

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

INDEPENDENT AUDITORS'  
LIMITED REVIEW REPORT,  
UNCONSOLIDATED  
FINANCIAL STATEMENTS AND NOTES  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2009

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, 2009 – SEPTEMBER 30, 2009**

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, 2009 and related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. 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, 2009 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.

Ankara, November 10, 2009

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

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, 2009

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, 2009 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, 2009, are prepared in Thousands of Turkish Lira in accordance with the Communiqué on “Banks’ Accounting Practices and Maintaining Documents”, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and interpretations, and the Banks’ records, have been reviewed and presented as attached.

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Mehmet MUMCUOĞLU  
Chairman of the Board of  
Directors’ – By Proxy

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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  
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 / Financial Statements Unit Manager  
Telephone Number : 0312 584 70 97 – 70 98  
Fax Number : 0312 584 71 61

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# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

### SECTION I: GENERAL INFORMATION

#### **I. ESTABLISHMENT DATE OF THE BANK, INITIAL ARTICLES OF ASSOCIATION, THE HISTORY OF THE 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 the 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 AS OF SEPTEMBER 30, 2009

(Amounts expressed in Thousand of 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 SHAREHOLDINGS IN THE BANK

Name	Administrative Function
<b>Members of the Board of Directors</b>	
Mehmet MUMCUOĞLU	Board of Directors' Chairman-by proxy
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
<b>Members of the Audit Committee</b>	
Oğuz KAYHAN	Member
Hikmet Aydın SİMİT	Member
<b>Chief Assistant General Managers</b>	
Selim Güray ÇELİK	Strategy and Operations
Senih BOYACIGİL	Banking
<b>Assistant General Managers</b>	
Ali Rıza AKBAŞ	Commercial Banking
Ahmet Mesut GÜRAYLI	Retail Banking
Bülent YALIM	Banking Operations
Cem ÖZŞEN	Fund Management
Elif Zeynep ERÜL	Corporate Communication
Ercüment GÜLER	Resource Management
İsmail Erdal MAZLUM	Accounting and Financial Management
Mustafa ŞAHİN	Support Services
Hüsamettin GÜLHAN	Agricultural Banking
Seyfettin SAĞLAM	Human Resources
<b>Group Heads</b>	
Yusuf BİLMEZ	Internal Control
M.Ayhan ALTINTAŞ	Risk Management
<b>Chairman of the Internal Audit</b>	
Ali ARAS	Chairman of the Internal Audit-by proxy

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 AS OF SEPTEMBER 30, 2009

(Amounts expressed in Thousand of 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
Undersecretariat of Treasury	2,500,000	100	2,500,000	-,-

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

#### V. SUMMARY 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 kinds of banking activities including acceptance of deposits. For this purpose, the Bank can perform all sorts of operations, without prejudice to the provisions of the banking regulations and other legislations, such as launching all kinds of cash and non-cash loans in terms of Turkish Lira and foreign currencies, acting as an intermediary in trade and issue of the financial instruments that are used in local and international markets, performing investment banking transactions, forwards dealing in domestic and foreign futures markets, providing funds from interbank money market, domestic and foreign markets, making all kinds of capital market transactions, acting as an intermediary in export and import transactions, acting as an agency for insurance and other financial institutions, participating in all sort of partnership that is founded by domestic or foreign banks or participated by them within the terms of the related legislation or establishing new 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, 2009, Bank carries its activities with a grand total of 1,292 branches; 1,280 domestic branches including 1,178 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), Georgia (Tbilisi) and Iraq (Baghdad), 2 branches in Greece (Athens, Komotini) 4 branches (Lefkoşa, Girne, Güzelyurt, Gazimağusa) and 1 bureau (Paşaköy) in Turkish Republic of Northern Cyprus. Also, Bank has 1 representative office in Pakistan (Karachi) and Iran (Tehran). Moreover, preparations for opening a branch in Saudi Arabia (Jeddah) are still continuing.

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.

Bank, in line with the demands of the customers, can enable the usage of agricultural loan limits associated with the Başakkart. Başakkart is a bank card through which demand deposit accounts and agricultural loan accounts can be linked. Cash limits of loan accounts assigned to the card can be used through the ATMs and branches of the Bank whereas limits specified for the purchase of grains, fertilizers, feed, fuel, veterinary services and similar agricultural products/services can only be used via POS machines of the Bank in Başakkart Member Business points. Repayments regarding the products/services transactions with Başakkart can be made through the branches of the Bank and without any interest charge within the time periods defined by the Bank.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION II: UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. BALANCE SHEET
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- IV. STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER EQUITY
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- VI. STATEMENT OF CASH FLOW

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION III: ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION**

According to Article 37 of the Banking Act numbered 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 1<sup>st</sup> 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 and notes are prepared in accordance with the Communiqué on “Procedures and Principles Regarding the Accounting Practices and Maintaining Documents” published in the Official Gazette numbered 26333 on November 1, 2006, the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) effective by the Turkish Accounting Standards Boards, other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements by BRSA, 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, 2008 while, statements of income, cash flows and changes in shareholders’ equity are presented comparatively with balances as of September 30, 2008 that are reviewed.

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

**II. EXPLANATIONS ON THE 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, repurchase agreements, shareholders’ equity and government funds transferred from the budget, ministerial offices and other public resources to the Bank by means of legislative and administrative decisions. The Bank directs these funds to assets with high return and low risk. These assets include predominantly domestic government bonds and loans. The Bank’s liquidity structure covers the financing of all liabilities at due date. Although most of the sources in the Bank’s balance sheet are with fixed interest rate, some of the securities in assets have floating 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, bank loans, commercial letter of credits, repayment commitments for cheques and expense limit commitments for credit cards are the most important risk areas within the off-balance sheet accounts.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION 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, Central Bank of the Republic of Turkey, Money Market or Interbank Money Market in case of need. In case of a liquidity crisis, the deposit base of the Bank is not presumed to be significantly affected from such a case since the Bank is a public bank with an extensive branch network.

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

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

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

Except the Cyprus branches, assets and liabilities of the abroad branches of the Bank are translated into TRY with 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.

**III. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS**

The derivative instruments of the Bank are composed of foreign currency-foreign currency swaps, foreign currency forward agreements and transactions via Turkish Derivatives Exchange (TURKDEX). 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 whereas TURKDEX transactions are revalued by market prices. Positive revaluation differences between amortized and current value are shown in the balance sheet as "Held for Trading Derivative Financial Assets" and negative revaluation differences are shown in the balance sheet as "Held for Trading Derivative Financial Liabilities", and they are recognized under "Profit/Loss from Derivative Financial Transactions" in the income statement.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

(Amounts expressed in Thousand of 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 numbered 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, intermediary services and commission income from individual loans which are not attributable to interest rates applied is recognized as income on the date they are collected. Whereas, commission income from trade and agricultural cash loans and from individual loans in which the commission is in the form of interest (depending on the amount of commission that the interest rate is changed) 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 assets mainly constitute the Bank’s commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

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

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

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

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 and carried at fair value in the financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION III: ACCOUNTING POLICIES (cont'd)**

**VI. EXPLANATIONS ON FINANCIAL ASSETS (cont'd)**

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 exchange prices of ISE as of the balance sheet date and those securities that are not traded in ISE are carried at prices of the Central Bank of the Republic of Turkey. Eurobonds are carried at prices in the over the counter markets.

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

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 are fixed or determinable payments with fixed maturity.

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

Investments held-to-maturity and financial assets available for sale 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 (impairment loss expense) or by posting interest income accrual.

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

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

Financial assets available for sale are carried with their fair values in the financial statements. The difference between fair value and cost is recorded as provision for impairment loss or interest income accrual. Moreover, values amortized with internal rate of return and costs are also compared and the difference is recognized as an interest income or 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 “Marketable Securities Revaluation Differences”.

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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION III: ACCOUNTING POLICIES (cont'd)**

**VI. EXPLANATIONS ON FINANCIAL ASSETS (cont'd)**

Bank loans and receivables are initially carried at cost. Loans are measured at amortized cost with internal rate of return. Short-term and long-term loans are grouped as open or guaranteed; FC loans are recognized with fixed price and at period-ends revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as 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 numbered 26333 and 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 without considering the guarantees. Allocated provisions are deducted from the income for the period. If the loans for which provisions were set in the previous years are collected, provision for allowances are released and recognized as income under “Other Operating Income” account. Releases of current period provisions are made by the reversal of the amount from the “Provision for Impairment of Loans and Other Receivables” account.

**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, without considering the guarantees, 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**SECTION III: ACCOUNTING POLICIES (cont'd)**

**VII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (cont'd)**

In accordance with the provisions of the legislation mentioned in the previous page, 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 and loans granted to institutions which are exempt from provisions according to Banking Law, 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.

**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 revaluation principles of the related portfolios.

Total costs including the interest income and accruals of held to maturity investments sold under repurchase agreements amount to TRY 10,126,546 Thousand (December 31, 2008: TRY 6,283,263 Thousand), total costs including the interest income and accruals of the securities classified under available for sale securities sold under repurchase agreements amount to TRY 280,447 Thousand (December 31, 2008: TRY 1,097,691 Thousand). Funds obtained by these agreements are followed under the "Funds from Repurchase Agreements" account in the balance sheet and interest expense accrual is calculated using the internal rate of return method.

Total costs including the interest income and accruals of receivables from the reverse repurchase transactions amount to TRY 10,002 Thousand (December 31, 2008:None).

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

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**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, Principles for Purchase and Sale of Precious Metal and Sale of Goods and Immovables obtained in Return of Receivables” published in the Official Gazette numbered 26333 and dated November 1, 2006 and these assets are subject to revaluation by no means.

