

Ziraat Bank, a bank for everyone

2009 Annual Report

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T.C. ZİRAAT BANKASI A.Ş.

ZİRAAT BANK'S SHAREHOLDING STRUCTURE

The Undersecretariat for the Treasury of the Republic of Turkey, is the sole owner of Ziraat Bank. The Chairman and Board Members, Members of the Board of Auditors, General Manager and Assistant General Managers do not hold shares in the Bank.

AMENDMENTS TO THE ARTICLES OF INCORPORATION DURING THE REPORTING PERIOD

No amendments were made to the Bank's Articles of Incorporation during the 2009 reporting period.

Annual Activity Report Compliance Opinion

To the General Assembly of T.C. Ziraat Bankası A.Ş.;

We have audited the accuracy and compliance of the financial information in the accompanying annual activity report of T.C. Ziraat Bankası A.Ş. (the "Bank") with the audit report issued as of December 31, 2009. The Board of Directors of the Bank is responsible for the annual activity report. As independent auditors, our responsibility is to express an opinion on the audited annual activity report based on the compliance of financial information provided in the annual activity report with the audited financial statements and explanatory notes.

Our audit was performed in accordance with the accounting standards and principles and procedures of preparing and issuing annual activity reports as set out by the Banking Act No: 5411. Those standards require that we plan and perform our audit to obtain reasonable assurance whether the annual activity report is free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial information provided in the accompanying annual activity report presents fairly, in all material respects, the financial position of T.C. Ziraat Bankası A.Ş. as of December 31, 2009 in accordance with the prevailing accounting principles and standards set out as per the Article 40 of the Banking Act No: 5411. The financial information provided in the annual activity report is in compliance with the audited financial statements and explanatory notes, and also includes the summary management report and our audit opinion on these financial statements.

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



Erdem Selçuk
Partner

Ankara, March 16, 2010

Ziraat Bank is a bank for everyone.

The founder of national banking industry, as well as the engine and the power source of the Turkish economy, Ziraat Bank set forth that it is a bank “not just for farmers” but a “bank for everyone” with a strong performance in its 146th year.

Our vision

By further strengthening our leading role in the banking industry, to be an extensive and trusted bank that offers high-quality service and is taken as a model by our competitors in Turkey and around the world.

Our mission

To support the real sector with a focus on agriculture, to deliver a broad range of suitably-priced products to retail customers through an extensive branch network, and to contribute to the development of the national economy and of the Turkish banking industry in keeping with our sense of social responsibility and commitment to the rules of banking ethics.

Corporate Profile

Leadership

Headquartered in Ankara, Ziraat Bank (the "Bank") is the largest of the Turkish banking industry with a market share of 15% and with its total assets amounting to TL 124.5 billion (US\$ 83.3 billion) at the end of 2009.

The only bank at 428 locations

The Bank serves its customers in the corporate, commercial, agricultural and retail banking segments with its 1,305 branches and 2,609 ATMs nationwide, its call center and its widely used internet branch, as well as the 22,198 dedicated staff it employs; and performs an average of 1.7 million banking transactions per day. The real executor of mass banking in Turkey, Ziraat Bank is the sole provider of banking services for our people at 428 locations throughout Turkey.

The leader in profitability

Ziraat Bank's strategies, which at the same time cater to the risk-reward balance and profitability, allow the Bank to uninterruptedly transfer resources to its customers under the toughest market conjunctures, while also contributing to economic development.

As Turkey's most profitable bank over the past six years, Ziraat Bank realized a net profit of TL 3.5 billion for the period. Ziraat Bank has the biggest share in the banking industry in terms of total assets, total deposits, the total number of deposit accounts, total savings deposits, TL loans, retail loans and agricultural loans.

A regional and national power

Ziraat Bank is a national power, as well as a regional one.

Boasting Turkey's largest banking service network, Ziraat Bank is also a regional power on the back of the service network it established at 67 locations in 17 countries. Moreover, the Bank has a wide portfolio of subsidiaries in Turkey offering services in fields such as financial leasing, pensions, insurance, banking, investment banking, portfolio management and information technology.

This strong organization is the most valuable element of Ziraat Bank defining its ability to offer integrated financial services.

Banking model

Ziraat Bank is an ideal banking model in our country. Its brand which is synonymous with such concepts as efficiency, productivity, quality, commitment to ethics and confidence positions the Bank as the best known and most preferred business partner not only in Turkey, but also in international markets.

Ziraat Bank will remain a bank that is able to compete in tomorrow's markets and continue to enjoy high levels of reputation thanks to the high-quality service it offers, while producing added value to the community, employing the unique wealth knowledge it has accumulated over the last 146 years.

