(8,466)	(42,496)	-	49,720	(1,242)
Assets on Derivative Instruments	27,478	4,419	-	54,226	86,123
Liabilities on Derivative Instruments	35,944	46,915	-	4,506	87,365
Non-cash Loans ⁴	497,564	1,908,877	25,057	11,410	2,442,908
Prior Period					
Total Assets	8,060,574	4,147,624	424	380,636	12,589,258
Total Liabilities	8,073,417	4,114,089	1,498	356,350	12,545,354
Net Balance Sheet Position	(12,843)	33,535	(1,074)	24,286	43,904
Net Off-Balance Sheet Position³	3,648	(29,938)	-	26,317	27
Financial Derivative Assets	6,413	38,267	-	33,299	77,979
Financial Derivative Liabilities	2,765	68,205	-	6,982	77,952
Non-cash Loans	296,345	1,363,753	3,789	26,082	1,689,969

¹ Of the foreign currencies presented in the other FC column of assets, 20.10% is CHF, 49.07% is GBP, 8.59% is DKK, 8.67% is MKD and the remaining 13.57% is other foreign currencies.

Of the foreign currencies presented in the other FC column of liabilities, 24.32% is CHF, 54.14% is GBP, 14.05% is DKK and the remaining 7.49% is other foreign currencies.

² TRY 5,015 Thousand equivalent of USD and TRY 1,126 Thousand equivalent of EUR balances of loans are originated as foreign currency indexed loans (December 31, 2007: TRY 1,790 Thousand equivalent of USD and TRY 1,128 Thousand equivalent of EUR).

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

⁴ TRY 501 Thousand "Specific provisions for unindemnified non-cash loans" are deducted from Non-Cash Loans. (December 31, 2007: TRY 505 Thousand)

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK

The Bank's structural interest rate management policy and methods of applications are set under the scope of "Management of Market and Balance Sheet Risks Regulation".

Within the Bank, the structural interest rate risk analysis is made based on the income and economic value approaches. Under economic value approach, Bank is applying the analysis of "Standard Interest Shock" that has been recommended by the Basel Committee, whereas under income approach Bank is applying "Net Interest Margin/Income" analysis. The "Standard Interest Shock" analysis is applied to interest rate sensitive balance sheet items excluding the positions subject to the market risk and the results are compared with the equity. At the "Net Interest Margin/Income" analysis the change in the interest income of the Bank resulting from the changes in interests is analyzed. About the structural interest rate risk the duration analysis is also applied at the Bank. Bank limits its interest rate exposure. Moreover, an early warning system covering various parameters 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.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK (cont'd)

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.

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 Turkey	4,504,447	-	-	-	-	938,084	5,442,531
Banks	1,936,216	8,475	6,581	-	-	-	1,951,272
Financial Assets at Fair Value Through Profit and Loss	266	3,154	333,108	268,484	893	3,713	609,618
Money Market Placements	600,547	-	-	-	-	-	600,547
Financial Assets Available-for-Sale	2,632,731	1,605,902	2,841,883	2,385,629	138,081	21,539	9,625,765
Loans	9,210,666	1,187,612	2,377,851	12,099,669	3,369,535	-	28,245,333
Investments Held-to-Maturity	9,912,278	6,926,037	19,042,227	5,166,050	3,003,145	-	44,049,737
Other Assets	-	-	-	-	-	1,813,318	1,813,318
Total Assets	28,797,151	9,731,180	24,601,650	19,919,832	6,511,654	2,776,654	92,338,121
Liabilities							
Interbank Deposits	277,809	1,253	2,500	-	-	-	281,562
Other Deposits	61,388,575	10,377,619	3,885,542	46,988	-	-	75,698,724
Money Market Borrowings	4,347,506	-	-	-	-	-	4,347,506
Sundry Creditors	-	-	-	-	-	458,880	458,880
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	1,208	4,450	9,863	657	55	-	16,233
Other Liabilities	237,004	-	-	2,527,906	-	8,770,306	11,535,216
Total Liabilities	66,252,102	10,383,322	3,897,905	2,575,551	55	9,229,186	92,338,121
Balance Sheet Long Position	-	-	20,703,745	17,344,281	6,511,599	-	44,559,625
Balance Sheet Short Position	(37,454,951)	(652,142)	-	-	-	(6,452,532)	(44,559,625)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(37,454,951)	(652,142)	20,703,745	17,344,281	6,511,599	(6,452,532)	-

- * Balances without fixed maturity are shown in the "Up to 1 Month" column.
- * TRY 2,526,272 Thousand of fund balance in other liabilities is shown under the "1 - 5 Years" column. TRY 237,004 Thousand of fund balance, whose risk does not belong to the bank, is not granted as loan and is shown under the "Up to 1 Month" column.
- * Deferred tax asset is shown under the "Non-Interest Bearing" column.
- * Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in other assets.
- * Total shareholders' equity is shown under the "Non-Interest Bearing" column.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008 (Amounts expressed in Thousand of the New Turkish Lira (TRY) unless otherwise stated.)

SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK (cont'd)

Average interest rates applied to monetary financial instruments:

	EURO	USD	Yen	TRY
Current Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Turkey	1.88	0.75	-	12.56
Banks	3.79	3.65	-	20.00
Financial Assets at Fair Value Through Profit and Loss	4.72	4.69	-	18.44
Money Market Placements	-	-	-	16.42
Financial Assets Available-for-Sale	6.03	5.67	-	19.11
Loans	5.77	4.53	-	21.40
Investments Held-to-Maturity	5.91	7.00	-	18.62
Liabilities				
Interbank Deposits	4.26	1.77	-	-
Other Deposits	2.35	2.27	-	17.22
Money Market Borrowings	-	-	-	17.07
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	5.50	4.57	-	15.65

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

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK (cont'd)

Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items: (Based on 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 Central Bank of Turkey	4,886,961	-	-	-	-	753,869	5,640,830
Banks	2,713,458	201,657	-	-	-	-	2,915,115
Financial Assets at Fair Value Through Profit and Loss	202,712	15,019	415,351	52,788	73,895	2,058	761,823
Money Market Placements	2,611,226	-	-	-	-	-	2,611,226
Financial Assets Available-for-Sale	6,405,230	11,405,714	5,258,294	6,913,833	1,898,203	78,942	31,960,216
Loans	6,513,648	298,431	1,690,456	10,590,461	2,431,312	-	21,524,308
Investments Held-to-Maturity	6,403,547	6,917,215	3,875	530,790	-	-	13,855,427
Other Assets	-	-	-	-	-	1,673,366	1,673,366
Total Assets	29,736,782	18,838,036	7,367,976	18,087,872	4,403,410	2,508,235	80,942,311
Liabilities							
Interbank Deposits	555,282	2,343	-	-	-	-	557,625
Other Deposits	53,394,158	10,429,965	3,755,409	112,610	-	-	67,692,142
Money Market Borrowings	196,265	-	-	-	-	-	196,265
Sundry Creditors	-	-	-	-	-	387,662	387,662
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	1,899	1,323	3,647	712	55	-	7,636
Other Liabilities	225,326	-	-	2,548,170	-	9,327,485	12,100,981
Total Liabilities	54,372,930	10,433,631	3,759,056	2,661,492	55	9,715,147	80,942,311
Balance Sheet Long Position	-	8,404,405	3,608,920	15,426,380	4,403,355	-	31,843,060
Balance Sheet Short Position	(24,636,148)	-	-	-	-	(7,206,912)	(31,843,060)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(24,636,148)	8,404,405	3,608,920	15,426,380	4,403,355	(7,206,912)	-

* Balances without fixed maturity are shown under the "Up to 1 Month" column.

