

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

INDEPENDENT AUDITORS'
LIMITED REVIEW REPORT,
UNCONSOLIDATED
FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD ENDED
JUNE 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 – JUNE 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 June 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 June 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, August 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 SIX MONTHS PERIOD ENDED ON JUNE 30, 2009

The Bank's Headquarter Address: Doğanbey Mahallesi Atatürk Bulvarı
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Phone: (312) 584 20 00
Facsimile: (312) 584 49 63
Website: www.ziraatbank.com.tr
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The unconsolidated financial report for the six months period ended on June 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 six months period ended on June 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.

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

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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 SHARES IN THE BANK

Name	Administrative Function
Members of the Board of Directors	
Mehmet MUMCUOĞLU	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
Members of the Audit Committee	
Oğuz KAYHAN	Member
Hikmet Aydın SİMİT	Member
Chief Assistant General Managers	
Selim Güray ÇELİK	Strategy and Operations
Senih BOYACIGİL	Banking
Assistant General Managers	
Ali Rıza AKBAŞ	Commercial Banking
Ahmet Mesut GÜRAYLI	Retail Banking
Bülent YALIM	Banking Operations
Cem ÖZŞEN	Fund Management
Elif Zeynep ERÜL	Corporate Communication
Ercüment Güler	Resource Management
İsmail Erdal MAZLUM	Accounting and Financial Management
Kemal GÜLERDİ	Loans and Overdue Loans
Mustafa ŞAHİN	Support Services
Nuh Mehmet YILMAZKOLUKISA	Agricultural Banking
Seyfettin SAĞLAM	Human Resources
Group Heads	
Yusuf BİLMEZ	Internal Control
M.Ayhan ALTINTAŞ	Risk Management
Dr. Muzaffer ŞAHİN	General Manager of Foreign Affiliates (Ziraat Bank AD Skopje)
Emin ÇUBIKCI	Regional Coordination Office
Hüsamettin GÜLHAN	Regional Coordination Office
Recep TÜRKAY	Regional Coordination Office
Chairman of the Internal Audit	
Ali ARAS	Chairman of the Internal Audit

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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 June 30, 2009, Bank carries its activities with a grand total of 1,285 branches; 1,273 domestic branches including 1,170 branches, 30 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 (Lefkoşe, 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), 1 sub branch in England (Daltson). 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 has started the application of Başak Cards for agricultural loan customers. Başak Card 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 in ATMs and branches of the Bank whereas limits specified for the purchase of grains, seedlings, feed, fuel and similar products can only be used via POS machines of the Bank in Başak Card member business points. Repayments regarding the transactions with Basak Cards can be made through all branches of the Bank and without any interest charge within the time period defined by the Bank.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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

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

SECTION II: UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK

- I. BALANCE SHEET
- II. STATEMENT OF OFF-BALANCE SHEET ACCOUNTS
- III. STATEMENT OF INCOME
- IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED UNDER EQUITY
- V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- VI. STATEMENT OF CASH FLOWS

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

In this context; the Bank’s unconsolidated financial statements 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 No: 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 June 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 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 No: 26333 dated November 1, 2006, no interest accrual is calculated for non-performing loans. Realized interest accruals calculated for non-performing loans and recognized as income although not collected are reversed and interest income related to these loans is recognized as interest income only when they are collected.

V. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

Commission income from banking, agency, 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 No: 26333 dated November 1, 2006 on “Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions”. However, the Bank does not limit the provision amount with the minimum rates defined in related regulation and allocates 100% specific provision for such loans 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 11,841,866 Thousand (December 31, 2008: TRY 6,283,263 Thousand). As of the current period, there are no available for sale securities sold under repurchase agreements (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.

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

The Bank’s immovables acquired amount to TRY 6,621 Thousand consisting of TRY 6,322 Thousand on its commercial loans and TRY 299 Thousand on its agricultural loans. Total assets held for sale together with its movables amounting to TRY 42 Thousand equal to TRY 6,663 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. Annual depreciation rate is 20% (5 years) for establishment/formation expenses with uncertain leasing period or leasing period over 5 years and depreciation rate is proportional with period for those with certain leasing period.

The Bank recognizes its software costs incurred under the intangible assets-intangible rights account and the expenses that do qualify as development are capitalized and amortized 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 211,662 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 June 30, 2009, provision allocated by the Bank for all employee benefit liabilities is TRY 544,150 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 Çalışanları Emekli Sandığı Vakfı (T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund) which was established by 20th provisional article of Social Security Agency (SSK) Act of No: 506. In accordance with 23rd provisional clause of the Banking Act No: 5411, the pension fund is expected to be transferred to the Social Security Agency by three years following the declaration of the Banking Act No: 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act No: 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court.

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

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SECTION III: ACCOUNTING POLICIES (cont'd)

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

In accordance with the Act No: 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette No: 26870 on May 8, 2008, bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

The technical balance sheet report as of December 31, 2008 which is prepared in accordance with the principles Act No: 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 No: 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-deductible charges, discounts and exceptions and provisions of the Tax Procedure Law on revaluation), corporate tax-payers pay provisional tax which is calculated with the current tax rate and will be offset against the current period's corporate tax.

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

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

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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 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.

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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, bureau, representative offices and equity investments abroad.

As of June 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 ⁽¹⁾	Specialized Banking ⁽²⁾	Treasury	International Banking	Total Operations of the Bank
Current Period						
Total Operating Income/Expense ⁽³⁾	1,380,677	240,373	701,701	1,211,910	26,324	3,560,985
Net Operating Profit/(Loss)	183,038	181,527	701,701	1,164,312	12,057	2,242,635
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	25,883
Income before Taxes	-	-	-	-	-	2,242,635
Tax Provision	-	-	-	-	-	(457,443)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	1,785,192
Segment Assets-net ⁽³⁾	17,486,394	5,334,716	10,183,388	79,540,683	2,232,986	114,778,167
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	701,579
Undistributed Assets ⁽⁵⁾	-	-	-	-	-	1,110,098
Total Assets	-	-	-	-	-	116,589,844
Segment Liabilities – net ⁽³⁾	72,510,765	15,596,684	3,078,293	12,766,546	2,212,309	106,164,597
Undistributed Liabilities ⁽⁵⁾	-	-	-	-	-	2,061,780
Shareholders' Equity	-	-	-	-	-	8,363,467
Total Liabilities	-	-	-	-	-	116,589,844
Other segment items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	20,230
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 Emlakbank 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.