Financial Indicators

(TL million)	2009	2008	(%) Change
Total Assets	124,529	104,412	19
Liquid Assets and Banks	14,604	13,086	12
Securities Portfolio	70,988	58,522	21
Loans	36,725	30,836	19
Deposits	98,529	83,883	17
Shareholders' Equity	10,354	7,361	41
Interest Income	14,202	13,368	6
Interest Expense	8,134	9,266	-12
Pretax Profit	4,417	2,716	63
Net Profit	3,511	2,134	65

Ziraat Bank reached the highest assets size in Turkish banking sector on an unconsolidated balance sheet basis by growing 19% in 2009.

65%

Registered a 19% year-on-year growth in total assets, increasing its net profit by 65% in 2009, Ziraat Bank became the "highest profit generating bank of the sector" six times in succession.

36,725

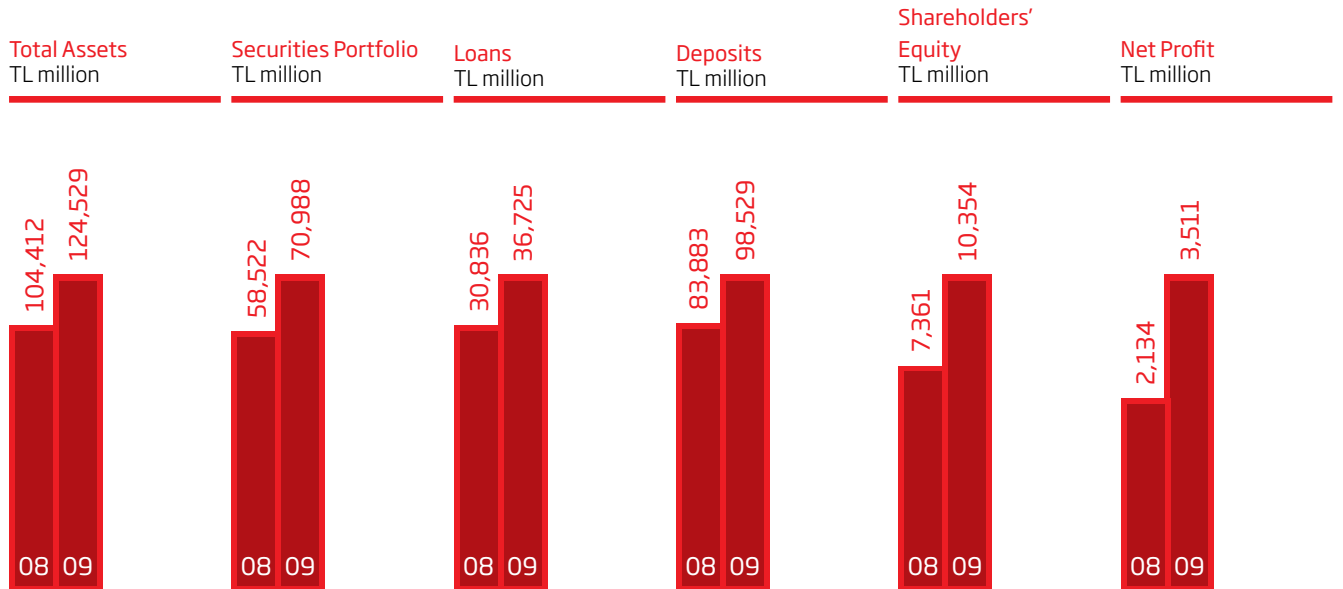
TL million

Ziraat Bank's lending increased eight fold in the last seven years, while its total loans rose by 19% in 2009. In 2009, at a time when the sector's total lending grew by 6%, the Bank's loan volume growth can be considered significant, while the Bank issued a higher volume of agricultural loans, retail loans and TL loans than any other bank throughout the year.

98,529

TL million

Ziraat Bank's total deposits climbed by 17% in 2009. Serving 36% of all deposit accounts in the sector, Ziraat Bank commands a market share of 18% in total deposits and a market share of 25% in savings deposits.



Ziraat Bank kept its position as the leader of the sector in terms of profit. The Bank is proud that it carried forward this title six years in a row.

Highlights from Ziraat Bank's History

From Foundation to the War of Independence...

The "Homeland Coffers" established in the town of Pirot in 1863 planted the seeds from which Ziraat Bank grew. The organization, known as "Homeland Coffers", set up by Mithat Pasha and with resources provided by farmers, was established by and under the auspices of the state and went down in history as the initial example of National Banking.

Mithat Pasha was inspired by the tradition of collective work, based on the principle of helping each other, which was already a Turkish tradition while setting up the "Homeland Coffers" organization, established in the town of Pirot in 1863.