* TRY 2,543,969 Thousand of fund balance in other liabilities is shown under the "1 - 5 Years" column. TRY 225,326 Thousand of fund, whose risk does not belong to the bank, is not granted as loan and is shown under the "Up to 1 Month" column.

* Deferred tax asset is shown under the "Non-Interest Bearing" column.

* Net balance of loans under follow-up is shown under the "Non-Interest Bearing" column in other assets.

* Total shareholders' equity is shown under the "Non-Interest Bearing" column.

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK (cont'd)

Average interest rate applied to the monetary financial instruments:

	EURO	USD	Yen	TRY
Prior Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Turkey	1.80	1.95	-	11.81
Banks	3.75	4.87	-	16.85
Financial Assets at Fair Value Through Profit and Loss	4.97	6.95	-	17.00
Money Market Placements	-	-	-	17.14
Financial Assets Available-for-Sale	5.88	6.55	-	18.31
Loans	5.24	6.09	-	20.47
Investments Held-to-Maturity	5.14	-	-	16.53
Liabilities				
Interbank Deposits	3.90	4.46	-	16.50
Other Deposits	2.34	2.58	-	15.56
Money Market Borrowings	-	-	-	12.83
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	5.08	5.16	-	14.86

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

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

V. EXPLANATIONS RELATED TO THE LIQUIDITY RISK

General principles of liquidity and financial emergency state management are considered in the scope of “Liquidity and Financial Emergency State Management Regulation” and application procedures of liquidity and financial emergency state management are considered in the scope of “Liquidity and Financial Emergency State Management Application Base and Procedures”.

“Liquidity and Financial Emergency State Management Regulation” consist of early warning indicators of liquidity and financial emergency state indicators, announcement procedures of these indicators and process of transition to liquidity and financial emergency state management.

a) Basis of 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 in different time periods. The Bank limits its liquidity risk exposure by the approval of Board of Directors within the context of “Liquidity and Financial Emergency State Management Regulation”.

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, 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 repurchase agreements.

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 has role to cover the Bank’s need of fund source.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

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SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)

V. EXPLANATIONS RELATED TO THE LIQUIDITY RISK (cont'd)

Presentation of assets and liabilities according to their outstanding 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 Turkey	5,442,531	-	-	-	-	-	-	5,442,531
Banks	54,678	1,881,538	8,475	6,581	-	-	-	1,951,272
Financial Assets at Fair Value Through Profit and Loss	125	357	3,154	182,298	422,689	995	-	609,618
Money Market Placements	-	600,547	-	-	-	-	-	600,547
Financial Assets Available-for-Sale	-	916,539	1,605,901	389,865	4,423,577	2,268,344	21,539	9,625,765
Loans	-	1,628,395	2,539,710	11,483,672	10,815,608	1,777,948	-	28,245,333
Investments Held-to-Maturity	-	2,126,926	4,039,223	5,084,878	29,755,619	3,043,091	-	44,049,737
Other Assets ⁽³⁾	231,949	-	-	224	5,979	-	1,575,166	1,813,318
Total Assets	5,729,283	7,154,302	8,196,463	17,147,518	45,423,472	7,090,378	1,596,705	92,338,121
Liabilities								
Interbank Deposits	245,205	32,604	1,253	2,500	-	-	-	281,562
Other Deposits	12,302,093	49,086,482	10,377,619	3,885,542	46,988	-	-	75,698,724
Funds Provided from Other Financial Instruments	-	1,208	4,450	9,863	657	55	-	16,233
Money Market Borrowings	-	4,347,506	-	-	-	-	-	4,347,506
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	458,880	-	-	-	-	-	-	458,880
Other Liabilities ⁽⁴⁾⁽⁵⁾	319,346	413,513	1,409	210,922	2,527,904	-	8,062,122	11,535,216
Total Liabilities	13,325,524	53,881,313	10,384,731	4,108,827	2,575,549	55	8,062,122	92,338,121
Liquidity Gap	(7,596,241)	(46,727,011)	(2,188,268)	13,038,691	42,847,923	7,090,323	(6,465,417)	-
Prior Period								
Total Assets	6,123,109	6,842,421	3,271,717	19,319,117	38,624,705	5,454,970	1,306,272	80,942,311
Total Liabilities	12,296,999	43,929,962	10,433,630	3,930,660	2,662,304	470,655	7,218,101	80,942,311
Liquidity Gap	(6,173,890)	(37,087,541)	(7,161,913)	15,388,457	35,962,401	4,984,315	(5,911,829)	-

- (1) Assets which are necessary to provide banking services and could not be liquidated in the short-term, such as; fixed assets, investments in subsidiaries, associates and entities under common control, office supply inventory, prepaid expenses and receivables under follow-up, are classified as undistributed.
- (2) Deferred tax asset is included under the "Undistributed" column.
- (3) For TRY 99,343 Thousand of loans under follow-up, no special provision is provided and this amount is included in other assets under the "Undistributed" column.
- (4) In liabilities table, shareholders' equity and provisions are shown in other liabilities under the "Undistributed" column.
- (5) Funds balance amounting to TRY 2,526,272 Thousand is included in other liabilities and shown under the "1-5 Years" column, fund balance amounting to TRY 237,004 Thousand, whose risk is not borne by the Bank, is not granted as loan and is classified under "Up to 1 Month" column.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES TO ASSETS

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	821,932	113,573	618,363	135,467
Central Bank of Republic of Turkey	3,039,455	1,464,992	3,480,318	1,406,643
Other	-	2,579	-	39
Total	3,861,387	1,581,144	4,098,681	1,542,149

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 the Central Bank of Republic of Turkey's Communiqué No: 2005/1 "Required Reserves". The Bank's total domestic liabilities excluding the items stated in the Communiqué as deductibles and the deposits accepted on behalf of foreign branches from Turkey constitutes the required reserves liabilities. The required reserve ratios are 6% for TRY liabilities and 11% for foreign currency liabilities. The Central Bank of Republic of Turkey accrues interest for required reserves at the end of March, June, September and December. The required reserve interest rates in September 30, 2008 are 12.56% for TRY, 0.75% for USD and 1.88% for EURO (December 31, 2007: 11.81% for TRY, 1.95% for USD and 1.80% for EURO).