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SECTION III: ACCOUNTING POLICIES (cont'd)

XXI. EXPLANATIONS ON SEGMENT REPORTING (cont'd)

Table for Segment Reporting (cont'd):

	Retail Banking	Trade and Corporate Banking ⁽¹⁾	Specialized Banking ⁽²⁾	Treasury	International Banking	Total Operations of the Bank
Prior Period						
Total Operating Income/Expense ⁽³⁾	2,714,430	412,673	1,144,619	677,050	37,286	4,986,058
Net Operating Profit/(Loss)	651,314	319,404	1,144,619	588,609	11,554	2,715,500
Income from Subsidiaries ⁽⁴⁾	-	-	-	-	-	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 ⁽³⁾	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 ⁽⁵⁾	-	-	-	-	-	1,001,067
Total Assets						104,412,496
Segment Liabilities – net ⁽³⁾	63,794,508	17,758,876	2,914,092	8,354,957	2,388,084	95,210,517
Undistributed Liabilities ⁽⁵⁾	-	-	-	-	-	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 Emlakbank 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.

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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 46,565 Thousand is distributed as dividend to employees provided that dividend amount does not exceed one month gross wage for each employee and TRY 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 3,435 Thousand of dividend has remained undistributed to be paid to employees.

SECTION IV: INFORMATION ON FINANCIAL STRUCTURE

I. EXPLANATIONS RELATED TO CAPITAL ADEQUACY STANDARD RATIO

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

The Bank's unconsolidated capital adequacy ratio calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" is 20.77% (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, credit risk and operational risk amounts are calculated in accordance with the Communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

Amounts deducted from the capital in the calculation of shareholders' equity are not considered in the calculation of risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and value loss among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciation and value loss. In the calculation of the amounts subject to credit risk regarding the transactions on the non-cash loans, the net receivable amount from the counter parties is calculated by deducting the specific provision amount set in accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions", if any, and the net amount is multiplied by the conversion rates presented in Clause 1 in Article 5 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks". Then the risk ratios declared in the Capital Adequacy Analysis Form are used to weight the resulting amount.

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

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

**I. EXPLANATIONS RELATED TO 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%
Credit Risk Base Amount							
Balance Sheet Items (Net)	63,469,082	-	4,951,832	7,730,566	22,532,700	12,714	-
Cash	720,642	-	39	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	5,673,922	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	4,712,205	-	58,131	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,527,617	-	-	-	-	-	-
Loans ⁽¹⁾	4,294,817	-	150,104	7,665,573	20,542,853	12,714	-
Loans Under Follow-up (Net) ⁽¹⁾	-	-	-	-	171	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-	21,569	-	-
Investments Held to Maturity	48,603,339	-	-	-	4,766	-	-
Receivables from Forward Sale of Assets	-	-	-	-	2,723	-	-
Sundry Debtors	28,867	-	108	-	153,604	-	-
Interest and Income Accruals	2,320,101	-	763	64,993	786,348	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	83,411	-	-
Tangible Fixed Assets	-	-	-	-	824,399	-	-
Other Assets	299,777	-	88,613	-	54,725	-	-
Off-Balance Sheet Items	150,211	-	87,224	-	3,441,484	-	-
Non-cash Loans and Commitments	150,211	-	87,224	-	3,439,386	-	-
Derivative Financial Instruments	-	-	-	-	2,098	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	63,619,293	-	5,039,056	7,730,566	25,974,184	12,714	-

(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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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

I. EXPLANATIONS RELATED TO 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%
Credit Risk Base Amount							
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) ⁽¹⁾	-	-	-	-	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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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

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

Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	30,866,349	28,450,572
Market Risk Base Amount (MRBA)	1,552,875	1,172,713
Operational Risk Base Amount (ORBA)	8,659,562	8,115,602
Shareholders' Equity	8,532,061	7,577,282
Shareholders' Equity/(CRBA+MRBA+ORBA) *100	20.77	20.08

Information related to components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	2,500,000	2,500,000
Nominal Capital	2,500,000	2,500,000
Capital Commitments (-)	-	-
Inflation Adjustment for Paid-in Capital	543,482	543,482
Share Premium	-	-
Share Cancellation Profits	-	-
Legal Reserves	1,758,096	1,568,647
1 st Degree Legal Reserves (TCC 466/1)	673,340	568,041
2 nd Degree Legal Reserves (TCC 466/2)	1,084,756	1,000,606
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	1,378,406	365,839
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	1,378,406	365,839
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	1,944,990	2,294,057
Net Profit of the Period	1,785,192	2,134,259
Retained Earnings	159,798	159,798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	572,598	607,509
Subsidiary and Associate Shares and Gains on Sale of Real Estate To Be Added To Capital	-	-
Portion of Primary Tier-II Capital up to 15% of Core Capital	-	-
Portion of Losses that Cannot be Covered by Reserves (-)	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-) (*)	-	-
Prepaid Expenses (-) (*)	6,167	4,463
Intangible Assets (-) (*)	17,704	11,294
Deferred Tax Asset in excess of 10% of the Core Capital (-)	-	-
Excess Amount defined in 3rd Clause 56th Article of the Banking Act (-)	-	-
Total Core Capital	8,673,701	7,879,534

(*) According to 1st 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 RELATED TO THE CAPITAL ADEQUACY STANDARD RATIO
(cont'd)**

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

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	364,571	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
Proportion of Primary Tier-II Capital excluded from the Core Capital Calculation	-	-
Tier-II Capital	-	-
45% of Marketable Securities Revaluation Fund	101,578	34,402
From Subsidiaries and Associates	20,029	20,278
From Financial Assets Available For Sale	81,549	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)	-	-
Total Supplementary Capital	478,913	294,179
TIER-III CAPITAL	-	-
CAPITAL	9,152,614	8,173,713
DEDUCTIONS FROM CAPITAL	620,553	596,431
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	618,168	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	-	-
Borrowing Instruments and Loans qualified as Tier-II Capital from and to banks, financial institutions (domestic and foreign), preferred stockholders	2,304	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	81	15
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	8,532,061	7,577,282