A set of regulations governing such funds known as "Regulations for Homeland Coffers" which was enacted in 1867, became the legal framework for the first regulated credit system in the Ottoman Empire. With these regulations, "Homeland Coffers" became operational, serving successfully for many years.

In 1883, the Homeland Coffers were replaced by Benefit Funds.

On August 15, 1888, Ziraat Bank was officially established, and was to undertake the functions of the "Homeland Coffers" as a modern financial institution. On August 28, 1888, the governing statute of

Ziraat Bank was enacted, and the Bank's headquarters was opened on September 17th. While Benefit Funds were turned into bank branches, a new era began in our organized agricultural loan history.

During the First World War and the ensuing Turkish War of Independence, Ziraat Bank undertook vitally important duties. Money supplied by Ziraat Bank in 1919 to cover the expenses of detachments of the Turkish Nationalist Army during the War of Independence was used to purchase gear for soldiers.

When the Grand National Assembly of Turkey met in Ankara on April 23, 1920, the Ankara branch of Ziraat Bank was put in charge of all the branches and assistance funds in territories subject to the assembly's jurisdiction. Subsequently, control of the Bank's Izmir and Istanbul organizations was taken over by the Ankara branch. Ziraat Bank's national unity was completely restored as of October 23, 1922.

The important mission undertaken with the Republic...

With the establishment of the Turkish Republic in 1923, Ziraat Bank embarked upon a period of rapid growth and development, expanding its branch and service network, first reaching farmers and the whole of Turkish society. Ziraat Bank's mission was no longer confined to agriculture. Ziraat Bank served as the engine of Turkey's economic recovery and development.

The 1980s and beyond...

Ziraat Bank continued to grow, ultimately becoming the truly global banking institution that it is today. In 1983, the Bank's New York representative's office was turned into a branch while other offices entered service in Duisburg, Berlin, Munich, Stuttgart, and Rotterdam. Ziraat Bank ranked 452nd in the Euromoney magazine's 1988 list of the "World's Five Hundred Biggest Banks in terms of Equity".

During this period, Ziraat Bank publicly opened Turkey's first banking museum in its head office building in the Ulus district of Ankara and it also launched the country's first banking school. Ziraat Bank Moscow, Kazkommerts Ziraat International Bank (KZI Bank), Turkmen Turkish Commercial Bank (TTC Bank), and Uzbekistan Turkish Bank (UT Bank) were all founded and entered operation in 1993.

In the same year, the Euromoney survey of the "World's Top 500 Banks" placed Ziraat Bank in 202nd place overall, in 41st place on the basis of net profit, and in 1st place worldwide in terms of return on equity.

By 1999, the Bank had 21 subsidiaries, and opened a branch in Skopje that year as well.

Together into the 21st century...

Statute 4603 passed by Parliament in 2000 transformed Ziraat Bank into a joint-stock company. This change was a milestone in Ziraat Bank's journey towards becoming a stronger, more effective, and profitable financial institution. In 2001, Ziraat Bank embarked upon a thorough transformation in which the Bank's organizational structure was completely overhauled to bring it into line with the needs of modern banking and international competition. In this process Emlak Bankası, another state-owned bank, was merged into Ziraat Bank.

In 2001 a board of directors had been set up and given responsibility for the administration of all state-owned banks while Can Akin Çağlar became the general manager of Ziraat Bank in 2003. Having successfully completed its mission, the joint board of directors was disbanded in 2005.

As a result of the deeply rooted and robust transformation that the Bank has undergone over the past seven years, Ziraat Bank sets forth that it is not only a bank for farmers, but a bank for everyone.

Ziraat Bank was Turkey's most profitable bank and led the sector in terms of profitability in 2004, 2005, 2006, 2007, 2008 and 2009.

In its 146th year Ziraat Bank, along with all the people of Turkey, shares in the honor of rising from the level of Homeland Coffers to the level of "unmanned branch banking", while continuing forward with the decisive and strong steps in has taken in its 150 year journey.

Chairman's Message



The figures for main economies from the third quarter of 2009 supports our projection that the global economic crisis, which has been a matter of close concern over the last two years, is about to end.

Western economies are not now in a position to grow without the implementation of strict financial and monetary policies.

A slow and fragile recovery

While the large economies which form a large part of the global economy began to exhibit signs of recovery towards the end of 2009, attention turns to the sustainability of the recovery. In the current conjuncture, growth in the global economy is not possible without a driving force. At this stage, the basic issue, and one which requires effective planning, is how the global economy's exit from crisis will be handled and how long it will last.

Having struggled with a series of significant problems in 2009, G20 governments worked together to implement measures aimed at preventing the world economy from plunging into a global collapse.