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	2,915,472	-	3,368,946	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves (*)	123,983	1,464,992	111,372	1,406,643
Total	3,039,455	1,464,992	3,480,318	1,406,643

(*) Required reserve of branches abroad amounting to TRY 5,480 Thousand is presented in this line (December 31, 2007: TRY 18,960 Thousand).

2. a) Information on financial assets at fair value through profit and loss given/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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

2. a) Information on financial assets at fair value through profit and loss given/blocked as collateral or subject to repurchase agreements are presented comparatively with their net values: (cont'd)

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	1	-	1	-
Other	-	-	-	-
Total	1	-	1	-

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

Derivative Financial Assets Held-for-Trading	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	3,225	8	-	7
Swap Transactions	-	356	-	891
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	3,225	364	-	898

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	13,151	1,938,121	569,463	2,345,652
Domestic Banks	4,500	-	555,280	241,906
Foreign Banks	8,651	1,938,121	14,183	2,103,746
Foreign Head Office and Branches	-	-	-	-
Total	13,151	1,938,121	569,463	2,345,652

b) Information on foreign bank accounts:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

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

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	504,735	-
Assets Blocked/Given as Collateral	333,863	-
Total	838,598	-

* Income accruals are included in the table above.

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt securities	9,613,158	31,888,303
Quoted in stock exchange	8,879,417	30,930,634
Not quoted	733,741	957,669
Share certificates	22,644	79,549
Quoted in stock exchange	-	-
Not quoted	22,644	79,549
Provision for impairment (-)	10,037	7,636
Total	9,625,765	31,960,216

5. Information related to loans:

a) Information on all types of loans or 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	146,935	-	127,158	-
Total	146,935	-	127,158	-

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

b) Information on the first and second group loans or 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	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Non-specialized Loans	19,927,628	1,408	166,529	-
Discount Notes	-	-	-	-
Export Loans	1,258,108	-	565	-
Import Loans	501	-	-	-
Loans Given to Financial Sector	314,813	-	-	-
International Loans	70,955	-	-	-
Consumer Loans	12,242,539	59	10,270	-
Credit Cards	652,540	-	-	-
Precious Metals Loans	-	-	-	-
Other	5,388,172	1,349	155,694	-
Specialized Loans	7,399,170	9,019	16,494	-
Other Receivables	-	-	-	-
Interest Income Accruals (*)	725,085	-	-	-
Total	28,051,883	10,427	183,023	-

(*) Interest income accruals of restructured standard loans and other receivables and those under close monitoring cannot be decomposed in the current application system.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

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

	Short-term	Medium and Long-term	Total
Consumer Loans-TRY	633,545	11,435,718	12,069,263
Real Estate Loans	3,266	4,707,229	4,710,495
Vehicle Loans	4,267	207,959	212,226
Consumer Loans	620,366	6,520,530	7,140,896
Other	5,646	-	5,646
Consumer Loans- Indexed to FC	-	115	115
Real Estate Loans	-	115	115
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	279	475	754
Real Estate Loans	-	207	207
Vehicle Loans	11	122	133
Consumer Loans	268	146	414
Other	-	-	-
Individual Credit Cards-TRY	623,992	-	623,992
Installment	105,732	-	105,732
Non-Installment	518,260	-	518,260
Individual Credit Cards-FC	589	-	589
Installment	-	-	-
Non-Installment	589	-	589
Personnel Loans-TRY	3,298	109,187	112,485
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	3,282	108,553	111,835
Abroad(**)	16	634	650
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	1	60	61
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	1	60	61
Other	-	-	-
Personnel Credit Cards-TRY	25,041	-	25,041
Installment	6,723	-	6,723
Non-Installment	18,318	-	18,318
Personnel Credit Cards-FC	32	-	32
Installment	-	-	-
Non-Installment	32	-	32
Overdraft Accounts – TRY (Real Person)	70,840	-	70,840
Overdraft Accounts – FC (Real Person)	-	-	-
Total	1,357,617	11,545,555	12,903,172

(*) TRY 144,051 Thousand of interest income accrual could not be decomposed therefore not included in the table above.

(**) TRY 650 Thousand amount of consumer loans used by the personnel abroad has been shown under "International Loans" of 5-b Table.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

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

	Short-term	Medium and Long-term	Total
Commercial Installment Loans-TRY	94,108	1,163,303	1,257,411
Business Office Loans	246	47,715	47,961
Vehicle Loans	2,439	104,558	106,997
Consumer Loans	91,301	973,005	1,064,306
Other	122	38,025	38,147
Commercial Installment Loans- Indexed to FC	-	-	-
Business Office Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	646	140	786
Business Office Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	646	140	786
Other	-	-	-
Corporate Credit Cards-TRY	2,857	-	2,857
Installment	31	-	31
Non-Installment	2,826	-	2,826
Corporate Credit Cards-FC	29	-	29
Installment	-	-	-
Non-Installment	29	-	29
Overdraft Account - TRY (Legal Entity)	3,622	-	3,622
Overdraft Account - FC (Legal Entity)	-	-	-
Total	101,262	1,163,443	1,264,705

(*) Interest income accruals could not be decomposed by type, therefore; interest income accrual on loans is not included in the table above.

e) Loans according to type of borrowers:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

f) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic loans	27,449,293	20,889,712
Foreign loans	70,955	78,564
Interest Income Accruals	725,085	556,032
Total	28,245,333	21,524,308

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

g) Loans granted to subsidiaries and investments:

	Current Period	Prior Period
Direct loans granted to subsidiaries and investments	46,978	61,609
Indirect loans granted to subsidiaries and investments	-	-
Total	46,978	61,609

(*) Interest income accruals are not included in the table above.

h) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	96,700	36,757
Loans and other receivables with doubtful collectibility	132,483	86,134
Uncollectible loans and other receivables	223,106	188,240
Total	452,289	311,131

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

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

	Group III:	Group IV:	Group V:
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current period	2,302	1,054	27,946
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	2,302	1,054	27,946
Rescheduled loans and other receivables	-	-	-
Prior period	6,513	2,831	36,333
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	5,519	2,612	35,020
Rescheduled loans and other receivables	994	219	1,313

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

i) Information on non-performing receivables (net): (cont'd)

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	44,383	96,895	249,679
Additions (+)	339,678	39,782	26,442
Transfers from other categories of loans under follow-up (+)	-	136,016	72,637
Transfers to other categories of loans under follow-up (-)	136,198	72,455	-
Collections (-)	145,205	53,455	46,567
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current period end balance	102,658	146,783	302,191
Specific provision (-)	96,700	132,483	223,106
Net balance on balance sheet (*)	5,958	14,300	79,085

(*) Includes the loans originated from funds whose risk does not belong to the Bank.