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

II. EXPLANATIONS RELATED TO 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:

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	93,208
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	2,993
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	27,405
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	624
(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)	124,230
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	1,552,875

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

II. EXPLANATIONS RELATED TO THE MARKET RISK

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

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

III. EXPLANATIONS RELATED TO THE CURRENCY RISK

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

The Bank’s policy is to avoid carrying significant 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 SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

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

	USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
23.06.2009	1.5610	2.1822	1.2304	0.2942	0.1966	1.4587	1.3538	0.2400	2.5489	0.4108	1.6418
24.06.2009	1.5450	2.1620	1.2406	0.2909	0.1974	1.4246	1.3479	0.2403	2.5517	0.4052	1.6175
25.06.2009	1.5485	2.1480	1.2314	0.2888	0.1936	1.4071	1.3324	0.2367	2.5218	0.4098	1.6067
26.06.2009	1.5287	2.1497	1.2335	0.2895	0.1973	1.4129	1.3268	0.2379	2.5282	0.4026	1.6077
29.06.2009	1.5308	2.1461	1.2306	0.2888	0.1982	1.4119	1.3211	0.2384	2.5341	0.4017	1.5997
30.06.2009	1.5360	2.1541	1.2388	0.2890	0.1981	1.4128	1.3226	0.2385	2.5303	0.4017	1.5926

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

USD	EUR	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100JPY
1.5356	2.1484	1.2329	0.2890	0.1978	1.4212	1.3631	0.2404	2.5150	0.4035	1.5881

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

Information on the foreign currency risk of the Bank:

	EURO	USD	Yen	Other FC ⁽¹⁾	Total
Current Period					
Assets					
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with Central Bank of the Republic of Turkey	1,605,410	61,450	404	29,884	1,697,148
Banks	1,653,122	2,730,782	600	376,967	4,761,471
Financial Assets at Fair Value Through Profit and Loss	19,715	5,926	-	-	25,641
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	3,392,114	1,914,975	-	-	5,307,089
Loans ⁽²⁾	637,221	546,029	-	5,157	1,188,407
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) ⁽⁵⁾	340,600	131,942	-	32,356	504,898
Investments Held-to-Maturity	2,283,288	2,486,634	-	296	4,770,218
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	3,051	1,243	-	442	4,736
Intangible Assets	898	1,592	-	48	2,538
Other Assets	14,161	12,699	-	8,748	35,608
Total Assets	9,949,580	7,893,272	1,004	453,898	18,297,754
Liabilities					
Interbank Deposits	33,271	996,373	10	23,577	1,053,231
Foreign Currency Deposits	9,753,588	6,759,826	319	417,280	16,931,013
Money Market Borrowings	-	-	-	-	-
Funds Provided from Other Financial Institutions	2,601	7,444	-	-	10,045
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	144,898	2,458	-	340	147,696
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	84,714	94,716	79	11,695	191,204
Total Liabilities	10,019,072	7,860,817	408	452,892	18,333,189
Net Balance Sheet Position	(69,492)	32,455	596	1,006	(35,435)
Net Off-Balance Sheet Position⁽³⁾	(32,322)	(31,860)	-	66,942	2,760
Assets on Derivative Instruments	8,831	9,982	-	74,592	93,405
Liabilities on Derivative Instruments	41,153	41,842	-	7,650	90,645
Non-cash Loans ⁽⁴⁾	724,755	2,473,288	8,010	16,969	3,223,022
Prior Period					
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⁽³⁾	(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	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 18.41% is CHF, 51.21% is GBP, 10.46% is DKK, and the remaining 19.92% is other foreign currencies. Of the foreign currencies presented in the other FC column of liabilities, 23.95% is CHF, 56.62% is GBP, 12.36% is DKK and the remaining 7.07% is other foreign currencies.

(2) TRY 7,195 Thousand equivalent of USD and TRY 1,770 Thousand equivalent of EUR 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 EUR).

(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 428 Thousand, related balance is not included in the table above (December 31, 2008: TRY 600 Thousand).

(5) Since the foreign currency capital investments to Subsidiaries, Associates and Entities Under Common Control are evaluated with historical rate and followed in domestic currency, no exchange rate difference is observed.

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

IV. EXPLANATIONS RELATED TO THE INTEREST RATE RISK

The Bank's structural interest rate management policy and methods of applications are set under the scope of "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 SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in vault, effectives, money in transit, cheques purchased) and Balances with Central Bank of the Republic of Turkey	7,282,515	-	-	-	-	720,681	8,003,196
Banks	4,761,129	4,834	5,406	-	-	-	4,771,369
Financial Assets at Fair Value Through Profit and Loss	147,309	57,666	373,604	130,817	1,581	3,209	714,186
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	3,043,780	5,391,068	5,198,811	2,508,610	356,111	57,525	16,555,905
Loans	11,422,726	1,104,869	3,017,776	14,156,145	3,687,694	-	33,389,210
Investments Held-to-Maturity	17,982,408	21,978,610	5,319,101	2,134,538	3,402,691	-	50,817,348
Other Assets	-	-	-	-	-	2,338,630	2,338,630
Total Assets	44,639,867	28,537,047	13,914,698	18,930,110	7,448,077	3,120,045	116,589,844
Liabilities							
Interbank Deposits	1,071,793	25,000	6,303	-	-	27,794	1,130,890
Other Deposits	56,781,384	16,465,706	2,798,093	74,001	-	12,719,132	88,838,316
Money Market Borrowings	11,174,942	666,667	-	-	-	-	11,841,609
Sundry Creditors	-	-	-	-	-	620,964	620,964
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	6,307	7,809	10,582	667	52	-	25,417
Other Liabilities	-	-	-	2,825,587	-	11,307,061	14,132,648
Total Liabilities	69,034,426	17,165,182	2,814,978	2,900,255	52	24,674,951	116,589,844
Balance Sheet Long Position	-	11,371,865	11,099,720	16,029,855	7,448,025	-	45,949,465
Balance Sheet Short Position	(24,394,559)	-	-	-	-	(21,554,906)	(45,949,465)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(24,394,559)	11,371,865	11,099,720	16,029,855	7,448,025	(21,554,906)	-

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

(*) TRY 2,801,789 Thousand of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column. TRY 253,151 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.