Western economies are not now in a position to grow without the implementation of strict financial and monetary policies. Emerging markets were relatively unscathed from the crisis thanks to their relatively shallow capital and money markets, and have demonstrated a strong recovery. However, world trade balances, commodity prices and the fickle nature of the movement in foreign capital are the most important downward risks emerging markets may encounter.

Most economies began to exit the recession technically in the third quarter of 2009. Money and capital markets kept close view of the robustness of this economic recovery and questioned how steady such a recovery could be. This is the question on everyone's mind; "Will economic growth continue without government support and the financial measures that have been taken?".

Although the answer to this question is a difficult equation with multiple variables, essentially, it is closely related to the prudent attitudes governments demonstrated at the beginning of the crisis, and the cooperation they will show going forward.

Decisive and coordinated policies by governments...

Decisive monetary and financial measures simultaneously implemented by public authorities in various countries played a significant role in turning the global crisis round into a recovery in a shorter space of time than expected. The positive contribution from the liquidity provided by central banks into the markets set the stage for a considerable improvement in asset prices throughout the world. Meanwhile, banks' balance sheets in developed countries recovered in 2009 thanks to state aid and capital increases; primary stock exchanges, particularly bank stocks, began to rise again.

Rapid cuts in interest rates in developed countries accelerated the capital flows from these countries to developing countries, including Turkey, during the crisis. Increasing portfolio investments in emerging markets led currencies in these countries to regain value against the Euro and US Dollar.

In order to build on what was gained in a short space of time from the measures, it is very important to carefully terminate subsidy programs and policies which were implemented in many developing and developed countries in a bid to tackle the global crisis while minimizing its impacts, and to return to normal in a gradual manner. Untimely execution of crisis exit strategies may disrupt the economic stimulus. On the other hand, late execution of such strategies might raise questions over the public sector's solvency.

Although such measures will vary from one country to another, it is necessary to aim for a soft transition in crisis exit strategies in the coming period to look after coordination between countries and to focus on strong and sustainable growth in global economy. When global liquidity and rapid movement ability of capital is taken into account, it is more important to terminate national subsidy programs simultaneously and with a careful approach.

The strong position of the Turkish economy...

As we go into 2010, Turkey is a strong economy which was able to weather the storm of the global crisis successfully and enjoys an "exemplary" outlook on the international platform. In 2009, when the Turkish economy dipped into recession in which statistical data were turned to negative after a seven-year long run of rapid economic growth, Turkey was able to overcome the global crisis with minimum damage, thanks to the cautious approach and rational strategies adopted by the public and private sectors.

Consistent and straightforward policies pursued by the government, particularly the Central Bank, did help ease the hardships of life to at least some extent, for everyone from business men and women to banking sector employees and households, while also enabling projections in the crisis environments. Banks played a key role in curbing the impacts of the crisis on the real economy and daily life; while the sensitive manner our sector acted, with cooperation based on partnership, kept non-performing loan stock at lower levels than in many developed countries.

I believe that the Turkish banking industry, which we are a member and leader of, is ready for the exciting developments of the period to come and will successfully fulfill its historical duty of making Turkey to return to a path of strong economic growth.

Ziraat Bank proved once again the sustainability of its strong performance and maintained its title as the "most profitable bank" in 2009.

This result is a unique example of the success demonstrated by our Bank's family with 22,198 members who have unselfishly committed themselves to their jobs.

When the exceptional macroeconomic conditions of 2009, which I tried to summarize above, are taken into account, the value and the dimensions of our performance becomes more important.

A winning combination of the capabilities we have built at Ziraat Bank over the years, our strong service network and our human resources have allowed us to execute the strategies which we have structured in line with our mission under the toughest market conditions, and allowed us to stand by everyone from industrialists to manufacturers, SMEs to farmers and individuals, and to continue to support economic activity.

Our basic target in the period to come is to offer our millions of customers modern banking products and services in a straightforward, reliable and correct manner.

The large scale entity represented by our Bank and its market share stands as testament to our substantial position in the national economy. By looking after our social mission imposed on us as a public organization, we will continue to produce the best for Turkey, our customers and our employees and to demonstrate a sustainable performance in the coming period as Turkey's largest and most profitable commercial bank.

Towards the future with straightforward, reliable and correct banking...

Our basic target in the period to come is to offer our millions of customers modern banking products and services in a straightforward, reliable and correct manner. A very basic matter which I would like to mention is the fact that we have ineradicably internalized the importance of listening to and understanding our customers and to meet their needs in a proper and timely manner. The extensive transformation we have undergone throughout in the last seven years has put our Bank in a position where it can easily compete with the world's leading service providers in terms of customer orientation.

We will continue to support banking with the most up-to-date practices in our sector, which we are a leader of in line with our strategic vision.