3) Information on foreign currency non-performing receivables:

	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 end balance	-	3,446	4,319
Specific provision (-)	-	3,446	4,319
Net balance on balance sheet	-	-	-
Prior Period:			
Period end balance	44	3,227	4,128
Specific Provision (-)	44	3,227	4,128
Net balance on balance sheet	-	-	-

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FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008**

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

5. Information related to loans: (cont'd)

i) Information on non-performing receivables (net): (cont'd)

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)	5,958	14,300	79,085
Loans to Real Persons and Legal Entities (Gross)	102,658	111,058	302,191
Specific Provisions (-)	96,700	96,758	223,106
Loans to Real Persons and Legal Entities (Net)	5,958	14,300	79,085
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	35,725	-
Specific Provisions (-)	-	35,725	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	7,626	10,761	61,439
Loans to Real Persons and Legal Entities (Gross)	44,383	72,985	249,679
Specific Provisions (-)	36,757	62,224	188,240
Loans to Real Persons and Legal Entities (Net)	7,626	10,761	61,439
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	23,910	-
Specific Provisions (-)	-	23,910	-
Other Loans and Receivables (Net)	-	-	-

j) Information on liquidating policy of uncollectible loans and other receivables:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

k) Explanations on write-off policy:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

l) Other explanations and disclosures:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

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 collateral/blocked:

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	3,868,678	-	196,230	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	3,868,678	-	196,230	-

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Bills	-	-	-	-
Bonds and similar investment securities	4,902,104	540,537	4,478,940	523,460
Other	-	-	-	-
Total	4,902,104	540,537	4,478,940	523,460

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

	Current Period	Prior Period
Government Bonds	43,752,141	13,851,544
Treasury Bills	293,617	-
Other Public Sector Debt Securities	-	-
Total	44,045,758	13,851,544

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	44,049,737	13,855,427
Quoted in a stock exchange	30,139,525	18,493
Not quoted	13,910,212	13,836,934
Provision for impairment (-)	-	-
Total	44,049,737	13,855,427

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

6. Information on held-to-maturity investments: (cont'd)

d) Movement of held-to-maturity investments:

	Current Period	Prior Period
Beginning Balance	13,855,427	17,059,676
Foreign currency differences on monetary assets	24,241	(55,978)
Purchases during the year	30,172,217	3,720
Disposals through sales and redemptions (*)	(2,148)	(3,151,991)
Provision for impairment (-)	-	-
Period end balance	44,049,737	13,855,427

(*) The disposal of TRY 855,000 Thousand as of December 31, 2007 resulted from the matured securities in October 2007 which were transferred by the Treasury as a set-off against the payments to depositors of İmar Bankası and were recorded into the held-to-maturity portfolio by the Bank.

The bank has reclassified securities previously classified in available for sale portfolio with nominal values of TRY 23,630,114,815, EUR 717,616,000 and USD 1,483,317,000 to held-to-maturity portfolio with fair values of TRY 22,971,668,657, EUR 702,950,036 and USD 1,562,741,917 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 EUR 37,951,000 and USD 45,501,000 to held-to-maturity portfolio with fair values of EUR 37,178,248 and USD 62,311,347 respectively which have been taken into consideration as book values after reclassification. The reclassifications are performed in accordance with TAS and due to the change in retention purpose of these securities.

The reclassifications are presented in "Purchases during the year" row in the movement table above. Valuation differences of reclassified available for sale securities before deferred tax are TRY 68,984,332, EUR (23,067,331) and USD (15,207,271) respectively and are recorded under shareholders' equity. These balances will be discounted until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of balance sheet date, valuation differences before deferred tax, which are accounted under shareholders' equity, are TRY 68,372,253, EUR (22,894,709) and USD (15,189,499) respectively.

As of balance sheet date, total fair values of reclassified held-for-trading securities are EUR 35,560,756, USD 59,875,196 and of available for sale securities are TRY 23,094,591,338, EUR 672,545,390 and USD 1,481,513,772. If reclassified available for sale securities had not been reclassified, valuation differences before deferred tax amounting to TRY (46,763,680), EUR (55,427,268) and USD (78,543,678) would have been accounted under shareholders' equity.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

7. Information about associates (net):

a) The information about the unconsolidated associates in accordance with the Communiqué on “Preparation of Consolidated Financial Statements of Banks” and the related Turkish Accounting Standards, if any, and the reasons for not consolidating:

The Bank does not consolidate its associates in accordance with the following provision of the paragraph 5 “Requirement for Preparing Consolidated Financial Statements” of Article 5 of the Communiqué on “Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette No: 26340 on November 8, 2006: “If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank’s total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank’s total assets, those entities may be excluded from consolidation considering the materiality principle”.

1) 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	Arap Türk Bankası A.Ş.	Istanbul/TURKEY	9.09	15.43
2	Bankalararası Kart Merkezi A.Ş.	Istanbul/TURKEY	12.50	17.98
3	Kredi Kayıt Bürosu A.Ş.	Istanbul/TURKEY	11.11	9.09
4	Gelişen İşletmeler Piyasaları A.Ş.	Istanbul/TURKEY	10.00	5.00
5	Axa Sigorta A.Ş.	Istanbul/TURKEY	12.50	19.65

	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	721,435	279,819	164,190	18,013	17,514	25,301	2,999	-
2	13,713	12,110	3,723	766	-	1,245	934	-
3	22,347	17,068	1,919	2,420	1	4,361	2,894	-
4	6,863	6,748	3	583	1	452	435	-
5	1,330,400	375,630	50,575	-	-	57,615	27,217	-