The Bank’s immovables acquired amount to TRY 7,557 Thousand consisting of TRY 6,958 Thousand on its commercial loans and TRY 599 Thousand on its agricultural loans. Total assets held for sale together with its movables amounting to TRY 42 Thousand equal to TRY 7,599 Thousand. Total depreciation expense is TRY 37 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. Depreciation period is 5 years (20% annual depreciation rate) 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 over 3 years 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.

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**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.

**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 Standard 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 211,674 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. In addition to these, for the interest expenses calculated for the lawsuits against the Bank concerning the remuneration liabilities related to KOSGEB and National Productivity Center, generic provision equal to TRY 37,300 Thousand has been provided.

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

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**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 extent 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, 2009, provision allocated by the Bank for all employee benefit liabilities is TRY 527,400 Thousand. The Bank is not employing its personnel by means of limited-period contracts.

The Bank's personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund which was established by 20<sup>th</sup> provisional article of Social Security Agency (SSK) Act of numbered 506. In accordance with 23<sup>rd</sup> provisional clause of the Banking Act numbered 5411, the pension fund is expected to be transferred to the Social Security Agency by three years following the declaration of the Banking Act numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1<sup>st</sup> paragraph of the 1<sup>st</sup> article of the 23<sup>rd</sup> provisional clause of Banking Act numbered 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.

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

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

In accordance with the Act numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 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.

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

The technical balance sheet report as of June 30, 2009 which is prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated May 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 numbered 5520, corporate tax is calculated based on the net corporate income of tax-payers in an accounting period by using 20% as tax rate.

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 1<sup>st</sup> and the 25<sup>th</sup> 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.

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**XVI. EXPLANATIONS ON TAXATION (cont'd)**

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 as deferred tax liability or asset if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

The deferred tax benefit is not taken into account in profit distribution in accordance with the relevant circular of Banking Regulation and Supervision Agency.

**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 revaluation of debt instruments and liabilities representing the borrowings.

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

**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.

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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**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 finance related services, foreign exchange transactions and banking services to large-scale corporate clients and middle-small scale enterprises.

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

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 performs derivative transactions which are accounted as held for trading. As financial derivative transactions, the Bank performs foreign currency forward agreements and currency swap transactions.

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 foreign branches, bureaus, representative offices and equity investments abroad.

As of September 30, 2009 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 <sup>(1)</sup>	Specialized Banking <sup>(2)</sup>	Treasury	International Banking	Total Operations of the Bank
<b>Current Period</b>						
Total Operating Income/Expense <sup>(3)</sup>	1,968,661	345,544	1,053,862	1,787,603	33,469	5,189,139
Net Operating Profit	314,472	244,907	1,053,862	1,719,620	11,676	3,344,537
Income from Subsidiaries <sup>(4)</sup>	-	-	-	-	-	25,872
Income Before Taxes	-	-	-	-	-	3,344,537
Tax Provision	-	-	-	-	-	(674,671)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	2,669,866
Segment Assets-net <sup>(3)</sup>	16,540,784	6,207,167	10,084,595	83,406,333	2,688,465	118,927,344
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	715,134
Undistributed Assets <sup>(5)</sup>	-	-	-	-	-	1,188,066
Total Assets	-	-	-	-	-	120,830,544
Segment Liabilities – net <sup>(3)</sup>	69,194,890	23,694,564	3,133,554	10,521,781	2,660,386	109,205,175
Undistributed Liabilities <sup>(5)</sup>	-	-	-	-	-	2,092,786
Shareholders' Equity	-	-	-	-	-	9,532,583
Total Liabilities	-	-	-	-	-	120,830,544
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	30,331
Restructuring Costs	-	-	-	-	-	-

- (1) 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.
- (2) Real estate loans transferred from Emlak Bank and agricultural loans, liabilities regarding these loans and operating income related with them are included in “Specialized Banking” column. Besides, income from specialized banking operations are presented at “Specialized Banking” column and since the Bank’s deposit interest expense from related operations cannot be decomposed; these amounts are presented in operating profit row within “Retail Banking” column.
- (3) For the presentation of operating income, intradepartmental interest charged between branches and Treasury is considered in order to present operations of related departments accurately. However, debtor-creditor relations arising from funds transferred between branches are not included in table since they could not be reported separately.
- (4) “Dividend income”, a part of operating income of the Bank, is included in the “Income from Subsidiaries” row since it could not be decomposed between segments.
- (5) The total of tangible and intangible assets, tax asset and tangible fixed assets held for sale is shown in “Undistributed Assets” row, whereas the total of provisions and tax liability is shown in “Undistributed Liabilities” row.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

### 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 <sup>(1)</sup>	Specialized Banking <sup>(2)</sup>	Treasury	International Banking	Total Operations of the Bank
<b>Prior Period</b>						
Total Operating Income/Expense <sup>(3)</sup>	2,714,430	412,673	1,144,619	677,050	37,286	4,986,058
Net Operating Profit	651,314	319,404	1,144,619	588,609	11,554	2,715,500
Income from Subsidiaries <sup>(4)</sup>	-	-	-	-	-	26,451
Income Before Taxes	-	-	-	-	-	2,715,500
Tax Provision	-	-	-	-	-	(581,241)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	2,134,259
Segment Assets-net <sup>(3)</sup>	10,458,063	10,647,398	9,040,876	70,209,287	2,394,433	102,750,057
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	661,372
Undistributed Assets <sup>(5)</sup>	-	-	-	-	-	1,001,067
Total Assets						104,412,496
Segment Liabilities – net <sup>(3)</sup>	63,794,508	17,758,876	2,914,092	8,354,957	2,388,084	95,210,517
Undistributed Liabilities <sup>(5)</sup>	-	-	-	-	-	1,840,743
Shareholders' Equity	-	-	-	-	-	7,361,236
Total Liabilities						104,412,496
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	43,484
Restructuring Costs	-	-	-	-	-	-

- (1) Trade and corporate banking column includes results of operations and total assets and liabilities of 3 corporate and 24 trade branches of the Bank. Since any trading and corporate banking operations in other branches could not be distributed; they are not included in this column.
- (2) Real estate loans transferred from Emlak Bank and agricultural loans, liabilities regarding these loans and operating income related with them are included in "Specialized Banking" column. Besides, income from specialized banking operations are presented at "Specialized Banking" column and since the Bank's deposit interest expense from related operations cannot be decomposed; these amounts are presented in operating profit row within "Retail Banking" column.
- (3) For the presentation of operating income, intradepartmental interest charged between branches and Treasury is considered in order to present operations of related departments accurately. However, debtor-creditor relations arising from funds transferred between branches are not included in table since they could not be reported separately.
- (4) "Dividend income", a part of operating income of the Bank, is included in the "Income from Subsidiaries" row since it could not be decomposed between segments.
- (5) The total of tangible and intangible assets, tax assets and assets held for trading and sale is disclosed in "Undistributed Assets", whereas total of provisions and tax liability is shown in "Undistributed Liabilities" row.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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**SECTION III: ACCOUNTING POLICIES (cont'd)**

**XXII. EXPLANATIONS ON OTHER MATTERS**

The General Assembly for year 2008 was carried out on April 14, 2009. In accordance with the decision taken, of the profit for the year 2008 amounting to TRY 2,134,259 Thousand, TRY 189,449 Thousand is transferred to legal reserves, TRY 46,576 Thousand is distributed as dividend to employees provided that dividend amount does not exceed one month gross wage for each employee and TRY net 750,000 Thousand is distributed to Undersecretariat of Treasury after deducting withholding tax of 15% (TRY 132,353 Thousand) in cash on April 30, 2009. In addition to, TRY 984,169 Thousand of the profit for the year 2008, deferred tax income amounting to TRY 28,288 Thousand is not distributed. As of report date, TRY 3,424 Thousand of dividend has remained undistributed to be paid to employees.

**SECTION IV: INFORMATION ON FINANCIAL STRUCTURE**

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

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

The Bank's unconsolidated capital adequacy ratio calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" is 22.87% (December 31, 2008: 20.08%).

**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, the credit risk and the operational risk amounts are calculated in accordance with the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

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

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

To calculate the 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.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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**SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)**

**I. EXPLANATIONS ON 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%	200%
<b>Credit Risk Base Amount</b>							
Balance Sheet Items (Net)	64,061,688	-	4,924,355	7,736,202	22,680,460	18,230	5
Cash	758,453	-	22	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	6,802,249	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	4,727,270	-	47,040	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	10,000	-	-	-	-	-	-
Required Reserve Deposits	1,667,568	-	-	-	-	-	-
Loans <sup>(1)</sup>	4,419,422	-	85,559	7,673,802	20,780,050	18,230	5
Loans Under Follow-up (Net) <sup>(1)</sup>	-	-	-	-	-	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	48,683,618	-	-	-	4,743	-	-
Receivables from Forward Sale of Assets	-	-	-	-	1,693	-	-
Sundry Debtors	30,463	-	212	-	145,648	-	-
Interest and Income Accruals	1,311,191	-	989	62,400	732,737	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	82,981	-	-
Tangible Fixed Assets	-	-	-	-	822,741	-	-
Other Assets	378,724	-	110,303	-	62,827	-	-
Off-Balance Sheet Items	149,646	-	96,351	-	3,603,546	-	-
Non-cash Loans and Commitments	149,646	-	96,351	-	3,601,941	-	-
Derivative Financial Instruments	-	-	-	-	1,605	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>64,211,334</b>	<b>-</b>	<b>5,020,706</b>	<b>7,736,202</b>	<b>26,284,006</b>	<b>18,230</b>	<b>5</b>