We press ahead in our 150th anniversary year with dynamism and excitement. We are determined to offer our customers, from every segment, the best service under cost-efficient conditions and to continue to grow on a national and global platform as a prestigious bank known for its respectability.

With the momentum and energy it derives from its strong roots throughout Turkey, Ziraat Bank is determined to reflect the growth potential introduced by our country and the surrounding region to its performance and, over time, to become a global player.

I would like to take this opportunity to extend my deepest thanks in my name and on behalf of Board of Directors to all our customers, correspondent banks and employees who have supported us in maintaining our high profitability. As long as you choose us, support us and work with us, Ziraat Bank will continue to take its leadership further and be the most profitable bank in Turkey.

Yours sincerely,



Mehmet MUMCUOĞLU
Deputy Chairman of the Board of Directors

General Manager's Message



Ziraat Bank, continued to demonstrate in the seventh year of its journey of change that it has a sustainable model on the strength of its economic performance, as well as the new dimensions it brought to the banking sector.

Our performance strongly confirms once again the strength of the growth and service model we have been implementing at Ziraat Bank.

Esteemed customers, domestic and foreign business partners, and colleagues,

It is with the deepest and most heartfelt pride that we complete our 146th year of operation as a bank which "produces value for Turkey at the peak of Turkey". The strategic transformation that we have been through in recent years has cemented our Bank's leading position, and the fact that we have been the profit record holder for six years in a row has allowed us to raise the bar with each passing year and to work hard in a way that we are competing against ourselves, while producing more added value.

The journey of change, in which we live with new excitement each day, has turned Ziraat Bank into a modern service provider pioneering "unmanned banking" applications and allowed us to strongly redefine our identity as "everyone's bank", catering for everyone from medium and big-scale agricultural enterprises (MBAEs) to SMEs, commercial customers and each and every member of the Turkish public.

Ziraat Bank remains the engine of the growing Turkish economy, as well as a steady and reliable port for our assets.

Performance

In 2009, Ziraat Bank's profit before taxes was realized as TL 4,417 million and net profit as TL 3,511 million. The increase in our profit in 2009 materialized at 65%, 15 percentage points higher than the sector average of 50.3%.

At the end of 2009, Ziraat Bank's return on assets was 3.1%, while its return on equity was 40.4%, pointing to profitability ratios in excess of the sector averages. One highly valuable issue I would like to mention here is the fact that our Bank was transformed from being a burden on the public to a "profitable company" providing the public with a significant amount of resources.

In a year when the total assets of the banking sector grew by 14%, Ziraat Bank grew by 19% in 2009, with total assets reaching TL 124.5 billion. On the back of this strong growth rate, which exceeded the sector average by 5 percentage points, our Bank ended 2009 with

the highest total assets figure ever reached on a non-consolidated balance sheet basis in the Turkish banking sector, just as in 2008.

This performance that I have summarized above is neither a coincidence nor a result of market consequences. Our performance is a result of the banking strategy which we defined in line with our primary mission and executed uncompromisingly. Our performance also strongly confirms once again the strength of the growth and service model we have been implementing at Ziraat Bank.

Having continuously internalized changing economic, political and social circumstances for 146 years and having succeeded in becoming one of the biggest banks in the region today, Ziraat Bank continued to generate value by standing by our farmers, craftsmen, business men and women and our people at all times.

Continuous growth in our loan portfolio

Despite the slowdown in the sector in 2009, Ziraat Bank did not deviate from its loan supply policies and unstintingly carried out activities aimed at supporting the real sector. Our Bank issued more than TL 1 billion credit per week, on average, even in the first quarter of the year, which had been marked by uncertainty. This figure was nearly TL 1.4 billion in the October-December period.

During September 2008 and June 2009, while the total loans made available by the banking sector reached TL 7.5 billion, Ziraat Bank supplied TL 5 billion of this amount on its own.

Having increased its credit portfolio 8 fold over the past 7 years, our Bank expanded its total loan portfolio by 19% in 2009, a figure well in excess of the sector average. The total volume of loans issued by our Bank reached TL 36.7 billion, with an increase of 26% in retail loans, 21% in agricultural loans and 9% in commercial loans. Ziraat Bank issued more TL denominated loans than any other bank in this period.

Increasing its share in retail loans to 13% in 2009, Ziraat Bank also became the sector leader in this field.

When it comes to non-performing loans, our Bank demonstrates a sound and robust trend. Our Bank's non-performing loans ratio was realized at 1.9% in 2009, considerably lower than the sector average of 5.2%.

We have increased the volume of resources we have made available to the agricultural sector by 34 times over the last 7 years.

With its foundation mission of supporting the agricultural sector, our Bank continued to support agricultural manufacturers with a wide array of products and services in 2009. The volume of agricultural loans we made available rose by 21% year-on-year to reach TL 7,708 million in 2009.