- Since associates are not traded in the stock market, fair values cannot be identified.
- Current period information for Arap Türk Bankası A.Ş. and Kredi Kayıt Bürosu A.Ş. have been provided from the unaudited financial statements as of September 30, 2008; the prior period profit/loss balances have been provided from the financial statements as of September 30, 2007.
- Current period information for Bankalararası Kart Merkezi A.Ş. and Gelişen İşletmeler Piyasaları A.Ş. have been provided from the unaudited financial statements as of June 30, 2008; the prior period profit/loss balances have been provided from the unaudited financial statements as of June 30, 2007.
- Current period information for Axa Sigorta A.Ş. has been provided from the audited financial statements of June 30, 2008. As of August 2008, Axa Oyak Sigorta A.Ş. is started to be called as “Axa Sigorta A.Ş.”, therefore the prior period information is obtained from the audited financial statements of “Axa Oyak Sigorta A.Ş.” as of June 30, 2007.
- Axa Sigorta A.Ş. which has been previously classified in available for sale financial asset, is presented as associates in the current period since the voting power is over %10 as a result of a representative from the Bank being elected as a Board of Directors member. The board member has resigned from her position in September 2008, but a new representative of the Bank has been appointed as the member in October, 2008

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

7. Information about associates (net): (cont'd)

2) Information about consolidated associates:

Since the Bank did not consolidate its associates in accordance with the following provision of the paragraph 5 “Requirement for Preparing Consolidated Financial Statements” of Article 5 of the Communiqué on “Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette No: 26340 on November 8, 2006, disclosures of this section are not prepared.

8. Information on subsidiaries (net):

a) The information about the unconsolidated subsidiaries in accordance with the Communiqué on “Preparation of Consolidated Financial Statements of Banks” and the related Turkish Accounting Standards, if any, and the reasons for not consolidating:

Since the Bank does not consolidate the subsidiaries listed, in accordance with the following provision of the paragraph 5 “Requirement for Preparing Consolidated Financial Statements” of Article 5 of the Communiqué on “Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette No: 26340 on 8 November 2006, disclosures of this section are not prepared.

1) Information about unconsolidated subsidiaries:

	Description	Address (City/ Country)	The Bank's share percentage-if different voting percentage (%)	The Bank's risk group share percentage (%)
1	Ziraat Finansal Kiralama A.Ş.	Istanbul/TURKEY	100.00	50.01
2	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/TURKEY	100.00	62.00
3	Ziraat Portföy Yönetimi A.Ş.	Istanbul/TURKEY	60.00	65.44
4	Bileşim A.Ş.	Istanbul/TURKEY	66.67	52.50
5	Fintek Finansal Teknoloji Hizmetleri A.Ş.	Ankara/TURKEY	62.50	64.60
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	Moskow/RUSSIA	100.00	99.87
9	Kazakhstan Ziraat Int. Bank	Germany/KAZAKHSTAN	100.00	93.88
10	Ziraat Banka AD Skopje	Skopje/MACEDONIA	100.00	100.00

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

8. Information about unconsolidated subsidiaries: (cont'd)

	Total Assets	Shareholder' Equity	Total Non-Current Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	257,703	78,886	132,242	935	-	12,718	10,276	-
2	53,228	47,100	20,466	3,184	2,672,244	5,755	6,707	-
3	6,307	5,814	113	905	40,128	1,430	1,491	-
4	12,840	7,602	2,253	327	71	4,487	4,181	-
5	6,541	3,446	579	281	114	235	312	-
6	842,093	274,677	449,742	22,989	6,850	4,542	2,402	-
7	138,955	61,622	76,273	7,095	387	1,531	2,266	-
8	31,986	24,047	12,222	1,397	61	237	84	-
9	69,542	28,855	48,165	4,743	407	(778)	2,546	-
10	56,756	30,665	23,325	2,201	485	897	-	-

- Since subsidiaries are not traded in the stock market, fair values cannot be identified.
- The income from marketable securities portfolio of Ziraat Yatırım Menkul Değerler A.Ş. and Ziraat Portföy Yönetimi A.Ş. are representing the net sales.
- Information on subsidiaries shown in the above table have been provided from the unaudited financial statements as of September 30, 2008, the prior period profit/loss balances have been provided from the unaudited financial statements as of September 30, 2007.
- The Skopje/Macedonia branch of the Bank has started to operate as a separate legal entity in the name of Ziraat Banka AD Skopje on March 11, 2008. TRY 28,439 Thousand capital contribution has been presented as subsidiaries in the financial statements.

b) Subsidiaries which are quoted to a stock exchange:

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

9. a) Information on entities under common control (business combinations):

Entities under common control (business combinations) ¹	Parent Bank's Share ²	Group's Share	Current Assets	Non- Current Assets	Long Term liabilities	Income	Expense
TURKMEN -TURKISH COM.BANK	2,395	2,395	13,388	1,772	697	11,850	9,858
UZBEKISTAN-TURKISH BANK	4,470	4,470	52,081	3,217	105	3,167	2,410
AZERBAYCAN-TURKEY BİRGE SEHİMDAR KOMMERSİYA BANK	8,415	9,147	34,349	30,756	194	13,007	10,203
Total	15,280	16,012	99,818	35,745	996	28,024	22,471

¹ Information on entities under common control is provided from the unaudited financial statements as of September 30, 2008.

² Represents the Bank's share in the shareholders equity of these entities under common control based on the shareholding rate of the Bank.

9. b) Information on the reasons why unconsolidated entities under common control is not subject to consolidation and method of accounting of entity under common control in the Bank's unconsolidated financial statements:

The Bank did not consolidate its entities under common control in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette No: 26340 on 8 November 2006: "If total assets of an associate, subsidiary or an entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or an entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation under the consideration of the materiality principle".

The translation differences regarding the foreign currency investments on entities under common control are accounted under equity as capital reserves.

10. Information on finance lease receivables (net):

None.

11. Information on derivative financial assets for hedging purposes:

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

I. EXPLANATIONS AND NOTES TO ASSETS (cont'd)

12. Information on tangible fixed assets:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

13. Information on intangible assets:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

14. Information on investment property:

None.

15. Information on deferred tax assets, if any:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

16. Information on assets held for sale and discontinued operations:

Bank does not have any discontinued operations. The assets held for sale are composed of immovables acquired through trade and agricultural loans. Those immovables considered for sales are announced at the web site of the Bank.