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

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

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

**I. EXPLANATIONS ON 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%	150%	200%
<b>Credit Risk Base Amount</b>							
Balance Sheet Items (Net)	62,248,838	-	3,767,277	7,192,914	20,882,757	11,050	-
Cash	705,197	-	14	-	-	-	-
Matured Marketable Securities	1	-	-	-	-	-	-
Central Bank of the Republic of Turkey	7,111,837	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	3,647,645	-	59,400	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,434,558	-	-	-	-	-	-
Loans	3,841,909	-	8,485	7,137,010	19,070,381	11,050	-
Loans Under Follow-up (Net) <sup>(1)</sup>	-	-	-	-	308	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	21,397	-	-
Investments Held to Maturity	47,110,326	-	-	-	3,765	-	-
Receivables from Forward Sale of Assets	-	-	-	-	5,081	-	-
Sundry Debtors	9,343	-	314	-	90,134	-	-
Interest and Income Accruals	1,831,931	-	1,291	55,904	680,358	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	83,023	-	-
Tangible Fixed Assets	-	-	-	-	818,872	-	-
Other Assets	203,736	-	109,528	-	50,038	-	-
Off-Balance Sheet Items	174,227	-	61,437	-	3,189,041	-	-
Non-cash Loans and Commitments	174,227	-	61,437	-	3,186,469	-	-
Derivative Financial Instruments	-	-	-	-	2,572	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	62,423,065	-	3,828,714	7,192,914	24,071,798	11,050	-

- (1) In the financial statements, Loans under Follow-up (Net) is TRY 114,044 Thousand. However, TRY 113,736 Thousand of this balance 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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

#### I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)

##### Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	31,183,603	28,450,572
Market Risk Base Amount (MRBA)	1,868,625	1,172,713
Operational Risk Base Amount (ORBA)	8,659,562	8,115,602
Shareholders' Equity	9,537,437	7,577,282
Shareholders' Equity/(CRBA+MRBA+ORBA) *100	22.87	20.08

##### Information related to components of shareholders' equity:

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
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	1,758,096	1,568,647
1 <sup>st</sup> Degree Legal Reserves (TCC 466/1)	673,340	568,041
2 <sup>nd</sup> Degree Legal Reserves (TCC 466/2)	1,084,756	1,000,606
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	1,378,442	365,839
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	1,378,442	365,839
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	2,829,664	2,294,057
Net Profit of the Period	2,669,866	2,134,259
Retained Earnings	159,798	159,798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	571,875	607,509
Subsidiary and Associate Shares and Gains on Sale of Real Estate To Be Added To Capital	-	-
Primary Subordinated Loans (up to 15% of the Core Capital)	-	-
Loss(-) Portion of Losses that Cannot be Covered by Reserves	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-) (*)	-	-
Prepaid Expenses (-) (*)	6,878	4,463
Intangible Assets (-) (*)	17,709	11,294
Deferred Tax Asset in excess of 10% of the Core Capital (-)	-	-
Excess Amount defined in 3 <sup>rd</sup> Clause 56 <sup>th</sup> Article of the Banking Act (-)	-	-
<b>Total Core Capital</b>	<b>9,556,972</b>	<b>7,879,534</b>

(\*) According to 1<sup>st</sup> Temporary Clause of regulation for Banks' equity, up to January 1, 2009 considered as "Deductions from Capital". Related balances are deducted from core capital in the current period.

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

**I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO (cont'd)**

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Provisions	372,657	247,013
45% of Movable Assets Revaluation Fund	-	-
45% of Immovables Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	12,764	12,764
Primary Subordinated Loans Excluding the Portion included in the Core Capital	-	-
Secondary Subordinated Loan	-	-
45% of Marketable Securities Revaluation Fund	229,561	34,402
From Subsidiaries and Associates	19,949	20,278
From Financial Assets Available for Sale	209,612	14,124
Inflation Adjustments for Capital Reserves, Profit Reserves and Retained Earnings/Accumulated Losses (Except Inflation Adjustments for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
<b>Total Supplementary Capital</b>	<b>614,982</b>	<b>294,179</b>
<b>TIER-III CAPITAL</b>		
<b>CAPITAL</b>	<b>10,171,954</b>	<b>8,173,713</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>634,517</b>	<b>596,431</b>
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	632,154	578,349
Total Equity Shares in Banks and Financial Institutions (Domestic and Foreign), less than 10% of whose Capital is Owned by the Bank and that Exceeds 10% of the Total Core Capital and Supplementary Capital	-	-
Loans to banks, Financial Institutions (Domestic/Foreign), Holders of Qualified Shares in the form of Secondary Subordinated Loan and Loan Instruments Purchased from those Parties Qualified as Primary or Secondary Subordinated Loan	2,223	2,310
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	140	15
Other	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,537,437</b>	<b>7,577,282</b>

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

**II. EXPLANATIONS ON THE MARKET RISK**

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

The Bank has established market risk management operations and taken the necessary measures in order to hedge market risk within its financial risk management purposes, in accordance with "Measurement and Assessment of the Capital Adequacy of Banks" issued in the Official Gazette numbered 26333 and dated November 1, 2006.

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

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

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

Daily Value at Risk (VAR) forecasts 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 used model. Bank limits market risk exposure by VAR based limit within the context of "Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management".

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

**Information Related to Market Risk:**

	<b>Amount</b>
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	114,189
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	4,820
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	29,834
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	647
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	149,490
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	1,868,625

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

**II. EXPLANATIONS ON 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 ON THE CURRENCY RISK**

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

The Bank’s policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, Value at Risk (VAR) is calculated for daily foreign exchange position and reported to the related departments.

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

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

None.

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

“Liquidity Gap Analysis”, “Repricing Gap Analysis” and “Structural Liquidity Gap Analysis” which takes into account historical repricing rates of foreign currency accounts, are prepared periodically in order to define liquidity and interest rate risks at US Dollar 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.

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

#### III. EXPLANATIONS ON THE CURRENCY RISK (cont'd)

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

	USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
23.09.2009	1.4747	2.1778	1.2861	0.2929	0.2163	1.4421	1.3756	0.2545	2.4237	0.3875	1.6142
24.09.2009	1.4793	2.1745	1.2828	0.2919	0.2144	1.4397	1.3587	0.2541	2.3795	0.3879	1.6194
25.09.2009	1.4752	2.1679	1.2773	0.2914	0.2132	1.4382	1.3536	0.2549	2.3579	0.3876	1.6418
28.09.2009	1.4801	2.1685	1.2853	0.2916	0.2127	1.4377	1.3548	0.2545	2.3518	0.3889	1.6580
29.09.2009	1.4811	2.1559	1.2897	0.2899	0.2110	1.4288	1.3608	0.2531	2.3647	0.3892	1.6447
30.09.2009	1.4820	2.1665	1.3024	0.2901	0.2119	1.4243	1.3765	0.2552	2.3623	0.3913	1.6480

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

USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
1.4807	2.1534	1.2756	0.2898	0.2117	1.4256	1.3696	0.2509	2.4199	0.3890	1.6224

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

#### III. EXPLANATIONS ON THE CURRENCY RISK (cont'd)

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

	EURO	USD	Yen	Other FC <sup>(1)</sup>	Total
<b>Current Period</b>					
<b>Assets</b>					
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	1,727,640	51,049	595	22,855	1,802,139
Banks	2,356,710	2,026,298	1,785	381,271	4,766,064
Financial Assets at Fair Value Through Profit and Loss	41,710	4,917	-	-	46,627
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	3,360,715	1,978,148	-	4,312	5,343,175
Loans <sup>(2)</sup>	558,155	1,023,378	-	4,449	1,585,982
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) <sup>(5)</sup>	340,601	132,105	-	32,356	505,062
Investments Held-to-Maturity	2,294,168	2,378,284	-	276	4,672,728
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	3,068	1,181	-	474	4,723
Intangible Assets	904	1,535	-	55	2,494
Other Assets	21,738	8,674	-	11,836	42,248
<b>Total Assets</b>	<b>10,705,409</b>	<b>7,605,569</b>	<b>2,380</b>	<b>457,884</b>	<b>18,771,242</b>
<b>Liabilities</b>					
Interbank Deposits	52,274	199,655	10	15,416	267,355
Foreign Currency Deposits	10,416,514	7,296,696	200	417,396	18,130,806
Money Market Borrowings	-	-	-	-	-
Funds Provided from Other Financial Institutions	2,258	12,236	-	-	14,494
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	148,486	3,091	-	309	151,886
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	98,320	107,704	1,301	14,964	222,289
<b>Total Liabilities</b>	<b>10,717,852</b>	<b>7,619,382</b>	<b>1,511</b>	<b>448,085</b>	<b>18,786,830</b>
<b>Net Balance Sheet Position</b>	<b>(12,443)</b>	<b>(13,813)</b>	<b>869</b>	<b>9,799</b>	<b>(15,588)</b>
<b>Net Off-Balance Sheet Position<sup>(3)</sup></b>	<b>(32,673)</b>	<b>(25,056)</b>	<b>-</b>	<b>57,538</b>	<b>(191)</b>
Assets on Derivative Instruments	351	11,381	-	65,667	77,399
Liabilities on Derivative Instruments	33,024	36,437	-	8,129	77,590
Non-cash Loans <sup>(4)</sup>	801,883	2,362,948	9,521	19,267	3,193,619
<b>Prior Period</b>					
Total Assets	9,752,681	6,790,960	2,560	404,729	16,950,930
Total Liabilities	9,778,009	6,745,182	2,741	402,745	16,928,677
Net Balance Sheet Position	(25,328)	45,778	(181)	1,984	22,253
Net Off-Balance Sheet Position <sup>(3)</sup>	(12,480)	(47,573)	-	57,363	(2,690)
Financial Derivative Assets	35,100	-	-	57,363	92,463
Financial Derivative Liabilities	47,580	47,573	-	-	95,153
Non-cash Loans <sup>(4)</sup>	649,294	2,308,803	17,955	14,608	2,990,660

(1) Of the foreign currencies presented in the other FC column of assets 19.16% is CHF, 47.68% is GBP, 12.62% is DKK, and the remaining 20.54% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 25.84% is CHF, 53.15% is GBP, 12.75% is DKK and the remaining 8.26% is other foreign currencies.