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

Average interest rates applied to monetary financial instruments:

	EURO	USD	Yen	TL
Current Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	7.00
Banks	0.31	0.34	-	10.46
Financial Assets at Fair Value Through Profit and Loss	4.95	5.53	-	15.67
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.60	5.90	-	14.78
Loans	4.79	5.16	-	18.67
Investments Held-to-Maturity	5.91	7.00	-	14.58
Liabilities				
Interbank Deposits(*)	0.40	0.20	-	12.16
Other Deposits	2.40	2.42	-	11.66
Money Market Borrowings	-	-	-	9.49
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	4.12	4.61	-	14.30

(*) 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.

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	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	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
Total assets	31,887,577	31,040,814	12,746,968	18,613,354	7,312,489	2,811,294	104,412,496
Liabilities							
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
Total Liabilities	73,021,740	13,537,082	4,761,017	2,775,817	52	10,316,788	104,412,496
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	-	-	-	-	-	-	-
Total Position	(41,134,163)	17,503,732	7,985,951	15,837,537	7,312,437	(7,505,494)	-

(*) 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.

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

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

Average interest rate applied to the monetary financial instruments:

	EURO	USD	Yen	TL
Prior Period				
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Turkey	-	-	-	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	6.82	5.83	-	22.87
Investments Held-to-Maturity	5.91	7.00	-	19.27
Liabilities				
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.

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

V. EXPLANATIONS RELATED TO 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 No. 26333 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 repurchase agreements.

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

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

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SECTION IV: NOTES TO THE FINANCIAL STRUCTURE OF THE BANK (cont'd)

V. EXPLANATIONS RELATED TO 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 ⁽¹⁾⁽²⁾	Total
Current Period								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	8,003,196	-	-	-	-	-	-	8,003,196
Banks	1,452,281	3,308,849	4,834	5,405	-	-	-	4,771,369
Financial Assets at Fair Value Through Profit and Loss	-	19,138	53,788	377,876	261,802	1,582	-	714,186
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	180,025	644,530	3,563,942	11,789,734	356,105	21,569	16,555,905
Loans	-	1,299,527	3,107,730	14,529,066	12,593,674	1,859,213	-	33,389,210
Investments Held-to-Maturity	-	831,574	2,460,646	10,586,069	33,536,370	3,402,689	-	50,817,348
Other Assets	359,837	-	-	2,469	2,723	-	1,973,601	2,338,630
Total Assets	9,815,314	5,639,113	6,271,528	29,064,827	58,184,303	5,619,589	1,995,170	116,589,844
Liabilities								
Interbank Deposits	40,213	1,059,374	25,000	6,303	-	-	-	1,130,890
Other Deposits	12,719,132	56,781,384	16,465,706	2,798,093	74,001	-	-	88,838,316
Funds Provided from Other Financial Instruments	-	6,307	7,808	10,582	667	53	-	25,417
Money Market Borrowings	-	11,174,932	666,677	-	-	-	-	11,841,609
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	620,964	-	-	-	-	-	-	620,964
Other liabilities ⁽³⁾	628,171	409,325	-	305,134	2,825,587	-	9,964,431	14,132,648
Total liabilities	14,008,480	69,431,322	17,165,191	3,120,112	2,900,255	53	9,964,431	116,589,844
Liquidity Gap	(4,193,166)	(63,792,209)	(10,893,663)	25,944,715	55,284,048	5,619,536	(7,969,261)	-
Prior Period								
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
Liquidity Gap	(1,750,932)	(57,301,177)	(7,822,304)	20,091,915	45,979,504	7,788,119	(6,985,125)	-

(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 2,801,789 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 253,151 Thousand is not granted as loan and is included under "Up to One Month" column.

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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	534,066	183,108	545,710	156,566
Central Bank of the Republic of Turkey	5,771,982	1,510,534	7,246,580	1,423,806
Other	-	3,506	1	2,934
Total	6,306,048	1,697,148	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 No: 2005/1 "Required Reserves". The Bank's total domestic liabilities excluding the items stated in the Communiqué as deductibles and the deposits accepted on behalf of foreign branches from Turkey constitutes the required reserves liabilities. The required reserve ratios are 6% for TRY liabilities and 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 rates in June 30, 2009 are 7% for TRY. Interest rate applied for USD and EUR required reserves since 12 December 2008 is nil.

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	5,754,352	-	7,229,549	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves (*)	17,630	1,510,534	17,031	1,423,806
Total	5,771,982	1,510,534	7,246,580	1,423,806

(*) Required reserve of branches abroad amounting to TRY 21,304 Thousand is presented in this line item (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.

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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	258	44	1,004	13
Swap Transactions	-	2,906	-	1,093
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	258	2,950	1,004	1,106

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic Banks	2,018	562,326	1,022	-
Foreign Banks	7,880	4,199,145	8,215	3,701,113
Foreign Head Office and Branches	-	-	-	-
Total	9,898	4,761,471	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”.

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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 or subject to repurchase agreements:

	Current Period	Prior Period
Assets Subject to Repurchase Agreements	-	1,097,691
Assets Blocked/Given as Collateral	1,518,321	1,829,495
Total	1,518,321	2,927,186

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt securities	16,537,276	9,063,910
Quoted in stock exchange	16,212,264	8,740,916
Not quoted	325,012	322,994
Share certificates	22,647	22,647
Quoted in stock exchange	-	-
Not quoted	22,647	22,647
Provision for impairment (-)	4,018	15,513
Total	16,555,905	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	175,411	-	146,468	-
Total	175,411	-	146,468	-

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

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

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

b) Information on the first and second group loans 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	23,140,472	3,306	341,482	167,841
Discount Notes	-	-	-	-
Export Loans	1,228,905	-	4,974	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	347,826	-	-	-
International Loans	103,680	-	-	-
Consumer Loans	14,386,268	635	9,164	49,899
Credit Cards	774,713	6	-	686
Precious Metals Loans	-	-	-	-
Other	6,299,080	2,665	327,344	117,256
Specialized lending	8,619,447	6,903	233,080	-
Other receivables	-	-	-	-
Interest Income Accruals (*)	876,679	-	-	-
Total	32,636,598	10,209	574,562	167,841