With TL 25.4 billion of resources made available to 2.9 million farmers over the last six years, Ziraat Bank has contributed to the strengthening of the agricultural sector and its added value in our country, thanks to the modern products and service organization which it has developed.

The steps that we took to settle down our strategy which we express as "let no small enterprise exist in agriculture" and "each village will be a farmhouse" allowed us to focus on agricultural investment loans. The ratio of agricultural loans in our total loans rose to 30% in 2009, having languished at levels as low as 5% in 2002.

Having made a breakthrough in 2008 and introduced the MBAE (medium and big-scale agricultural enterprises) concept to Turkey, our Bank, within this framework, opened the Izmir MBAE Branch to service in 2009 in addition to its recently reconfigured agricultural branches in Antalya and Adana. We initiated our Agricultural Banking Branch concept in Aksaray, and have set out to serve all our agricultural customers without any discrimination on the basis of scale.

Taking pains to act as a service provider with social responsibility, our Bank provided special repayment facilities to the agricultural sector in 2009 in order to minimize the pressures of economic recession on our farmers. Such restructuring efforts realized for this purpose effectively extended the maturity of TL 2.4 billion in credits of 160 thousand farmers.

We stand with SMEs in every part of Anatolia.

With the structural changes we have undergone in recent years, we set forth that we are not only a bank for farmers, but a bank for everyone. One of the business lines we have affected the most improvement, in parallel with this approach, was SME banking.

The total volume of loans made available by our Bank to SMEs in 2009 grew by 12% and rose to TL 2,794 million, while the weekly average volume of credits issued by our Bank reached TL 109 million. Our Bank was chosen by 27,000 out of 100,000 KOSGEB (Small and Medium Enterprises Development Organization) within the scope of the "SME Support Loan" program held in cooperation with KOSGEB the same year, and mediated support loan transactions.

In 2009, SMEs bore the brunt of the economic recession which followed the global crisis. Even though the volume of SME loans issued in the banking sector diminished by 0.9%, our Bank extended full support to the sector by transferring resources to SMEs, while also extending the maturity of the debts of our customers experiencing difficulty in their payments by up to 4 years. This was achieved by implementing the initial structuring application on October 14, 2008 as soon as the economic crisis began.

Our Bank will remain one of the most valuable supporters of SMEs in the coming years. As part of our leadership, we will continue to support SMEs in every part of Anatolia, without ever neglecting our national responsibilities.

We are the depository of our people's assets.

Hosting 35.2 million deposit accounts as of 2009, Ziraat Bank increased its total deposits by 17% to TL 98,529 million. Our share in total deposits in the sector was materialized as 18.4% at the end of the year.

While our Bank is home to 25% of the savings deposits in our country, we have always remained aware of our sectoral responsibility and our duty to be a reliable port for our depositors.

For the 2010-2015 period, we aim to be the first bank in Turkey to exceed the US\$ 100 billion asset size threshold and consequently look to the rest of the world, by turning our local strength into a regional power.

The secret behind our success: efficiency and productivity

The most important factor in ensuring the success of the long-term transformation process we have implemented at Ziraat Bank has been our approach of focusing on efficiency and productivity and the decisiveness that we have demonstrated in this field.

Being in a competitive position in the sector in 2009 in terms of number of personnel per branch, our Bank became one of the most efficient and productive institutions of our banking systems with its qualified human resources and robust technological infrastructure.

Within the scope of our completed efforts in respect to alternative delivery channels, we offered 2,609 ATMs working in a centralized manner to the service of Turkish people in 2009, replacing 1,387 ATMs that had been serving in a distributed manner since 2002. We also continue to extensively deploy the latest technology and apply our strategy to balance our operating costs at the lowest level possible.

Our investments in human resources are within the scope of efforts which deserve special attention in terms of efficiency and productivity. In addition to its existing Banking Schools, the fact that Ziraat Bank opened a Banking School in Silivri, İstanbul in 2009, is a strong indication of the importance that we attach to our human resources.

Towards the future

Our Bank had 1,305 branches in Turkey and 22,198 personnel at the end of 2009. On an international platform, on the other hand, our Bank serves at 67 service spots located in 17 countries within the framework of its strategy of standing by our citizens and entrepreneurs at all times.

We are steadfast in our determination to operate at new locations throughout Turkey and to create employment during 2010 and beyond, while offering our unstinting support to our subsidiaries in the foreign countries in which we operate, and to add new service locations in countries and regions where we need a presence – principally the Balkans and the Middle East.

As one of the most important elements of the İstanbul Financial Center project, Ziraat Bank will take its rightful place in İstanbul's

economy and continue to contribute to the national economy in the coming periods as well.