(2) TRY 656 Thousand equivalent of USD and TRY 3,054 Thousand equivalent of EURO loans are originated as foreign currency indexed loans (December 31, 2008: TRY 6,140 Thousand equivalent of USD and TRY 1,227 Thousand equivalent of EURO).

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

(4) Since provision has been provided for non-cash loans amounted to TRY 413 Thousand, related balance is not included in the table above (December 31, 2008: TRY 600 Thousand).

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

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

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

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

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

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

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

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

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

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## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

#### IV. EXPLANATIONS ON 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
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with Central Bank of the Republic of Turkey	8,538,232	-	-	-	-	758,475	9,296,707
Banks	4,770,528	3,310	1,555	-	-	-	4,775,393
Financial Assets at Fair Value Through Profit and Loss	216,757	9,810	321,099	149,107	654	995	698,422
Money Market Placements	10,002	-	-	-	-	-	10,002
Financial Assets Available-for-Sale	5,681,418	4,663,980	5,580,441	3,634,138	434,918	57,182	20,052,077
Loans Given	11,204,262	1,214,826	3,045,182	14,764,733	3,403,262	-	33,632,265
Investments Held-to-Maturity	9,977,600	18,977,360	15,474,203	2,154,398	3,320,421	-	49,903,982
Other Assets	-	-	-	-	-	2,461,696	2,461,696
<b>Total Assets</b>	<b>40,398,799</b>	<b>24,869,286</b>	<b>24,422,480</b>	<b>20,702,376</b>	<b>7,159,255</b>	<b>3,278,348</b>	<b>120,830,544</b>
<b>Liabilities</b>							
Interbank Deposits	266,586	4,911	-	-	-	-	271,497
Other Deposits	57,547,268	15,932,527	5,480,489	50,235	-	15,129,901	94,140,420
Money Market Borrowings	8,188,163	2,260,923	-	-	-	-	10,449,086
Sundry Creditors	-	-	-	-	-	525,556	525,556
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	3,833	6,375	18,309	2,135	33	-	30,685
Other Liabilities	-	-	-	2,866,614	-	12,546,686	15,413,300
<b>Total Liabilities</b>	<b>66,005,850</b>	<b>18,204,736</b>	<b>5,498,798</b>	<b>2,918,984</b>	<b>33</b>	<b>28,202,143</b>	<b>120,830,544</b>
Balance Sheet Long Position	-	6,664,550	18,923,682	17,783,392	7,159,222	-	50,530,846
Balance Sheet Short Position	(25,607,051)	-	-	-	-	(24,923,795)	(50,530,846)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>(25,607,051)</b>	<b>6,664,550</b>	<b>18,923,682</b>	<b>17,783,392</b>	<b>7,159,222</b>	<b>(24,923,795)</b>	<b>-</b>

(\* ) Balances without fixed maturity are shown in the "Up to 1 Month" and "Non-Interest Bearing" columns.

(\* ) TRY 2,866,501 Thousand of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column. TRY 267,053 Thousand of fund balance is not granted as loan and is shown under the "Non-Interest Bearing" 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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

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

#### IV. EXPLANATIONS ON THE INTEREST RATE RISK (cont'd)

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

	EURO	USD	Yen	TRY
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	5.80
Banks	0.38	0.33	-	-
Financial Assets at Fair Value Through Profit and Loss	3.64	5.37	-	13.83
Money Market Placements	-	-	-	7.90
Financial Assets Available-for-Sale	4.47	5.87	-	11.85
Loans Given	4.42	4.70	-	16.69
Investments Held-to-Maturity	5.91	7.00	-	11.11
<b>Liabilities</b>				
Interbank Deposits	0.23	0.12	-	8.75
Other Deposits	2.16	2.21	-	9.68
Money Market Borrowings	-	-	-	7.98
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3.93	4.40	-	11.23

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

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

**IV. EXPLANATIONS ON THE INTEREST RATE RISK (cont'd)**

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	8,670,386	-	-	-	-	705,211	9,375,597
Banks	3,642,155	8,603	59,592	-	-	-	3,710,350
Financial Assets at Fair Value Through Profit and Loss	148,705	87,956	289,302	134,070	1,436	2,110	663,579
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	139,631	3,346,267	3,426,752	1,970,029	166,968	21,397	9,071,044
Loans Given	10,806,958	1,257,527	2,919,394	12,239,740	3,498,531	-	30,722,150
Investments Held-to-Maturity	8,479,742	26,340,461	6,051,928	4,269,515	3,645,554	-	48,787,200
Other assets	-	-	-	-	-	2,082,576	2,082,576
<b>Total assets</b>	<b>31,887,577</b>	<b>31,040,814</b>	<b>12,746,968</b>	<b>18,613,354</b>	<b>7,312,489</b>	<b>2,811,294</b>	<b>104,412,496</b>
<b>Liabilities</b>							
Interbank Deposits	1,248,438	3,080	3,211	-	-	-	1,254,729
Other Deposits	64,281,527	13,526,653	4,743,433	77,093	-	-	82,628,706
Money Market Borrowings	7,267,869	-	-	-	-	-	7,267,869
Sundry Creditors	-	-	-	-	-	480,965	480,965
Issued Marketable Securities	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	5,831	7,349	14,373	752	52	-	28,357
Other Liabilities	218,075	-	-	2,697,972	-	9,835,823	12,751,870
<b>Total Liabilities</b>	<b>73,021,740</b>	<b>13,537,082</b>	<b>4,761,017</b>	<b>2,775,817</b>	<b>52</b>	<b>10,316,788</b>	<b>104,412,496</b>
Balance Sheet Long Position	-	17,503,732	7,985,951	15,837,537	7,312,437	-	48,639,657
Balance Sheet Short Position	(41,134,163)	-	-	-	-	(7,505,494)	(48,639,657)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
<b>Total Position</b>	<b>(41,134,163)</b>	<b>17,503,732</b>	<b>7,985,951</b>	<b>15,837,537</b>	<b>7,312,437</b>	<b>(7,505,494)</b>	<b>-</b>

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

(\*) TRY 2,696,027 Thousand of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column. TRY 218,075 Thousand of fund balance 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.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

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

#### IV. EXPLANATIONS ON THE INTEREST RATE RISK (cont'd)

##### Average interest rate applied to the monetary financial instruments:

	EURO	USD	Yen	TRY
<b>Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	12.00
Banks	2.03	6.50	-	20.98
Financial Assets at Fair Value Through Profit and Loss	4.78	4.77	-	18.17
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	6.36	5.77	-	20.11
Loans Given	6.82	5.83	-	22.87
Investments Held-to-Maturity	5.91	7.00	-	19.27
<b>Liabilities</b>				
Interbank Deposits	2.51	0.18	-	-
Other Deposits	2.50	2.56	-	18.14
Money Market Borrowings	-	-	-	15.69
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	4.29	4.37	-	16.21

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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**SECTION IV: INFORMATION ON FINANCIAL STRUCTURE (cont'd)**

**V. EXPLANATIONS ON THE LIQUIDITY RISK**

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

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

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

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

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

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

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

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

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

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

The Bank's major source of funds is deposits, and these funds are invested in securities portfolio, other banks and loan placements. Since most significant cash inflows are originated from securities portfolio and cash inflows from these assets are regular, the liquidity risk of the Bank is suggested to be reduced. Furthermore, periodical collections on consumer loans 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 AS OF SEPTEMBER 30, 2009

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

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

#### V. EXPLANATIONS ON THE LIQUIDITY RISK (cont'd)

##### Presentation of liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed <sup>(1)(2)</sup>	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	9,296,707	-	-	-	-	-	-	9,296,707
Banks	1,661,813	3,108,771	3,254	1,555	-	-	-	4,775,393
Financial Assets at Fair Value Through Profit and Loss	-	216,847	10,380	192,534	278,007	654	-	698,422
Money Market Placements	-	10,002	-	-	-	-	-	10,002
Financial Assets Available-for-Sale	-	229,542	1,592,610	3,448,583	14,324,552	434,918	21,872	20,052,077
Loans Given	-	1,464,891	2,943,338	14,623,224	12,978,503	1,622,309	-	33,632,265
Investments Held-to-Maturity	-	3,350,563	3,134,222	9,188,127	30,910,649	3,320,421	-	49,903,982
Other Assets	381,923	-	-	2,283	1,693	-	2,075,797	2,461,696
<b>Total Assets</b>	<b>11,340,443</b>	<b>8,380,616</b>	<b>7,683,804</b>	<b>27,456,306</b>	<b>58,493,404</b>	<b>5,378,302</b>	<b>2,097,669</b>	<b>120,830,544</b>
<b>Liabilities</b>								
Interbank Deposits	25,026	241,558	4,913	-	-	-	-	271,497
Other Deposits	15,129,901	57,547,268	15,932,527	5,480,489	50,235	-	-	94,140,420
Funds Provided from Other Financial Instruments	-	3,833	6,375	18,309	2,135	33	-	30,685
Money Market Borrowings	-	8,188,163	2,260,923	-	-	-	-	10,449,086
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	525,556	-	-	-	-	-	-	525,556
Other liabilities <sup>(3)</sup>	653,301	401,031	-	366,776	2,866,614	-	11,125,578	15,413,300
<b>Total liabilities</b>	<b>16,333,784</b>	<b>66,381,853</b>	<b>18,204,738</b>	<b>5,865,574</b>	<b>2,918,984</b>	<b>33</b>	<b>11,125,578</b>	<b>120,830,544</b>
<b>Liquidity Gap</b>	<b>(4,993,341)</b>	<b>(58,001,237)</b>	<b>(10,520,934)</b>	<b>21,590,732</b>	<b>55,574,420</b>	<b>5,378,269</b>	<b>(9,027,909)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	11,357,542	3,942,151	5,715,496	25,049,315	48,755,321	7,788,171	1,804,500	104,412,496
Total Liabilities	13,108,474	61,243,328	13,537,800	4,957,400	2,775,817	52	8,789,625	104,412,496
<b>Liquidity Gap</b>	<b>(1,750,932)</b>	<b>(57,301,177)</b>	<b>(7,822,304)</b>	<b>20,091,915</b>	<b>45,979,504</b>	<b>7,788,119</b>	<b>(6,985,125)</b>	<b>-</b>