17. Information on other assets:

- a) **If other assets exceed 10% of the balance sheet total (excluding the off-balance sheet commitments), information regarding the breakdown of these which constitute at least 20% of grand total:**

Other asset items do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED ON SEPTEMBER 30, 2008

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SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. EXPLANATIONS AND NOTES 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	4,131,528	-	6,721,738	28,803,319	1,910,338	328,386	345,486	-	42,240,795
Foreign Currency Deposits	2,538,712	-	3,258,449	3,403,276	1,056,847	79,694	2,788,573	-	13,125,551
Residents in Turkey	2,477,212	-	3,176,289	3,248,188	942,118	64,671	2,504,391	-	12,412,869
Residents Abroad	61,500	-	82,160	155,088	114,729	15,023	284,182	-	712,682
Public Sector Deposits	3,732,273	-	877,105	2,796,089	425,405	25,647	89,840	-	7,946,359
Commercial Inst. Deposits	1,182,157	-	1,846,257	3,033,949	275,598	32,853	1,501	-	6,372,315
Other Inst. Deposits	717,423	-	282,660	4,050,296	868,802	76,122	18,401	-	6,013,704
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	245,205	-	30,814	3,043	2,500	-	-	-	281,562
CBRT	1,467	-	1,125	-	-	-	-	-	2,592
Domestic Banks	13,315	-	24,182	-	-	-	-	-	37,497
Foreign Banks	15,760	-	5,507	3,043	2,500	-	-	-	26,810
Participation Banks	214,663	-	-	-	-	-	-	-	214,663
Other	-	-	-	-	-	-	-	-	-
Total	12,547,298	-	13,017,023	42,089,972	4,539,490	542,702	3,243,801	-	75,980,286

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	2,768,728	-	5,061,179	26,190,577	2,232,892	342,855	320,933	-	36,917,164
Foreign Currency Deposits	2,429,360	-	2,863,724	3,121,608	887,371	262,756	2,568,628	-	12,133,447
Residents in Turkey	2,364,903	-	2,779,868	2,824,872	841,760	254,074	2,299,799	-	11,365,276
Residents Abroad	64,457	-	83,856	296,736	45,611	8,682	268,829	-	768,171
Public Sector Deposits	3,822,652	-	1,185,204	2,054,755	143,709	83,099	80,145	-	7,369,564
Commercial Inst. Deposits	1,304,018	-	1,481,718	2,157,565	192,597	18,826	1,186	-	5,155,910
Other Inst. Deposits	893,909	-	397,698	4,400,640	382,677	25,036	16,097	-	6,116,057
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	23,921	-	531,330	2,374	-	-	-	-	557,625
CBRT	1,322	-	2,109	-	-	-	-	-	3,431
Domestic Banks	2,080	-	499,534	-	-	-	-	-	501,614
Foreign Banks	20,519	-	29,687	2,374	-	-	-	-	52,580
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	11,242,588	-	11,520,853	37,927,519	3,839,246	732,572	2,986,989	-	68,249,767

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

1. b) Information on Saving Deposits:

1) Amounts exceeding the deposit insurance limit:

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

	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits				
Saving Deposits	24,651,385	23,019,461	17,453,485	13,766,088
Foreign Currency Saving Deposits	6,186,214	6,418,549	4,161,508	3,242,814
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance ^(*)	170,698	167,560	23,629	22,686
Deposits at Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

(*) In Bulgaria, since both real person and legal entity's saving deposits are under the guarantee of insurance and balances in insurance limit are calculated by the system, TRY 12,189 Thousand of legal entity's deposits of Sofia can not be decomposed. (December 31, 2007: TRY 6,694 Thousand).

Based on the Council of Minister's decree dated December 29, 2003 and numbered 2003/6668, TRY 4,926 Thousand 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 TRY 50 Thousand attributable to a real person is covered by the insurance, TRY 474,418 Thousand of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on "Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated November 7, 2006 and numbered: 26339.

2) 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION V: EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

1. b) Information on Saving Deposits: (cont'd)

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	3,416	4,959
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman and members of the Board of Directors and their close families	606	855
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	
	TRY	FC	TRY	FC
Forward Transactions	3,297	41	-	7
Swap Transactions	-	1,789	417	388
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	3,297	1,830	417	395

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Borrowings from CBTR	-	-	-	-
Domestic Banks and Institutions	13,967	1,717	5,227	1,784
Foreign Banks, Institutions and Funds	-	549	-	625
Total	13,967	2,266	5,227	2,409

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	13,454	1,483	4,745	1,784
Medium and Long-Term	513	783	482	625
Total	13,967	2,266	5,227	2,409

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SECTION V: EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

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:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

4. If other liabilities exceed 10% of the balance sheet total, name and amount of sub-accounts constituting 20% of the balance sheet total:

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 asset, 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.

For financial leasing agreements; total cost, VAT, and other expenses were classified as principal. Effective from September 20, 2005, VAT accrual for the goods received from the supplier by Ziraat Financial Leasing A.Ş., VAT accrual made by the related company for the leasing transaction, and certification fee related to all agreements are paid in advance.

Information on Finance Lease Payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	2	-	911	875
Between 1-4 Years	1,647	1,634	3,447	3,326
More than 4 Years	-	-	-	-
Total	1,649	1,634	4,358	4,201

6. Information on derivative financial liabilities for hedging purposes:

a) There are no derivative financial liabilities for hedging purposes.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

7. Explanations on Provisions:

a) Information on General Loan Provisions:

	Current Period	Prior Period
General Loans	212,918	148,002
Allocated for Group- I Loans and Receivables	184,056	120,378
Allocated for Group- II Loans and Receivables	3,752	41
Allocated for Non-Cash Loans	7,521	5,342
Other	17,589	22,241

b) Foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivable:

None.

c) Specific provisions for unindemnified non-cash loans:

Specific provisions for unindemnified non-cash loans amounts to TRY 3,518 Thousand.

d) Information on other provisions:

1) Information on generic provisions for possible risks:

	Current Period	Prior Period
Generic provisions for possible risks	561,239	431,924

Based on the decision of the Bank's Assets and Liabilities Committee, TRY 555,375 Thousand of generic provisions is allocated for possible risks as general loan provision at a rate of 3% except for the fund sourced loans.

2) The names and amounts of sub-accounts of other provisions exceeding 10% of the total provision amount:

TRY 627,744 Thousand of other provision amount consists of TRY 3,518 Thousand for unindemnified non-cash loans, TRY 5,800 Thousand for cash transfers made by the clerk, TRY 555,375 Thousand of provision due to the decision of the Assets and Liabilities Committee, TRY 50,996 Thousand for remunerations liabilities, TRY 9,250 for law suits concluded against the Bank but still pending and TRY 2,805 Thousand for other provisions.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

7. Explanations on Provisions: (cont'd)

d) Information on other provisions: (cont'd)

3) Employee Pension Right Liabilities for the Bank Personnel:

The Bank's personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası Çalışanları Emekli Sandığı Vakfı (T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund) which was established by 20th provisional article of Social Security Agency (SSK) Act of no 506. In accordance with 23rd provisional clause of the Banking Act No: 5411, the pension fund is expected to be transferred to the Social Security Agency by three years following the declaration of the Banking Act No: 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act No: 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court as of March 31, 2007.