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

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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	657,852	13,620,467	14,278,319
Real Estate Loans	1,943	5,111,189	5,113,132
Vehicle Loans	5,160	201,380	206,540
Consumer Loans	648,661	8,232,708	8,881,369
Abroad (**)	2,076	75,190	77,266
Other	12	-	12
Consumer Loans- Indexed to FC	-	88	88
Real Estate Loans	-	88	88
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	451	1,178	1,629
Real Estate Loans	-	155	155
Vehicle Loans	1	266	267
Consumer Loans	450	757	1,207
Other	-	-	-
Individual Credit Cards-TRY	741,717	5	741,722
With Installment	104,854	-	104,854
Without Installment	636,863	5	636,868
Individual Credit Cards-FC	813	-	813
With Installment	-	-	-
Without Installment	813	-	813
Personnel Loans-TRY	5,148	132,970	138,118
Real Estate Loans	5	482	487
Vehicle Loans	-	-	-
Consumer Loans	5,107	131,735	136,842
Abroad (**)	36	753	789
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	2	211	213
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	2	211	213
Other	-	-	-
Personnel Credit Cards-TRY	28,302	-	28,302
With Installment	6,982	-	6,982
Without Installment	21,320	-	21,320
Personnel Credit Cards-FC	45	-	45
With Installment	-	-	-
Without Installment	45	-	45
Overdraft Accounts – TRY (Real Person)	105,654	-	105,654
Overdraft Accounts – FC (Real Person)	-	-	-
Total	1,539,984	13,754,919	15,294,903

(*) TRY 168,629 Thousand of interest income accrual could not be decomposed therefore accruals are not included in the table above.

(**) TRY 789 Thousand of consumer loans used by the personnel abroad and TRY 77,266 Thousand of consumer loans have been shown under "International Loans" of 5-b Table.

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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	98,649	1,369,940	1,468,589
Business Loans	221	45,948	46,169
Vehicle Loans	5,910	84,876	90,786
Consumer Loans	74,741	1,173,818	1,248,559
Other	17,777	65,298	83,075
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	296	152	448
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	296	152	448
Other	-	-	-
Corporate Credit Cards-TRY	4,507	-	4,507
With Installment	15	-	15
Without Installment	4,492	-	4,492
Corporate Credit Cards-FC	16	-	16
With Installment	-	-	-
Without Installment	16	-	16
Overdraft Account-TRY (Legal Entity)	5,953	-	5,953
Overdraft Account-FC (Legal Entity)	-	-	-
Total	109,421	1,370,092	1,479,513

(*) 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	32,408,851	29,825,784
Foreign loans	103,680	131,625
Interest income accruals of loans	876,679	764,741
Total	33,389,210	30,722,150

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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	32,928	60,226
Indirect loans granted to subsidiaries and investments	-	-
Total	32,928	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	76,666	85,317
Loans and other receivables with doubtful collectibility	206,629	159,679
Uncollectible loans and other receivables	304,863	245,240
Total	588,158	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	1,304	468	11,515
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	1,304	468	11,515
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 collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior period end balance	89,744	175,801	338,735
Additions (+)	258,877	62,207	50,431
Transfers from other categories of loans under follow-up (+)	-	166,772	106,761
Transfers to other categories of loans under follow-up (-)	166,772	106,761	-
Collections (-)	86,804	71,174	73,654
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current period end balance	95,045	226,845	422,273
Specific provision (-)	76,666	206,629	304,863
Net balance on balance sheet ^(*)	18,379	20,216	117,410

(*) 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 collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period:			
Period end balance	-	3,315	5,264
Specific provision (-)	-	3,315	5,264
Net balance on balance sheet	-	-	-
Prior Period:			
Period end 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
Current Period (Net)	18,379	20,216	117,410
Loans to Real Persons and Legal Entities (Gross)	95,045	188,979	422,273
Specific Provisions (-)	76,666	168,763	304,863
Loans to Real Persons and Legal Entities (Net)	18,379	20,216	117,410
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	37,866	-
Specific Provisions (-)	-	37,866	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	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	11,841,866	-	6,283,263	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	11,841,866	-	6,283,263	-

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	6,023,430	658,534	4,976,632	654,405
Other	-	-	-	-
Total	6,023,430	668,534	4,976,632	654,405

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

	Current Period	Prior Period
Government Bonds	50,812,434	48,476,605
Treasury Bills	-	306,714
Other Public Sector Debt Securities	-	-
Total	50,812,434	48,783,319

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	50,817,348	48,787,200
Quoted in a stock exchange	40,264,598	36,972,047
Not quoted	10,552,750	11,815,153
Provision for impairment (-)	-	-
Total	50,817,348	48,787,200

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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	10,455	853,280
Purchases during the year	5,640,779	39,720,817
Disposals through sales and redemptions	(3,621,086)	(5,642,324)
Provision for impairment (-)	-	-
Period end balance	50,817,348	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, EUR 717,616,000 and USD 1,483,317,000 to held-to-maturity portfolio with fair values of TRY 22,971,668,657, EUR 702,950,036 and USD 1,562,741,917 respectively which have been taken into consideration as book values after reclassification. The Bank has also reclassified securities previously classified in financial assets at fair value through profit and loss portfolio with nominal values of EUR 37,951,000 and USD 45,501,000 to held-to-maturity portfolio with fair values of EUR 37,178,248 and USD 62,311,347 respectively which have been taken into consideration as book values after reclassification. The reclassifications are performed in accordance with TAS and due to the change in retention purpose of these securities.

The reclassifications are presented in “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, EUR (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, revaluation differences, which are accounted under shareholders’ equity, are TRY 57,700,264, EUR (20,276,607) and USD (14,919,943) respectively.

As of balance sheet date, the total fair values of reclassified held for trading securities to held to maturity securities are EUR 37,916,658 and USD 64,363,136 respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TRY 5,630,129 would have been recorded. As of 30 June 2009, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TRY (1,082,871).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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 No: 26340 on November 8, 2006: “If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank’s total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank’s total assets, those entities may be excluded from consolidation considering the materiality principle”.