For the 2010-2015 period, we aim to be the first bank in Turkey to exceed the US\$ 100 billion asset size threshold and consequently look to the rest of the world, by turning our local strength into a regional power. As we head to this target, we are determined to adopt the best practices in the world and to optimally balance them with our deeply rooted banking tradition.

The Turkish economy has already succeeded in being one of the economies to bounce back most strongly from the global crisis as rapidly as possible and with a minimum damage, according to our predictions.

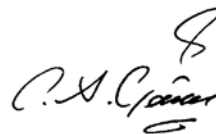
We believe in the tremendous potential of our country and our customers more strongly than ever.

We foresee that our country will return to a trajectory of economic growth during 2010 and beyond, so we define our strategies according to this prediction.

During this period, our Bank will continue to be everyone's bank and to generate value for Turkey, thanks to its unrivalled service channels and penetration, qualified human resources who have committed themselves to their jobs, and perfect technical infrastructure.

I take this chance to extend my heartfelt thanks to our domestic and foreign customers, who hold a stake in our success, to our business partners and correspondence banks for their continuous trust in us, and to our employees for their precious and devoted contributions.

Yours sincerely,



Can Akın ÇAĞLAR
Board Member and General Manager

Global Economy

The impacts of the global crisis that emerged in developed countries in 2007 and rapidly spread throughout the world began to ease in the third quarter of 2009 thanks to the monetary and financial measures which were taken.

Despite positive developments in financial markets, the recovery in the global economy is slow and unstable on the basis of leading indicators. Rising rates of unemployment, the high need for public finance and many of the difficulties in the banking sector highlight the risk facing the strength of the recovery and the question of whether or not it can be sustained in the absence of public subsidy.

Global manufacturing and trade started to improve in the second half of 2009.

The concerted and tremendous political support prevented a new Great Depression and allowed the environment of trust to grow strongly in both the real and financial sectors. A gradual return to stock production in developed economies from the second half of 2009, combined with increasing consumption expenses in the US economy, contributed to the positive developments. A similar situation was also observed in some developing countries. In addition to strong domestic demand, a return to stock production in these countries and normalizing global trade conditions contributed to their positive outlook.

Extensive monetary policies applied in a number of developed and developing countries were accompanied with the lowest interest rates ever recorded in recent history. While financial policies slowed down the economic contraction, the support extended to the finance sector played a key role in breaking the negative cycle emerging between the real sector and the finance sector.

At the end of this period, balance sheets of central banks in key developed countries expanded well beyond initial projections. However, the need for public finance - which has reached a historical peak - as well as budget deficits and unemployment rates, are critical problems which need to be solved as quickly as possible.

According to IMF projections, the budget deficit as a ratio of GDP is expected to rise to 12.5% in the USA and 6.2% in the Euro zone. The current financial and economic crisis in Greece, an EU member, raises important questions over sustainability of public finance, and has brought the economy policies of the European Union under the spotlight.

Varying rates of recovery from one country to another

The International Monetary Fund (IMF) projects that the economies of developed countries will grow by nearly 2% in 2010. This projection, published by IMF in January 2010, refers to a 0.75% upward revision compared to its projection in October. The global economy is expected to grow by nearly 2.5%; on the other hand, growth in developed countries will remain below pre-crisis levels until the end of 2011. High unemployment rates, matters in financial systems which need to be solved, income-expense imbalance of households stand before us as problems which must be brought to a solution by developed countries during the recovery period.

Although financial markets recovered more rapidly than expected, market conditions are expected to remain challenging for some time.

The IMF projects that developing countries will demonstrate 6% economic growth in 2010. Growth rates are expected to accelerate in 2011. Recently implemented macroeconomic development strategies, which aim at strong growth under strict monetary policies, helped many developing countries protect themselves against external shocks. As a result of these developments, the tide of capital flows has turned back towards developing countries, especially from the second half of 2009. Along with increasing portfolio investments, the currencies of developing countries gained value against the currencies of developed countries in 2009.

While key Asian economies led the global recovery, some developed countries in Europe and some Central and Eastern European countries, as well as countries of the Commonwealth of Independent States followed them in a slow pace. The differences observed on the basis of groups and regions are a result of the initial conditions of the crisis varying from country to country, external shocks that countries were subject to and the policies they implemented.

Difficulties remain but financial conditions are improving.

Although financial markets recovered more rapidly than expected, market conditions are expected to remain challenging for some time. The money markets are balanced in general terms, and credit supply conditions are much more flexible than in the previous year. However, the need to strengthen bank capital on one hand and the likelihood that new bankruptcies and non-performing loans may appear in relation with the real estate market on the other may have an impact on credit supply activities.