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

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

(3) TRY 2,866,501 Thousand of the funds balance, whose risk is not borne by the Bank, is included in other liabilities and shown under the "1-5 year" column, fund balance amounted to TRY 267,053 Thousand is not granted as loan and is included under "Up to One 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 the Republic of Turkey:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	605,280	149,278	545,710	156,566
Central Bank of the Republic of Turkey	6,888,988	1,649,244	7,246,580	1,423,806
Other	300	3,617	1	2,934
Total	7,494,568	1,802,139	7,792,291	1,583,306

**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 the Republic of Turkey's Communiqué numbered 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 9% for foreign currency liabilities. The Central Bank of the Republic of Turkey accrues interest for required reserves at the end of March, June, September and December. The required reserve interest rate as of September 30, 2009 is 5.80% for TRY. No interest rate has been applied for USD and EURO required reserves since December 12, 2008.

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposit	6,869,855	-	7,229,549	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves (*)	19,133	1,649,244	17,031	1,423,806
Total	6,888,988	1,649,244	7,246,580	1,423,806

(\*) Required reserve of branches abroad amounting to TRY 22,386 Thousand is presented in this line (Prior Period: TRY 19,841 Thousand).

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

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 or blocked as collateral or subject to repurchase agreements: (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	-	-	-	-
Bonds, Treasury Bills 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	36	8	1,004	13
Swap Transactions	-	952	-	1,093
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	36	960	1,004	1,106

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	-	386,952	1,022	-
Foreign Banks	9,329	4,379,112	8,215	3,701,113
Foreign Head Office and Branches	-	-	-	-
Total	9,329	4,766,064	9,237	3,701,113

#### 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”.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 to the comparison of net values of financial assets available-for-sale given or blocked as collateral and subject to repurchase agreements:

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	280,447	1,097,691
Assets Blocked/Given as Collateral	1,622,599	1,829,495
Total	1,903,046	2,927,186

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

	Current Period	Prior Period
Debt Securities	20,030,211	9,063,910
Quoted in Stock Exchange	19,696,842	8,740,916
Not Quoted in Stock Exchange	333,369	322,994
Share Certificates	22,647	22,647
Quoted in Stock Exchange	-	-
Not Quoted	22,647	22,647
Provision for Impairment (-)	781	15,513
Total	20,052,077	9,071,044

#### 5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	-	-	-
Legal Entities	-	-	-	-
Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	177,542	-	146,468	-
Total	177,542	-	146,468	-

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

### 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 and other receivables including restructured or rescheduled loans:

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialized Loans	23,382,139	3,453	434,053	226,437
Discount Notes	-	-	-	-
Export Loans	1,150,512	-	3,964	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	667,617	-	-	-
International Loans	131,700	-	-	-
Consumer Loans	14,597,867	537	96,646	57,032
Credit Cards	795,460	5	-	1,283
Precious Metals Loans	-	-	-	-
Other	6,038,983	2,911	333,443	168,122
Specialized Lending	8,307,282	6,605	454,236	-
Other Receivables	-	-	-	-
Interest Income Accruals (*)	818,060	-	-	-
Total	32,507,481	10,058	888,289	226,437

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 personnel credit cards:

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TRY	624,997	13,943,340	14,568,337
Real Estate Loans	2,944	5,084,300	5,087,244
Vehicle Loans	4,127	190,476	194,603
Consumer Loans	615,929	8,588,722	9,204,651
Abroad (**)	1,984	79,842	81,826
Other	13	-	13
Consumer Loans- Indexed to FC	-	83	83
Real Estate Loans	-	83	83
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	8	371	379
Real Estate Loans	-	6	6
Vehicle Loans	-	-	-
Consumer Loans	8	365	373
Other	-	-	-
Individual Credit Cards-TRY	760,236	5	760,241
With Installment	119,888	-	119,888
Without Installment	640,348	5	640,353
Individual Credit Cards-FC	1,013	-	1,013
With Installment	-	-	-
Without Installment	1,013	-	1,013
Personnel Loans-TRY	5,240	132,218	137,458
Real Estate Loans	2	553	555
Vehicle Loans	-	-	-
Consumer Loans	5,214	130,928	136,142
Abroad (***)	24	737	761
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	1	66	67
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	1	66	67
Other	-	-	-
Personnel Credit Cards-TRY	30,823	-	30,823
With Installment	8,184	-	8,184
Without Installment	22,639	-	22,639
Personnel Credit Cards-FC	42	-	42
With Installment	-	-	-
Without Installment	42	-	42
Overdraft Accounts – TRY (Real Person)	128,346	-	128,346
Overdraft Accounts – FC (Real Person)	-	-	-
Total	1,550,706	14,076,083	15,626,789

(\*) TRY 169,115 Thousand of interest income accrual could not be decomposed therefore accruals are not included in the table above.

(\*\*) TRY 762 Thousand of consumer loans used by the personnel abroad and TRY 81,826 Thousand of consumer loans have 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	91,384	1,392,477	1,483,861
Business Loans	296	46,213	46,509
Vehicle Loans	4,645	83,007	87,652
Consumer Loans	69,581	1,189,953	1,259,534
Other	16,862	73,304	90,166
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	4,605	-	4,605
With Installment	11	-	11
Without Installment	4,594	-	4,594
Corporate Credit Cards-FC	24	-	24
With Installment	-	-	-
Without Installment	24	-	24
Overdraft Account-TRY (Legal Entity)	5,886	-	5,886
Overdraft Account-FC (Legal Entity)	-	-	-
Total	101,899	1,392,477	1,494,376

(\*) Interest income accruals could not be decomposed by type, therefore accruals are 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	32,682,505	29,825,784
Foreign Loans	131,700	131,625
Interest Income Accruals of Loans	818,060	764,741
Total	33,632,265	30,722,150

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

**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)**

**g) Loans granted to subsidiaries and investments:**

	Current Period	Prior Period
Direct loans granted to subsidiaries and investments	39,663	60,226
Indirect loans granted to subsidiaries and investments	-	-
Total	39,663	60,226

(\*) Interest income accruals could not be decomposed by type, therefore 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	84,965	85,317
Loans and other receivables with doubtful collectibility	219,917	159,679
Uncollectible loans and other receivables	345,450	245,240
Total	650,332	490,236

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

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

	Group III:	Group IV:	Group V:
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current period	955	340	10,290
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	955	340	10,290
Rescheduled loans and other receivables	-	-	-
Prior period	2,040	1,016	25,517
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	2,040	1,016	25,517
Rescheduled loans and other receivables	-	-	-

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

**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)**

**i) Information on non-performing loans (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	89,744	175,801	338,735
Additions (+)	364,613	91,288	78,370
Transfers from other Categories of Loans under Follow-Up (+)	-	243,760	164,718
Transfers to other categories of Loans under Follow-Up (-)	243,760	164,718	-
Collections (-)	121,240	98,830	103,062
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	89,357	247,301	478,761
Specific Provision (-)	84,965	219,917	345,450
Net Balance on Balance Sheet (*)	4,392	27,384	133,311

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

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

	Group III:	Group IV:	Group V:
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period:			
Period Ending Balance	-	3,281	5,065
Specific Provision (-)	-	3,281	5,065
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period Ending Balance	-	3,313	5,220
Specific Provision (-)	-	3,313	5,220
Net Balance on Balance Sheet	-	-	-

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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 loans (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 collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
<b>Current Period (Net)</b>	4,392	27,384	133,311
Loans to Real Persons and Legal Entities (Gross)	89,357	208,270	478,761
Specific Provisions (-)	84,965	180,886	345,450
Loans to Real Persons and Legal Entities (Net)	4,392	27,384	133,311
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	39,031	-
Specific Provisions (-)	-	39,031	-
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	4,427	16,122	93,495
Loans to Real Persons and Legal Entities (Gross)	89,744	137,820	338,735
Specific Provisions (-)	85,317	121,698	245,240
Loans to Real Persons and Legal Entities (Net)	4,427	16,122	93,495
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	37,981	-
Specific Provisions (-)	-	37,981	-
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 a collateral/blocked:**

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	10,126,546	-	6,283,263	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>10,126,546</b>	<b>-</b>	<b>6,283,263</b>	<b>-</b>

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	5,560,038	654,285	4,976,632	654,405
Other	-	-	-	-
<b>Total</b>	<b>5,560,038</b>	<b>654,285</b>	<b>4,976,632</b>	<b>654,405</b>

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

	Current Period	Prior Period
Government Bonds	49,898,979	48,476,605
Treasury Bills	-	306,714
Other Public Sector Debt Securities	-	-
<b>Total</b>	<b>49,898,979</b>	<b>48,783,319</b>

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

	Current Period	Prior Period
Debt securities	49,903,982	48,787,200
Quoted in a Stock Exchange	39,440,104	36,972,047
Not Quoted in a Stock Exchange	10,463,878	11,815,153
Provision for Impairment (-)	-	-
<b>Total</b>	<b>49,903,982</b>	<b>48,787,200</b>