1) Information about unconsolidated associates:

	Description	Address (City/ Country)	The Bank’s share percentage, if different, voting percentage (%)	The Bank’s risk group share percentage (%)
1	Arap Türk Bankası A.Ş.	İstanbul/TURKEY	9.09	15.43
2	Bankalararası Kart Merkezi A.Ş.	İstanbul/TURKEY	12.50	17.98
3	Kredi Kayıt Bürosu A.Ş.	İstanbul/TURKEY	11.11	9.09
4	Gelişen İşletmeler Piyasaları A.Ş.	İstanbul/TURKEY	10.00	5.00

	Total Assets	Shareholders’ Equity	Total Non- Current Assets	Interest Income	Income from marketabl e securities	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	872,812	264,953	226,525	14,869	21,347	7,725	19,323	-
2	15,764	13,696	6,098	512	-	363	1,533	-
3	24,079	18,140	1,998	1,554	9	4,571	2,720	-
4	7,839	7,735	2	528	-	410	452	-

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

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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 No: 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	1,592,843	464,947	30,592	-	33,822	26,504	17,124	-

(*) Current period information of Axa Sigorta A.Ş. have been provided from unaudited financial statements as of March, 31 2009. Prior year information has been provided from audited financial statements of Axa Sigorta A.Ş. as of March 31, 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	-
Share of Capital Participation (Period Ending)	-

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:

None (31 December 2008: None).

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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:

Since 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 No: 26340 on November 8, 2006: “If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank’s total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank’s total assets, those entities may be excluded from consolidation considering the materiality principle”, consolidated financial statements are not prepared.

1) Information about unconsolidated subsidiaries:

	Description	Address (City/ Country)	The Bank’s share percentage-if different voting percentage (%)	The Bank’s risk group share percentage (%)
1	Ziraat Hayat ve Emeklilik A.Ş. (*)	İstanbul/TURKEY	100.00	99.98
2	Ziraat Sigorta A.Ş. (*)	İstanbul/TURKEY	100.00	99.98
3	Ziraat Finansal Kiralama A.Ş.	İstanbul/TURKEY	100.00	50.01
4	Ziraat Yatırım Menkul Değerler A.Ş.	İstanbul/TURKEY	100.00	62.00
5	Ziraat Portföy Yönetimi A.Ş.	İstanbul/TURKEY	60.00	65.44
6	Bileşim Alternatif Dağıtım Kanalları ve Ödeme Sistemleri A.Ş.	İstanbul/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	97.03
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 15 May 2009, has been completed. The capital of the entities is TRY 20,000 Thousand and TRY 50 Thousand respectively. TRY 10,000 Thousand of the capital of Ziraat Hayat ve Emeklilik A.Ş. has been paid. Both of the entities have not started their operational activities.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

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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	50	50	-	-	-	-	-	-
3	286,013	91,767	159,987	308	-	9,412	8,968	-
4	59,064	49,407	25,995	1,949	1,065,978	7,291	3,037	-
5	5,986	5,599	99	511	1,540	949	985	-
6	11,547	6,177	1,893	269	14	2,634	3,192	-
7	8,917	3,772	150	180	46	203	141	-
8	896,853	326,674	522,429	16,497	5,140	1,599	2,901	298,834
9	178,864	74,823	70,852	5,865	427	688	1,035	44,660
10	36,045	24,767	-	1,770	56	605	50	26,217
11	113,736	56,611	45,876	3,013	6	440	(116)	80,741
12	78,227	37,243	33,932	1,570	625	1,182	755	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 June 30, 2009, the prior period profit/loss balances have been provided from unaudited financial statements as of June 30, 2008.
- (*) The Bank's share from the capital increase of Kazakhstan Ziraat Int. Bank is TRY 29,732 Thousand. Therefore, the fair value of the investment is increased to TRY 80,741 Thousand as of 29 June 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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)

9. a) Information on entities under common control (joint ventures):

Entities under Common Control (Joint Ventures) ⁽¹⁾	Parent Bank's Share ⁽²⁾	Group's Share	Current Assets	Non-Current Assets	Long Term Liabilities	Income	Expense
Turkmen Turkish Joint Stock Commercial Bank	2,801	2,801	22,791	3,196	454	2,051	1,840
Uzbekistan- Turkish Bank	6,373	6,373	70,373	3,187	242	3,812	2,446
Azer Türk Bank ASC	9,889	10,749	47,724	42,138	839	11,203	8,805
Total	19,063	19,923	140,888	48,521	1,535	17,066	13,091

(1) Information on entities under joint control is provided from the unaudited financial statements as of June 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 No: 26340 on 8 November 2006: "If total assets of an associate, subsidiary or an entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or an entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation under the consideration of the materiality principle".

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.

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

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

12. Information on tangible fixed assets:

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

13. Information on intangible 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. 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
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SECTION V: EXPLANATIONS AND NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. EXPLANATIONS AND NOTES TO LIABILITIES

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

1) For deposit banks:

Current Period	Demand	7 day call accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative Deposits	Total
Saving Deposits	3,614,050	-	8,699,521	33,006,198	1,667,903	312,291	398,145	-	47,698,108
Foreign Currency Deposits	2,951,314	-	4,658,964	4,622,986	1,274,891	170,306	3,254,209	-	16,932,670
Residents in Turkey	2,855,168	-	4,506,836	4,387,922	1,135,259	143,838	2,933,682	-	15,962,705
Residents Abroad	96,146	-	152,128	235,064	139,632	26,468	320,527	-	969,965
Public Sector Deposits	4,281,804	-	1,507,958	4,052,987	70,428	78,711	3,168	-	9,995,056
Commercial Inst. Deposits	1,059,951	-	1,968,461	3,890,607	223,918	200,895	41,099	-	7,384,931
Other Inst. Deposits	812,013	-	558,058	4,639,204	739,466	45,362	33,448	-	6,827,551
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	40,213	-	1,008,003	76,371	6,303	-	-	-	1,130,890
CBRT	1,623	-	461	-	-	-	-	-	2,084
Domestic Banks	11,839	-	1,004,008	76,371	-	-	-	-	1,092,218
Foreign Banks	26,751	-	3,534	-	6,303	-	-	-	36,588
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	12,759,345	-	18,400,965	50,288,353	3,982,909	807,565	3,730,069	-	89,969,206

Prior Period	Demand	7 day call accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative Deposits	Total
Saving Deposits	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	-	-	-	-	-	-	-	-	-
Total	11,997,680	-	17,744,574	46,027,513	3,584,141	840,330	3,689,197	-	83,883,435

**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)

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	26,727,572	25,931,528	20,803,177	19,514,005
Foreign Currency Saving Deposits	6,471,109	6,428,120	5,997,113	5,312,328
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance ^(*)	226,860	181,497	27,540	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 6,685 Thousand of legal entity's deposits of Sofia, TRY 1,162 Thousand of legal entity's deposits of Athens and TRY 4,925 Thousand of legal entity's deposits of Komotini 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 4,303 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 455,211 Thousand of interest expense accrual is included in the above-mentioned figures in accordance with the Communiqué on "Insurance Deposits and Participation Funds and Premiums Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated November 7, 2006 and numbered: 26339.