The technical balance sheet report as of December 31, 2007 which is prepared in accordance with the principles in the Council of Ministers decision 2006/11345 declared in the Official Gazette dated December 15, 2006 numbered 26377, which defines the principles of such transfer, with the technical interest rate of 10.24% concludes no technical deficit arises in the above mentioned fund.

In accordance with the Act No: 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette No: 26870 on May 8, 2008, 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.

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

The technical balance sheet report as of June 30, 2008 which is prepared in accordance with the principles Act No: 5754 declared in the Official Gazette dated June 8, 2008 numbered 26870, with technical interest rate of 9.80%, concludes no technical deficit arises in the above mentioned fund.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)****II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)****7. Explanations on Provisions: (cont'd)****e) Vacation and retirement pay obligations:**

The Bank accounts for its vacation and retirement pay obligations in accordance with the Turkish Accounting Standards No: 19 "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation.

Movement table of the retirement pay:

	Current Period	Prior Period(*)
As of 1 January	392,000	322,221
Payments in the period	(27,925)	(14,230)
Charge for the period (**)	28,925	68,309
Total	393,000	376,300

(*) Represents the balances of September 30, 2007.

(**) The balance shows the net of retirement pay provision expense equal to TRY 40,225 Thousand and reversed provisions equal to TRY 11,300 Thousand.

As of September 30, 2008 unpaid vacation liability amounted to TRY 98,600 Thousand (December 31, 2007: TRY 78,600 Thousand) 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 September 30, 2008, the remaining tax liability after deducting temporary taxes paid for the period is TRY 207,416 Thousand (December 31, 2007: TRY 171,604 Thousand).

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

8. Information on tax liability: (cont'd)

a) Information on current tax liability: (cont'd)

2) Information on taxes and dues payable:

	Current Period	Prior Period
Corporate tax payable	207,416	171,604
Taxation on income on marketable securities	137,998	129,546
Property tax	353	254
Banking Insurance Transaction Tax (BITT)	22,104	20,501
Foreign Exchange Tax	2	337
Value Added Tax Payable	528	701
Other	14,852	16,561
Total	383,253	339,504

3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employee	16	13
Social Security Premiums – Employer	24	20
Bank Social Aid Pension Fund Premium – Employee	34	17
Bank Social Aid Pension Fund Premium – Employer	54	22
Pension Fund Membership Fees and Provisions – Employee	4	4
Pension Fund Membership Fees and Provisions – Employer	6	3
Unemployment Insurance – Employee	104	60
Unemployment Insurance – Employer	207	118
Other	11	9
Total	460	266

b) Information on deferred tax liabilities, if any:

The Bank's deferred tax liability amounts to TRY 3,917 Thousand. However, this amount is netted off against the deferred tax asset and subsequently TRY 120,639 Thousand of net deferred tax asset is presented in the financial statements.

9. Information on non-current liabilities regarding assets held for sale and discontinued operations:

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)

10. Information on the number of subordinated loans the Bank used, maturity, interest rate, institutions that the loan was borrowed from and conversion option, if any:

a) Information on the subordinated loans the Bank used:

None.

11. 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 share 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 increases 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:

Bank has no capital commitments.

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

Bank follows its operations at the current period in line with the previous periods. Bank's balance sheet has been managed with precaution by being effected by the interest, rate of exchange and credit risks at the minimum level. This reduces the effects of fluctuations in the market on the Bank and contributes to the profitability structure to be sustainable.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)****II. EXPLANATIONS AND NOTES TO LIABILITIES (cont'd)****11. Information on Shareholders' Equity (cont'd):****g) Information on Preferred Shares:**

The Bank has no preferred shares.

h) Information on Marketable Securities Value Increase Fund:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Subsidiaries, Associates and Entities under common control	-	-	-	-
Valuation difference	90,346	(63,734)	173,270	22,125
Foreign exchange difference	-	-	-	-
Total	90,346	(63,734)	173,270	22,125

12. Information on minority interests:

In accordance with the BRSA's Communiqué on the "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette No: 26340 on November 8, 2006, the Bank does not prepare consolidated financial statements; therefore there is no minority interest in the unconsolidated financial statements.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

**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	603,724	639,476
Asset Purchase Commitments	46,271	182,556
Commitments for Credit Card Expenditure Limits	1,384,347	1,145,847
Loan Granting Commitments	120,185	77,575
Other Irrevocable Commitments	176,986	199,933
Subsidiaries and Associates Capital Contribution Commitments	250	250
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	2,772	4,914
Payment Commitments for Required Reserves	63,389	-
Total	2,397,924	2,250,551

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

None.

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

	Current Period	Prior Period
Guarantee Letter	2,787,403	1,973,841
Bank Acceptance	4,097	1,366
Letter of Credit	749,195	460,641
Total	3,540,695	2,435,848

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

	Current Period	Prior Period
Letter of Temporary Guarantees	59,147	38,786
Letter of Certain Guarantees	1,370,196	1,036,697
Letters of Advance Guarantees	778,886	587,024
Letters of Guarantees given to Customs Offices	23,560	7,005
Other Letters of Guarantees	555,614	304,329
Total	2,787,403	1,973,841

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)****III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET
ACCOUNTS (cont'd)****1. Information on Off-Balance Sheet Liabilities (cont'd):****c) 1) Total Non-Cash Loans:**

	Current Period	Prior Period
Non-cash loans for providing cash loans	543,161	299,282
With original maturity of one year or less	70,653	56,179
With original maturity of more than one year	472,508	243,103
Other non-cash loans	2,997,534	2,136,566
Total	3,540,695	2,435,848

2. Derivative financial instruments:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

3. Information on contingent liabilities and assets:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

4. Services rendered on behalf of others:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

1. a) Information on interest income from loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on Loans	3,181,513	28,115	2,197,729	24,013
Short term loans	1,264,798	21,408	900,337	14,119
Medium and long term loans	1,862,790	6,707	1,261,316	9,894
Loans under follow-up	53,925	-	36,076	-
Premiums from Resource Utilization Support Fund	-	-	-	-

* Includes fees and commissions income on cash loans.

b) Information on interest income from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of Republic of Turkey	303,611	9	-	2
Domestic Banks	15,231	3,016	14,757	638
Foreign Banks	8,865	59,413	45,734	97,761
Foreign Head Offices and Branches	-	-	775	-
Total	327,707	62,438	61,266	98,401

c) Information on interest income from marketable securities:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

d) Interest income received from subsidiaries and associates:

	Current Period	Prior Period
Interest income from subsidiaries and associates	3,030	2,248

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (cont'd)

2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	738	114	1,507	303
Central Bank of Republic of Turkey	-	-	-	-
Domestic Banks	738	79	1,507	229
Foreign Banks	-	35	-	27
Foreign Head Office and Branches	-	-	-	47
Other Institutions	-	-	-	-
Total	738	114	1,507	303

b) Information on interest paid to subsidiaries and associates:

	Current Period	Prior Period
Interest paid to subsidiaries and associates	115	112

c) Information on interest expense on securities issued:

None.