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

	Current Period	Prior Period
Beginning Balance	48,787,200	13,855,427
Foreign Currency Differences on Monetary Assets	(62,431)	853,280
Purchases During the Year	7,520,421	39,720,817
Disposals through Sales and Redemptions	(6,341,208)	(5,642,324)
Provision for Impairment (-)	-	-
Period End Balance	49,903,982	48,787,200

Within the year 2008, the Bank has reclassified securities previously classified in available for sale portfolio with nominal values of TRY 23,630,114,815, EURO 717,616,000 and USD 1,483,317,000 to held-to-maturity portfolio with fair values of TRY 22,971,668,657, EURO 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 EURO 37,951,000 and USD 45,501,000 to held-to-maturity portfolio with fair values of EURO 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 "Prior Period" column and "Purchases During the Year" row in the movement table above. Revaluation differences of reclassified available for sale securities before deferred tax are TRY 68,984,332, EURO (23,067,331) and USD (15,207,271) respectively and are recorded under shareholders' equity. These balances will be amortised until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of balance sheet date, positive revaluation difference, which is accounted under shareholders' equity, is TRY 47,135,490, negative revaluation differences which are accounted under shareholders' equity are EURO 19,394,317 and USD 14,829,104 respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EURO 40,428,096 and USD 66,904,272 respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TRY 14,961,179 would have been recorded. As of September 30, 2009, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TRY (11,301,133).

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 excluding Axa Sigorta A.Ş., 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 numbered 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

	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	813,237	276,285	216,861	20,885	30,361	19,057	25,301	-
2	15,522	12,964	6,172	725	-	(369)	1,245	-
3	26,777	20,210	2,083	2,046	9	6,640	4,361	-
4	8,060	7,912	2	756	1	587	721	-

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

(\*) Current period information of associates have been provided from unaudited financial statements as of September 30, 2009. Prior period information of associates has been provided from unaudited financial statements as of September 30, 2008.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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)

###### b) 1) Explanation regarding consolidated associates:

The Bank consolidates Axa Sigorta A.Ş. since the Bank's voting percentage is higher than required percentage defined 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 numbered 26340 on November 8, 2006.

	Description	Address (City/ Country)	The Bank's Share Percentage, if different, Voting Percentage (%)	Other Shareholders' Share Percentage (%)
1	Axa Sigorta A.Ş.	İstanbul / TURKEY	12.50	80.35

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	1,588,388	479,625	48,840	-	65,958	32,630	57,615	-

(\*) Current period information of Axa Sigorta A.Ş. have been provided from audited financial statements as of June 30, 2009. Prior year information has been provided from audited financial statements of Axa Sigorta A.Ş. as of June 30, 2008.

###### 2) Information about consolidated associates:

	Current Period
Beginning Balance	74,147
Movement During the Period	-
Additions	-
Bonus Share Certificates	-
Shares of Current Year Profits	-
Sales	-
Revaluation	-
Impairment Provision	-
Ending Balance	74,147
Capital Commitments	-
Period Ending Share of Capital Participation	-

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

	Current Period
Banks	-
Insurance Companies	74,147
Factoring Companies	-
Leasing Companies	-
Finance Companies	-
Other Financial Associates	-

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

There is no consolidated associate quoted to a stock exchange (31 December 2008: None).

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 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:

The Bank does not consolidate its subsidiaries 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 numbered 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 subsidiaries:

	Description	Address (City/ Country)	The Bank’s Share Percentage-if different Voting Percentage (%)	The Bank’s Risk Group Share Percentage (%)
1	Ziraat Hayat ve Emeklilik A.Ş. (*)	Istanbul/TURKEY	100.00	99.98
2	Ziraat Sigorta A.Ş. (*)	Istanbul/TURKEY	100.00	99.98
3	Ziraat Finansal Kiralama A.Ş.	Istanbul/TURKEY	100.00	50.01
4	Ziraat Yatırım Menkul Değerler A.Ş.	Istanbul/TURKEY	100.00	62.00
5	Ziraat Portföy Yönetimi A.Ş.	Istanbul/TURKEY	60.00	65.44
6	Bileşim Alternatif Dağıtım Kanalları ve Ödeme Sistemleri A.Ş.	Istanbul/TURKEY	66.67	52.50
7	Fintek Finansal Teknoloji Hizmetleri A.Ş.	Ankara/TURKEY	62.50	64.60
8	Ziraat Bank International A.G.	Frankfurt/GERMANY	100.00	100.00
9	Turkish Ziraat Bank Bosnia dd	Sarajevo/BOSNIA HERZEGOVINA	100.00	100.00
10	Ziraat Bank (Moscow) CJSC	Moskow/RUSSIA	100.00	99.87
11	Kazakhstan Ziraat Int. Bank	Almay/KAZAKHSTAN	100.00	97.33
12	Ziraat Banka Ad Skopje	Skopje/MACEDONIA	100.00	100.00

(\*) The establishment phase of Ziraat Hayat Emeklilik A.Ş. and Ziraat Sigorta A.Ş. whose establishment processes started based on the decision of Board of Directors and whose articles of association was published at the Trade Registry Gazette dated May 15, 2009, has been completed. The capital of the entities are TRY 20,000 Thousand. TRY 10,000 Thousand of the capitals have been paid. Both of the entities have not started their operational activities.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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 on subsidiaries (net): (cont'd)

##### a) 1) Information about unconsolidated subsidiaries: (cont'd)

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	10,000	10,000	-	-	-	-	-	-
2	10,000	10,000	-	-	-	-	-	-
3	323,033	94,883	188,738	531	-	12,528	12,718	-
4	62,996	52,902	26,751	3,790	1,262,014	10,786	5,755	-
5	6,629	6,078	91	896	2,323	1,345	1,430	-
6	13,980	6,779	4,265	311	20	3,236	4,487	-
7	9,364	3,862	862	256	70	293	235	-
8	898,178	329,395	510,980	22,736	7,644	2,449	4,542	298,834
9	177,424	75,316	69,492	8,637	634	1,288	1,531	44,660
10	36,719	25,308	16,435	2,758	83	1,068	237	26,217
11	133,346	55,560	44,435	4,218	162	1,550	(778)	80,906
12	77,215	37,407	34,694	2,405	844	1,404	897	32,357

- (\*) For the subsidiaries, other than those presented by their fair values, since these subsidiaries are not traded in the stock market fair values cannot be determined.
- (\*) 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, 2009, the prior period profit/loss balances have been provided from unaudited financial statements as of September 30, 2008.
- (\*) The Bank's share from the capital increase of Kazakhstan Ziraat Int. Bank is TRY 29,897 Thousand. Therefore, the fair value of the investment is increased to TRY 80,906 Thousand as of August 18, 2009.

Subsidiaries domiciled and operating abroad are followed by their fair values. For these subsidiaries, fair value is determined by independent valuation firm's report and revaluation differences are recognized in subsidiaries and in "Marketable Securities Value Increase Fund" under shareholder's equity.

##### b) Subsidiaries which are quoted to a stock exchange:

None.

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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 (joint ventures):**

Entities under Common Control (Joint Ventures) <sup>(1)</sup>	Parent Bank's Share <sup>(2)</sup>	Group's Share	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	2,823	2,823	27,233	3,262	1,775	3,200	2,894
Uzbekistan- Turkish Bank	6,224	6,224	92,756	3,166	195	4,744	3,223
Azer Türk Bank ASC	9,788	10,639	52,261	39,418	289	15,134	12,301
<b>Total</b>	<b>18,835</b>	<b>19,686</b>	<b>172,250</b>	<b>45,846</b>	<b>2,259</b>	<b>23,078</b>	<b>18,418</b>

(1) Information on entities under joint control is provided from the unaudited financial statements as of September 30, 2009.

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

**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 numbered 26340 on November 8, 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".

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

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

None.

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

None.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**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 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”.

**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 tangibles corresponding discontinuing operations:**

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

**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 AS OF SEPTEMBER 30, 2009**

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

**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:**

<b>Current Period</b>	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	3,779,857	-	9,098,387	33,076,314	1,729,069	311,372	426,194	-	48,421,193
Foreign Currency Deposits	3,079,467	-	4,484,892	5,432,955	1,333,038	225,058	3,576,777	-	18,132,187
Residents in Turkey	2,987,574	-	4,332,230	5,138,820	1,116,322	191,168	3,254,370	-	17,020,484
Residents Abroad	91,893	-	152,662	294,135	216,716	33,890	322,407	-	1,111,703
Public Sector Deposits	6,246,875	-	1,558,778	3,779,723	161,568	2,136	2,690	-	11,751,770
Commercial Inst. Deposits	1,175,429	-	2,401,092	4,051,892	142,629	474,756	189,861	-	8,435,659
Other Inst. Deposits	848,273	-	644,160	5,225,367	586,794	60,015	35,002	-	7,399,611
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	25,026	-	239,257	1,000	6,214	-	-	-	271,497
CBRT	1,101	-	1,334	-	-	-	-	-	2,435
Domestic Banks	4,467	-	225,178	1,000	-	-	-	-	230,645
Foreign Banks	19,458	-	12,745	-	6,214	-	-	-	38,417
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,154,927</b>	<b>-</b>	<b>18,426,566</b>	<b>51,567,251</b>	<b>3,959,312</b>	<b>1,073,337</b>	<b>4,230,524</b>	<b>-</b>	<b>94,411,917</b>