2) Information on saving deposits/real persons' private current and accession accounts not related to commercial transactions in a Turkish branch of the Bank whose head office is in abroad, and reasons if it is covered in where the head office is located:

The Bank's head office is located in Turkey.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION V: EXPLANATIONS AND NOTES TO THE 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	Current Period
Deposits and other accounts in branches abroad	3,330	4,689
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman and members of the Board of Directors and their close families	671	744
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004	-	-
Saving deposits in banks established in Turkey exclusively for off-shore banking activities	-	-

2. Information on derivative financial liabilities held for trading:

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

Financial Liabilities Held-for-Trading	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	285	3	1,026	104
Swap Transactions	-	204	-	2,889
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	285	207	1,026	2,993

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Borrowings from CBTR	-	-	-	-
Domestic Banks and Institutions	15,372	9,432	23,764	3,937
Foreign Banks, Institutions and Funds	-	613	-	656
Total	15,372	10,045	23,764	4,593

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	15,339	9,125	23,729	3,475
Medium and Long-Term	33	920	35	1,118
Total	15,372	10,045	23,764	4,593

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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	427	426	2	-
Between 1-4 Years	21	19	1,950	1,945
More than 4 Years	-	-	-	-
Total	448	445	1,952	1,945

6. Information on derivative financial liabilities for hedging purposes:

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

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

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

7. Explanations on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions	364,571	247,013
Allocated for Group-I Loans and Receivables	279,257	206,609
Allocated for Group-II Loans and Receivables	14,918	4,120
Allocated for Non-cash Loans	19,334	12,450
Other	51,062	23,834

Since loans extended in the related period are closed, the Bank has given up the application of temporary 1st 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 2,866 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 ^(*)	572,598	607,509

(*) Based on the decision of the Bank's Assets and Liabilities Committee, TRY 565,998 Thousand (31 December 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.

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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:

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

TRY 692,057 Thousand of other provision amount consists of TRY 2,866 Thousand for unindemnified non-cash loans, TRY 6,600 Thousand for cash transfers made by the clerks, TRY 565,998 Thousand for the decision made by the Assets and Liabilities Committee, TRY 87,452 Thousand for remuneration liabilities, TRY 14,473 for priorly unconfirmed current account recordings, TRY 9,250 Thousand for possible legal claims and TRY 5,418 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 Çalışanları Emekli Sandığı Vakfı (T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund) which was established by 20th provisional article of Social Security Agency (SSK) Act of No: 506. In accordance with 23rd provisional clause of the Banking Act No:5411, the pension fund is expected to be transferred to the Social Security Agency within three years following the declaration of the Banking Act No: 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act No: 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court as of March 31, 2007.

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

In accordance with the Act No: 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette No: 26870 on May 8, 2008, bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

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

7. Explanations on provisions: (cont'd)

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

3) Employee pension right liabilities for the Bank personnel: (cont'd)

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

The technical balance sheet report as of December 31, 2008 which is prepared in accordance with the principles Act No: 5754 declared in the Official Gazette dated May 8, 2008 numbered 26870, with technical interest rate of 9.80%, concludes 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 ⁽¹⁾
As of 1 January	407,100	392,000
Payments in the period	(13,512)	(12,275)
Charge for the period ⁽²⁾	33,062	16,275
Total	426,650	396,000

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

(2) Charge for the period shows net balance of retirement pay provision expense equal to TRY 36,162 Thousand (Prior Period: TRY 22,675 Thousand) and reversals equal to TRY 3,100 Thousand (Prior Period: TRY 6,400 Thousand).

As of June 30, 2009 unpaid vacation liability amounted to TRY 117,500 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 June 30, 2009, the remaining corporate tax liability after deducting temporary taxes paid for the period is TRY 303,867 Thousand (December 31, 2008: TRY 193,976 Thousand).

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

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

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

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

2) Information on current taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	303,867	193,976
Taxation on Income From Securities	111,446	173,538
Property Tax	493	302
Banking Insurance Transactions Tax (BITT)	25,030	25,538
Foreign Exchange Transactions Tax	2	3
Value Added Tax Payable	421	781
Other	19,111	17,696
Total	460,370	411,834

3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employee	19	18
Social Security Premiums – Employer	29	27
Bank Social Aid Pension Fund Premium – Employee	55	44
Bank Social Aid Pension Fund Premium – Employer	95	74
Pension Fund Membership Fees and Provisions – Employee	4	4
Pension Fund Membership Fees and Provisions – Employer	8	7
Unemployment Insurance – Employee	135	106
Unemployment Insurance – Employer	269	211
Other	18	29
Total	632	520

b) Information on deferred tax liabilities, if any:

The Bank's deferred tax liability amounts to TRY 6,184 Thousand. However, this amount is netted off against the deferred tax asset and subsequently TRY 265,443 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.

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

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

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

a) Information on the subordinated loans the Bank used:

None.