3. Information on dividend income:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

4. Information on trading profit/loss (Net):

	Current Period	Prior Period
Profit	491,914	208,064
Profit from the Capital Market Operations	62,971	56,451
Derivative Financial Instruments	53,727	1,041
Other	9,244	55,410
Foreign Exchange Gains	428,943	151,613
Loss (-)	493,893	92,960
Loss from the Capital Market Operations	103,553	1,491
Derivative Financial Instruments	103,334	1,186
Other	219	305
Foreign Exchange Losses	390,340	91,469

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (cont'd)

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:

In current period the Bank has TRY 96,331 Thousand income from sale of real estate. Other than this factor, there are no significant matters covering the recent developments which have significant effect on the Bank's income. Majority of the Bank's other operating income consists of reversals from prior period provisions and income from forward sale of assets.

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

	Current Period	Prior Period
Specific provisions for loans and other receivables	199,173	84,594
Group III loans and receivables	91,921	74,188
Group IV loans and receivables	94,566	8,115
Group V loans and receivables	12,686	2,291
General provision expenses	68,575	27,951
Provision expenses for possible losses	129,579	55,468
Marketable securities impairment expense	3,307	5,057
Financial assets at fair value through profit or loss	1,504	443
Financial assets available for sale	1,803	4,614
Impairment losses from associates, subsidiaries, entities under common control and investments held to maturity	3,910	196
Associates	461	172
Subsidiaries	2,736	-
Entities under Common Control (business combinations)	713	24
Investments held to maturity	-	-
Other	17,849	100
Total	422,393	173,366

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (cont'd)

7. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	670,897	578,844
Provision for employee termination benefits	40,225	68,309
Bank social aid provision fund deficit provision	-	-
Tangible fixed assets impairment expense	460	-
Depreciation expenses of tangible fixed assets	30,213	29,650
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	94	983
Impairment expense for equity shares subject to the equity method	-	-
Impairment expense for assets that will be disposed	-	-
Amortization expenses of assets that will be disposed	-	-
Impairment expense for tangible fixed assets held for sale and discontinued operations	-	-
Other operating expenses	210,597	159,718
Operational lease expenses	19,643	15,690
Maintenance expenses	32,179	21,315
Advertisement expenses	15,081	6,866
Other expenses	143,694	115,847
Loss on sales of assets	5,741	6,673
Other	275,280	239,608
Total	1,233,507	1,083,785

(*) TRY 27,295 Thousand of retirement and termination benefit payments which have been recorded under the personnel expenses by the Bank at the current period is presented under the provision for employee termination benefits row (Prior period: TRY 14,230 Thousand).

8. Information on profit/loss from continuing and discontinued operations before taxes:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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

As of September 30, 2008, the Bank’s income tax provision amounting to TRY (439,741) Thousand (September 30, 2007: TRY (474,958) Thousand) consists of TRY (415,780) Thousand (September 30, 2007: TRY (491,478) Thousand) of current tax charge and TRY (23,961) Thousand (September 30, 2007: TRY 16,520 Thousand) of deferred tax income.

10. Information on net operating income/expense from continuing and discontinued operations:

Not presented in interim financial statements in accordance with Article 25 Communiqué on “Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures”.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (cont'd)

11. Information on net profit/loss:

- a) Nature, amount and frequency of income and expenses arising from ordinary banking activities, if required for 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 agency services.

- b) The effect of the change in accounting estimates on net profit/loss; including the effects in subsequent periods, if any:**

As of the balance sheet date, there is no change made in accounting estimates that may require further explanations in the current period.

- c) Information on profit/loss attributable to minority interests:**

As the accompanying financial statements are unconsolidated there is no profit or loss attributable to minority interest.

12. If other items in the income statement exceed 10% of the income statement total, sub-accounts amounting to at least 20% of these items are shown below:

Other items do not exceed 10% of the total of income statement.

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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

V. EXPLANATION 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	Associates, Subsidiaries and Entities under Common Control (business combinations)		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						
Beginning Balance	445,341	270,078	-	-	-	-
Closing Balance	614,405	243,470	-	-	-	-
Interest and Commissions Income	3,030	-	-	-	-	-

(*) Income accruals for the period end cash loans is not included in the table since it could not be decomposed from the existing data processing system.

(**) The cash loans amount is including the equity amounts of the subsidiaries.

(***) Placements to foreign banks in the risk group amount to TRY 48,491 Thousand and are included in the cash loans.

b) Prior Period:

Risk Group	Associates, Subsidiaries and Entities under Common Control (business combinations)		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						
Beginning Balance	437,881	277,448	-	-	-	-
Closing Balance	445,341	270,078	-	-	-	-
Interest and Commissions Income	2,248	-	-	-	-	-

(*) Income accruals for the period-end cash loans are not included since it could not be decomposed from the existing data processing system.

c) 1) Deposits held by the Bank's risk group:

Risk Group	Associates, Subsidiaries and Entities under Common Control (business combinations)		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						
Beginning Balance	53,601	233,216	-	-	-	-
Closing Balance	81,548	53,601	-	-	-	-
Interest expense	115	112	-	-	-	-

*) Expense accruals are not included in the table above since they could not be decomposed.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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**SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED
FINANCIAL STATEMENTS (cont'd)**

V. EXPLANATION RELATED TO THE RISK GROUP OF THE BANK (cont'd)

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

None.

3) Information about fees paid to top executives of the Bank:

Fees and dividends paid to Board of Directors, Vice-General Managers and Head of Departments are stated below.

	Current Period	Prior Period
Salaries	4,113	1,054
Dividend and additional payments	545	1,354
Total	4,658	2,408

VI. EXPLANATION RELATED TO THE SUBSEQUENT EVENTS:

In “Notes to the financial structure of the Bank” explanations related to the currency risk (Note 3), which is presented under information about financial structure note 3, has been prepared using exchange rates as of balance sheet date. Subsequent to the balance sheet date, significant fluctuations in financial markets have been exercised as of reporting date, TRY has lost 32% value against USD, 16% value against EURO.

**SECTION VI: EXPLANATIONS ON INDEPENDENT AUDITORS’ LIMITED
REVIEW REPORT**

I. EXPLANATIONS ON THE LIMITED REVIEW REPORT

The unconsolidated financial statements and disclosures of the Bank disclosed herein for the period then ended were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and Independent Auditors’ Review Report dated November 19, 2008 is presented.

**II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT
ACCOUNTANT**

None.