<b>Prior Period</b>	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	3,215,029	-	8,267,835	31,523,608	1,873,720	343,120	364,442	-	45,587,754
Foreign Currency Deposits	2,699,603	-	4,021,050	4,218,005	999,020	116,236	3,259,895	-	15,313,809
Residents in Turkey	2,638,214	-	3,918,089	3,957,101	841,323	98,526	2,933,419	-	14,386,672
Residents Abroad	61,389	-	102,961	260,904	157,697	17,710	326,476	-	927,137
Public Sector Deposits	3,904,499	-	1,350,430	3,063,140	171,863	76,335	2,931	-	8,569,198
Commercial Inst. Deposits	1,232,327	-	2,243,085	3,273,946	278,803	208,724	26,779	-	7,263,664
Other Inst. Deposits	885,547	-	675,480	3,947,744	254,445	95,915	35,150	-	5,894,281
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	60,675	-	1,186,694	1,070	6,290	-	-	-	1,254,729
CBRT	1,800	-	7,546	-	-	-	-	-	9,346
Domestic Banks	9,760	-	1,162,747	-	-	-	-	-	1,172,507
Foreign Banks	33,661	-	16,401	1,070	6,290	-	-	-	57,422
Participation Banks	15,454	-	-	-	-	-	-	-	15,454
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11,997,680</b>	<b>-</b>	<b>17,744,574</b>	<b>46,027,513</b>	<b>3,584,141</b>	<b>840,330</b>	<b>3,689,197</b>	<b>-</b>	<b>83,883,435</b>

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

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

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

##### b) Information on saving deposits:

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

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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	26,748,941	25,931,528	21,500,065	19,514,005
Foreign Currency Saving Deposits	6,680,392	6,428,120	6,381,177	5,312,328
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance <sup>(*)</sup>	229,236	181,497	23,737	29,523
Deposits at Off-Shore Banking Regions' and under Foreign Authorities' Insurance	-	-	-	-

(\*) In Bulgaria and Greece, 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 7,918, TRY 871, and TRY 4,904 Thousand of legal entity's deposits of Sofia, Athens and Komotini respectively, cannot be decomposed therefore included in the table above (December 31, 2008: Sofia – TRY 15,094 Thousand; Athens and Komotini – TRY 1,267 Thousand).

Based on the Council of Minister's decree dated December 29, 2003 and numbered 2003/6668, TRY 4,123 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 370,577 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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(Amounts expressed in Thousand of Turkish Lira (TRY) unless otherwise stated.)

**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: (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	3,950	4,689
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	662	744
Deposits Obtained through Illegal Acts Defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-Shore Banking Activities	-	-

**2. Information on derivative financial liabilities held for trading:**

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

Financial Liabilities Held for Trading	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	23	7	1,026	104
Swap Transactions	-	936	-	2,889
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	23	943	1,026	2,993

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	16,191	13,925	23,764	3,937
Foreign Banks, Institutions and Funds	-	569	-	656
Total	16,191	14,494	23,764	4,593

**b) Maturity structure of funds borrowed:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	16,158	13,628	23,729	3,475
Medium and Long-Term	33	866	35	1,118
Total	16,191	14,494	23,764	4,593

**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)**

**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 at least 20% of these liabilities:**

Other liabilities do not exceed 10% of the balance sheet total.

**5. Information on finance lease payables (net):**

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

Information on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	1	-	2	-
Between 1-4 Years	111	110	1,950	1,945
More than 4 Years	-	-	-	-
Total	112	110	1,952	1,945

**6. Information on derivative financial liabilities for hedging purposes:**

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**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 provisions:**

	Current Period	Prior Period
General Provisions	372,657	247,013
Allocated for Group-I Loans and Receivables	277,035	206,609
Allocated for Group-II Loans and Receivables	22,382	4,120
Allocated for Non-cash Loans	20,128	12,450
Other	53,112	23,834

Since loans extended in the related period are closed, the Bank has given up the application of temporary 1<sup>st</sup> clause of Regulation for Provisions related with general provisions and started to calculate general provision for all loans and receivables balance except for transactions that are not subject to loan restrictions according to the Banking Law using the current rates.

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

There are no foreign exchange loss provisions on foreign currency indexed loans and finance lease receivables.

**c) Specific provisions for unindemnified non-cash loans:**

Specific provisions for unindemnified non-cash loans amount to TRY 3,484 Thousand.

**d) Information on other provisions:**

**1) Information on generic provisions for possible risks:**

As a result of a change in the application of general provisions, in addition to 1% and 2% provision set for standard loans and loans under close-monitoring respectively; total of 3% provision is continued to be set together with the generic provisions based on the decision of the Bank's Assets and Liabilities Committee.

	Current Period	Prior Period
Generic provisions for possible risks <sup>(*)</sup>	571,875	607,509

(\*) Based on the decision of the Bank's Assets and Liabilities Committee, TRY 565,217 Thousand (December 31, 2008: TRY 600,840 Thousand) of generic provision is allocated for possible risks as general loan loss provision at a rate of %3, except for the fund sourced loans and loans granted to institutions which are exempt from provisions according to Banking Law.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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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)**

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

TRY 692,373 Thousand of other provision amount consists of TRY 3,484 Thousand for unindemnified non-cash loans, TRY 6,600 Thousand for cash transfers made by the clerks, TRY 565,217 Thousand for the decision made by the Assets and Liabilities Committee, TRY 87,452 Thousand for remuneration liabilities, TRY 14,863 Thousand for priorly unconfirmed current account recordings, TRY 9,250 Thousand for possible legal claims and TRY 5,507 Thousand for other provisions.

**3) Employee pension right liabilities for the Bank personnel:**

The Bank's employees are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund which was established by 20<sup>th</sup> provisional article of Social Security Agency (SSK) Act of numbered 506. In accordance with 23<sup>rd</sup> provisional clause of the Banking Act numbered 5411, the pension fund is expected to be transferred to the Social Security Agency within three years following the declaration of the Banking Act numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1<sup>st</sup> paragraph of the 1<sup>st</sup> article of the 23<sup>rd</sup> provisional clause of Banking Act numbered 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 numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 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.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Thousand of Turkish Lira (TRY) unless otherwise stated.)

**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: (cont'd)**

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

The technical balance sheet report as of June 30, 2009 which is prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated May 8, 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded no technical deficit arises in the above mentioned fund.

**e) Vacation and retirement pay obligations:**

The Bank accounts for its vacation and retirement pay obligations in accordance with the Turkish Accounting Standards (TAS 19) "Employee Benefits". The vacation and retirement pay obligations recognized in the balance sheet represent the present value of the defined benefit obligation.

Movement table of the retirement pay:

	Current Period	Prior Period <sup>(1)</sup>
As of 1 January	407,100	392,000
Payments in the period	(23,062)	(27,925)
Charge for the period <sup>(2)</sup>	30,362	28,925
Total	414,400	393,000

(1) Represents the movement for the period ended on September 30, 2008.

(2) Charge for the period shows net balance of retirement pay provision expense equal to TRY 33,462 Thousand (Prior Period: TRY 40,225 Thousand) and reversals equal to TRY 3,100 Thousand (Prior Period: TRY 11,300 Thousand).

As of September 30, 2009 unpaid vacation liability amounted to TRY 113,000 Thousand (December 31, 2008: TRY 99,350 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, 2009, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 365,360 Thousand (December 31, 2008: TRY 193,976 Thousand).

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

### 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 current taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	365,360	193,976
Taxation on Income From Securities	93,313	173,538
Property Tax	391	302
Banking Insurance Transactions Tax (BITT)	23,869	25,538
Foreign Exchange Transactions Tax	4	3
Value Added Tax Payable	459	781
Other	16,323	17,696
Total	499,719	411,834

###### 3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employee	21	18
Social Security Premiums – Employer	33	27
Bank Social Aid Pension Fund Premium – Employee	60	44
Bank Social Aid Pension Fund Premium – Employer	107	74
Pension Fund Membership Fees and Provisions – Employee	5	4
Pension Fund Membership Fees and Provisions – Employer	9	7
Unemployment Insurance – Employee	131	106
Unemployment Insurance – Employer	262	211
Other	9	29
Total	637	520

###### b) Information on deferred tax liabilities, if any:

The Bank's deferred tax liability amounts to TRY 7,916 Thousand. However, this amount is netted off against the deferred tax asset and subsequently TRY 345,193 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  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

**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 capital system.

**c) Information on share capital increases and their sources; other information on increased capital shares in the current period:**

There is no share capital increase and increased capital shares.

**d) Information on additions from capital reserves to capital in the current period:**

There is no increase from capital reserves.

**e) Capital commitments in the last fiscal year and continue until the end of the following interim period, general purpose of these commitments and estimated resources required for these commitments:**

The Bank has no capital commitments.

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

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

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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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	-	44,419	-	44,419
Revaluation Difference	-	44,419	-	44,419
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	472,995	(7,191)	113,344	(81,957)
Revaluation Difference	587,055	(7,191)	123,966	(81,957)
Deferred Tax Effect	(114,060)	-	(10,622)	-
Foreign Exchange Difference	-	-	-	-
Total	472,995	37,228	113,344	(37,538)

##### 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 numbered 26340 on November 8, 2006, since the Bank only consolidates its associate Axa Sigorta A.Ş. using equity method of accounting, therefore there is no minority interest in the unconsolidated financial statements.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

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

**III. EXPLANATIONS AND NOTES TO THE OFF-BALANCE SHEET ACCOUNTS**

**1. Information on off-balance sheet liabilities:**

**a) Nature and amount of irrevocable loan commitments:**

	Current Period	Prior Period
Payment Commitments for Cheques	2,401,642	2,311,720
Asset Purchase Commitments	786,218	169,961
Commitments for Credit Card Expenditure Limits	1,592,457	1,427,784
Loan Granting Commitments	202,436	111,031
Other Irrevocable Commitments	350,712	207,084
Subsidiaries and Associates Capital Contribution Commitments	24,242	250
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	2,061	2,487
Obligatory Provision Payment Commitment	111,111	-
<b>Total</b>	<b>5,470,879</b>	<b>4,230,317</b>

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

Bank has no loss arising from the off-balance sheet items.