11. Information on shareholders' equity:

a) Presentation on paid-in capital:

	Current Period	Prior Period
Common stock	2,500,000	2,500,000
Preferred stock	-	-

b) Paid-in capital amount, explanation whether the registered capital system is applicable by the bank, if so the registered capital ceiling amount:

The Bank does not have a registered 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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	-	-	-	-
Revaluation difference	-	44,419	-	44,419
Foreign exchange difference	-	-	-	-
From Available for Sale Marketable Securities	227,971	(46,751)	113,344	(81,957)
Revaluation difference	273,690	(46,751)	123,966	(81,957)
Deferred tax effect	(45,719)	-	(10,622)	-
Foreign exchange difference	-	-	-	-
Total	227,971	(2,332)	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 No: 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.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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

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

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Payment Commitments for Cheques	2,424,300	2,311,720
Asset Purchase Commitments	692,642	169,961
Commitments for Credit Card Expenditure Limits	1,558,748	1,427,784
Loan Granting Commitments	184,310	111,031
Other Irrevocable Commitments	301,578	207,084
Subsidiaries and Associates Capital Contribution Commitments	10,246	250
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	2,106	2,487
Obligatory Provision Payment Commitment	-	-
Total	5,173,930	4,230,317

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	4,322,771	3,567,826
Bank Acceptances	32,881	16,305
Letter of Credits	427,652	707,899
Total	4,783,304	4,292,030

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

	Current Period	Prior Period
Letter of Temporary Guarantees	85,103	65,429
Letter of Certain Guarantees	2,136,485	1,738,076
Letters of Advance Guarantees	1,368,011	1,018,884
Letters of Guarantees given to Customs Offices	65,107	58,946
Other Letters of Guarantees	668,065	686,491
Total	4,322,771	3,567,826

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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

III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ACCOUNTS (cont'd)

1. Information on off-balance sheet liabilities (cont'd):

c) 1) Total non-cash loans:

	Current Period	Prior Period
Non-cash loans for providing cash loans	641,621	660,601
With original maturity of one year or less	92,418	87,114
With original maturity of more than one year	549,203	573,487
Other non-cash loans	4,141,683	3,631,429
Total	4,783,304	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 RELATED TO INCOME STATEMENT

1. a) Information on interest income from loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on Loans(*)	2,789,469	30,241	2,036,238	17,219
Short term loans	1,131,578	26,110	809,053	12,991
Medium and long term loans	1,606,449	4,131	1,193,066	4,228
Interest on non-performing loans	51,442	-	34,119	-
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	176,054	-	195,452	9
Domestic Banks	448	22	15,182	2,294
Foreign Banks	289	12,554	8,576	36,954
Head Office and Branches	-	-	-	79
Total	176,791	12,576	219,210	39,336

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) Interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest income from subsidiaries and associates	1,149	1,858

2. a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks(*)	1,528	206	475	80
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	1,528	198	475	61
Foreign Banks	-	8	-	19
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,528	206	475	80

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

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

IV. EXPLANATIONS RELATED TO 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	894	229

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
Profit	186,067	378,318
Profit from the Capital Market Transactions	10,391	5,825
Profit on derivative financial instruments	5,343	50,820
Foreign Exchange Gains	170,333	321,673
Loss (-)	148,226	398,269
Loss from the Capital Market Transactions	-	227
Loss on derivative financial instruments	3,025	69,500
Foreign Exchange Loss	145,201	328,542

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 172,571 Thousand.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 30, 2009

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

IV. EXPLANATIONS RELATED TO 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 ⁽²⁾	201,332	132,386
III. Group loans and receivables	69,840	71,917
IV. Group loans and receivables	118,034	56,464
V. Group loans and receivables	13,458	4,005
General provision expenses ⁽¹⁾	81,746	56,481
Provision expenses for the possible losses ⁽¹⁾	51,571	90,341
Marketable securities impairment expense	218	16,392
Financial assets at fair value through profit and loss	40	7,986
Financial assets available for sale	178	8,406
Impairment losses from associates, subsidiaries, joint ventures and marketable securities held to maturity	3,300	4,024
Investment and associates	3,300	199
Subsidiaries	-	3,074
Entities under common control	-	751
Investment securities held to maturity	-	-
Other ⁽³⁾	52,317	17
Total	390,484	299,641

- (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. (June 30, 2008: TRY 3,649 Thousand).
- (2) The relevant balances include the expenses related to the current period. The reversals within the period amounting to TRY 103,410 Thousand are presented in other operating income. (June 30, 2008: TRY 49,029 Thousand).
- (3) The TRY 14,813 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 ⁽¹⁾	507,405	433,219
Reserve for employee termination benefits ⁽¹⁾	36,162	22,675
Bank social aid provision fund deficit provision	-	-
Tangible fixed assets impairment expense	1,407	460
Depreciation expenses of tangible fixed assets	19,930	20,555
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	300	64
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	162,897	134,796
Operational leasing expenses	16,388	13,432
Maintenance expenses	19,215	18,693
Advertisement expenses	9,879	11,350
Other expenses	117,415	91,321
Loss on sales of assets	226	5,121
Other ⁽²⁾	199,539	187,952
Total	927,866	804,842

- (1) TRY 13,512 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 12,275 Thousand).
- (2) TRY 87,328 Thousand of the relevant balance is Savings Deposit Insurance Fund expense accrual, TRY 58,553 Thousand is taxes, fees and tolls expenses.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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 RELATED TO 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 June 30, 2009, the Bank’s income tax provision amounting to TRY (457,443) Thousand (June 30, 2008: TRY (299,951) Thousand) consists of TRY (587,543) Thousand (June 30, 2008: TRY (208,761) Thousand) of current tax charge and TRY 130,100 Thousand (June 30, 2008: TRY (91,190) 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 (June 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 RELATED TO THE RISK GROUP OF THE BANK

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

a) Current Period:

Risk Group	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	745,620	324,168	-	-	-	-
Interest and Commissions Income	1,149	-	-	-	-	-

- (*) 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 11,113 Thousand are included in the cash loans.

b) Prior Period:

Risk Group	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	1,858	-	-	-	-	-

- (*) 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 June 30, 2008.

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

Risk Group	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	102,436	103,835	-	-	-	-
Interest expense on deposits	894	229	-	-	-	-

- (*) 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 SIX MONTHS PERIOD ENDED AS OF JUNE 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 June 30, 2008.

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED AS OF JUNE 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 RELATED 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	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	8,766	28,894	-	-	-	-
Total Profit/Loss	(12)	-	-	-	-	-
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	3,696	2,743
Dividend and additional payments	567	394
Total	4,263	3,137

SECTION VI: EXPLANATIONS ON THE INDEPENDENT AUDITOR'S 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 August 10, 2009 is presented preceding the financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.