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

	Current Period	Prior Period
Guarantee Letters	4,474,278	3,567,826
Bank Acceptances	44,810	16,305
Letter of Credits	378,618	707,899
<b>Total</b>	<b>4,897,706</b>	<b>4,292,030</b>

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

	Current Period	Prior Period
Letter of Temporary Guarantees	77,091	65,429
Letter of Certain Guarantees	2,224,261	1,738,076
Letters of Advance Guarantees	1,456,936	1,018,884
Letters of Guarantees given to Customs Offices	84,592	58,946
Other Letters of Guarantees	631,398	686,491
<b>Total</b>	<b>4,474,278</b>	<b>3,567,826</b>

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Thousand of Turkish Lira (TRY) unless otherwise stated.)

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

**III. EXPLANATIONS AND NOTES 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	606,997	660,601
With Original Maturity of One Year or Less	70,502	87,114
With Original Maturity of More than One Year	536,495	573,487
Other Non-Cash Loans	4,290,709	3,631,429
Total	4,897,706	4,292,030

**2. Information on 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. Information on services supplied 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 TO THE INCOME STATEMENT**

**1. a) Information on interest income from loans:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on Loans <sup>(*)</sup>	4,173,787	45,520	3,181,513	28,115
Short Term Loans	1,630,102	39,508	1,264,798	21,408
Medium and Long Term Loans	2,470,417	6,012	1,862,790	6,707
Interest on Non-Performing Loans	73,268	-	53,925	-
Premiums from Resource Utilization Support Fund	-	-	-	-

(\*) Includes fees and commissions income on cash loans.

**b) Information on interest received from the banks:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of the Republic of Turkey	243,659	-	303,611	9
Domestic Banks	562	47	15,231	3,016
Foreign Banks	504	15,599	8,865	59,413
Head Office and Branches	-	-	-	-
Total	244,725	15,646	327,707	62,438

**c) Information on interest income on 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) Information on interest income from subsidiaries and associates:**

	Current Period	Prior Period
Interest Income from Subsidiaries and Associates	1,352	3,030

**2. a) Information on interest expense on borrowings:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks <sup>(*)</sup>	1,857	324	738	114
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	1,857	310	738	79
Foreign Banks	-	14	-	35
Head Office and Branches	-	-	-	-
Other Institutions	1	-	-	-
Total	1,858	324	738	114

(\*) Includes fees and commissions expenses on cash loans.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Thousand of Turkish Lira (TRY) unless otherwise stated.)

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

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

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

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	1,417	115

**c) Information on interest given 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
<b>Profit</b>	<b>255,463</b>	<b>491,914</b>
Profit from the Capital Market Transactions	14,489	9,245
Profit on Derivative Financial Instruments	4,763	53,726
Foreign Exchange Gains	236,211	428,943
<b>Loss (-)</b>	<b>204,705</b>	<b>493,893</b>
Loss from the Capital Market Transactions	-	219
Loss on Derivative Financial Instruments	4,314	103,334
Foreign Exchange Loss	200,391	390,340

**5. Information on other operating income:**

**Information on factors covering the recent developments which has significant effect on the Bank’s income and the extent of effect on income:**

There are no significant matters covering the recent developments which have significant effect on the Bank’s income. Main component of the Bank’s other operating income consists of reversals from prior period provisions amounting to TRY 198,572 Thousand.

# TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009

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

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

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

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

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables <sup>(2)</sup>	287,175	199,173
Group III Loans and Receivables	79,149	91,921
Group IV Loans and Receivables	173,821	94,566
Group V Loans and Receivables	34,205	12,686
General Provision Expenses <sup>(1)</sup>	89,812	68,575
Provision Expenses for the Possible Losses <sup>(1)</sup>	50,851	129,579
Marketable Securities Impairment Expense	1,288	3,307
Financial Assets at Fair Value through Profit and Loss	-	1,504
Financial Assets Available for Sale	1,288	1,803
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	2,611	3,910
Associates	2,293	461
Subsidiaries	318	2,736
Entities under Common Control	-	713
Investment Securities Held to Maturity	-	-
Other <sup>(3)</sup>	52,371	17,849
Total	484,108	422,393

- (1) The relevant balance includes the expenses related to the current period. The reversals within the period amounting to TRY 50,925 Thousand are presented in other operating income. (September 30, 2008: TRY 3,009 Thousand).
- (2) The relevant balances include the expenses related to the current period. The reversals within the period amounting to TRY 128,092 Thousand are presented in other operating income. (September 30, 2008: TRY 63,794 Thousand).
- (3) The TRY 14,899 Thousand of the relevant balance is the generic provision expense set for the prior periods' current account deficits of the branches, TRY 37,300 Thousand is the generic provision expense set for the remuneration liabilities subject to law suit.

##### 7. a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses <sup>(1)</sup>	772,808	670,897
Reserve for Employee Termination Benefits <sup>(1)</sup>	33,462	40,225
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	1,407	460
Depreciation Expenses of Tangible Fixed Assets	29,881	30,213
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	450	94
Impairment Expense for Equity Shares subject to the Equity Method	-	-
Impairment Expense for Investment Securities that will be Disposed	-	-
Amortization Expenses of Investment Securities that will be Disposed	-	-
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	245,815	210,597
Operational Leasing Expenses	25,053	19,643
Maintenance Expenses	30,090	32,179
Advertisement Expenses	12,871	15,081
Other Expenses	177,801	143,694
Loss on Sales of Assets	523	5,741
Other <sup>(2)</sup>	276,148	275,280
Total	1,360,494	1,233,507

- (1) TRY 23,062 Thousand of retirement and termination benefit payments which have been recorded under the personnel expenses by the Bank in the current period is presented under the reserve for employee termination benefits row (Prior period: TRY 27,295 Thousand).
- (2) TRY 131,140 Thousand of the relevant balance is Savings Deposit Insurance Fund expense accrual, TRY 82,698 Thousand is taxes, fees and tolls expenses.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts expressed in Thousand of Turkish Lira (TRY) unless otherwise stated.)

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

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

**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, 2009, the Bank’s income tax provision amounting to TRY (674,671) Thousand (September 30, 2008: TRY (439,741) Thousand) consists of TRY (953,451) Thousand (September 30, 2008: TRY (415,780) Thousand) of current tax charge and TRY 278,780 Thousand (September 30, 2008: TRY (23,961) Thousand) of deferred tax income.

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

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”.

**11. Information on net profit/loss:**

**a) Nature, amount and frequency of income and expenses arising from ordinary banking activities, if required for the understanding the performance of the Bank in the current period:**

The Bank, mainly utilizes its resources from domestic deposits on loans, securities and interbank operations. Besides, it obtains income via commissions taken from non-cash loans, other banking operations and insurance agencies.

**b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:**

As of the balance sheet date, there is no change in accounting estimates that may require further explanations in the current period (September 30, 2008: None).

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

None.

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

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

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

**V. EXPLANATIONS AND NOTES TO THE RISK GROUP OF THE BANK**

**1) Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:**

**a) Current Period:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	793,049	293,439	-	-	-	-
Closing Balance	763,394	392,072	-	-	-	-
Interest and Commissions Income	1,352	-	-	-	-	-

- (\*) Accrual amount for period-end cash loans are not included in the table since it could not be decomposed from the existing data processing system.
- (\*) The cash loans balance includes the investments to associates, subsidiaries and entities under common control.
- (\*) Placements to foreign banks in the risk group amounting to TRY 8,597 Thousand are included in the cash loans.

**b) Prior Period:**

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	445,341	270,078	-	-	-	-
Closing Balance	793,049	293,439	-	-	-	-
Interest and Commissions Income	3,030	-	-	-	-	-

- (\*) Accrual amount for period-end cash loans are not included in the table since it could not be decomposed from the existing data processing system.
- (\*) The cash loans balance includes the investments to associates, subsidiaries and entities under common control.
- (\*) Placements to foreign banks in the risk group amounting to TRY 13,004 Thousand are included in the cash loans.
- (\*) Interest and commissions income balance is the balance as of September 30, 2008.

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Venture)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Opening Balance	103,835	53,601	-	-	-	-
Closing Balance	98,526	103,835	-	-	-	-
Interest expense on deposits	1,417	115	-	-	-	-

- (\*) Accruals are not included in the table above since they could not be decomposed.

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

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED AS OF SEPTEMBER 30, 2009**

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

- (\*) The prior period balance of the accrued interest expense of the deposit is the balance as of September 30, 2008.

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

**V. EXPLANATIONS AND NOTES TO THE RISK GROUP OF THE BANK (cont'd)**

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
The Fair Value Differences Through Profit and Loss	-	-	-	-	-	-
Opening Balance	28,894	-	-	-	-	-
Closing Balance	3,335	28,894	-	-	-	-
Total Profit/Loss	(21)	-	-	-	-	-
Risk Protection Oriented Processes	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

**3) Information about fees paid to the Bank's top executives:**

Fees and dividends paid to Board of Directors, Assistant General Managers and Head of Departments are stated below:

	Current Period	Prior Period
Wage	5,784	4,113
Dividend and Additional Payments	631	545
Total	6,415	4,658

**SECTION VI: EXPLANATIONS ON THE INDEPENDENT AUDITORS' LIMITED REVIEW REPORT**

**I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' LIMITED REVIEW REPORT**

The unconsolidated financial statements and footnotes of the Bank disclosed herein were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and Independent Auditors' Limited Review Report dated November 10, 2009 is presented preceding the financial statements.

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

None.