While capital markets recovered rapidly and headed towards new record highs, there was a significant increase in corporate bond issuance throughout the world. However, growing corporate bond issuance did not fully compensate the rapid decline in private sector loans supplied by banks which was recorded in the crisis.

Access to capital remains a global problem for individual investors and, particularly, SMEs. Government loan programs and guarantee mechanisms play a critical role in transferring resources to these two segments.

Inflation rates plunge throughout the world.

The contraction in global demand set inflation rates on a downward trend throughout the world. This allowed central banks to focus on confining the contraction in economic activity, and developed and developing countries to significantly loosen their monetary policies.

The dramatic decline in securitization markets, which are mostly used for the funding of consumer loans, is an effective factor in contracting credit volume in developed countries.

There are still concerns that unless the problems in credit markets are completely solved, the recovery in the global economy will not be sustainable and the positive sentiment in financial markets will not be fully reflected to the real sector.

Crisis exit strategies represent an important item on the agenda for the whole world.

Various subsidy programs were implemented in developing and developed countries to minimize the impacts of the global crisis. By the end of 2009, intensive discussions were underway concerning how these subsidies, which were provided within the framework of the crisis, would be terminated.

Finance ministers and presidents of central banks of G-20 countries discussed strategies presented by IMF in their meeting on November 6-7, 2009. An agreement was reached in principle in the meeting that the exit timing would be determined on the status of global economy and the financial system, and that subsidies would not be terminated without ensuring sustainable stability.

The rapid movement ability and strength of capital flows renders it necessary that national subsidy programs are terminated in extensive cooperation.

Turkish Economy

After having grown for 6 years, the Turkish economy, which had begun to contract for four quarters in a row from the last quarter of 2008 on, has been in a growth trend since the last quarter of 2009.

According to the estimates set forth in the Medium Term Program, the Turkish economy that is estimated to have shrunk by 6% in 2009 completed the year with a contraction rate of 4.7%. While household consumption expenses declined by 10.1% year-on-year in 1Q 2009, the rate of the decline was mitigated in the second quarter thanks to the impact of government incentives and ended up with 2.3% contraction. Public consumption expenses increased by 7.8% in 2009. Likewise, private sector investment expenses, which have a high share of total investment expenses, demonstrated a 22.3% decline in 2009.

Short-term interest rates cut rapidly

Predicting a rapid decline in inflation rates from the last quarter of 2008, the CBT focused on confining the potential damage to economic activity.

During this period, short-term interest rates were cut rapidly on one hand, while a balancing liquidity policy was pursued on the other, aiming to eliminate the blockage in the credit market. Policy interest rates were cut by 10.25 percentage points between November 2008 and November 2009. With this decline, Turkey's policy interest rate approximated the average policy interest rate of developing countries which had been applying inflation targeting.

It is of great importance in terms of sustainable growth of the Turkish economy that monetary measures are strictly supported with financial discipline and structural regulations in the medium term.

As a clear result of the dramatic fall in total demand and plunging commodity prices, the annual rate of CPI inflation dropped from 10.06% in 2008 to 6.53% in 2009. In the same period, the annual rate of PPI inflation was materialized at 5.93%.

The basic factor driving inflation in the fourth quarter of 2009 was the sharp increase in unprocessed food prices. Over the same period, increasing oil and commodity prices, as well as the termination of provisional tax deductions initially applied to support economic activity, played a role in bringing the annual rate of CPI inflation to below 7.5%, which was the target for 2009.

The decline in exports, which began in the last quarter of 2008, continued in 2009.

Turkey's exports were realized at US\$102.1 billion in 2009, registering a 22.6% year-on-year contraction, with imports declining by 30.2% to US\$ 140.9 billion.

The automotive sector was affected most by the contraction in global demand. Moreover, in recent years the negative impacts of the globally rising market shares of countries such as China and India in the textiles and ready-made clothing sectors, which are Turkey's most important exporting industries, can be seen in 2009, as well.

The recovery observed in all sub-items of imports in Q2 as a result of financial measures taken was interrupted by contracting demand for investment goods in Q3. The main determinant of the contraction in total exports was crude oil and natural gas, as well as base metal

industries in which prices and demand considerably fell. Imports of chemicals and chemical products, and machinery and equipment fell considerably due to the sharp decline in investments, emerging as another factor which affects the contraction of total imports.

3.5% economic growth expected in 2010 for the Turkish economy.

The most important risks to arise in respect to the stability of the Turkish economy in 2010 would be a slower recovery than expected, high unemployment as a result of a slow recovery and new shocks that global financial markets may encounter. The cyclical rise in the budget deficit and the public's rising borrowing need will be parameters that must be watched carefully in 2010 and beyond. In this picture, it is of great importance in terms of sustainable growth of the Turkish economy that monetary measures are strictly supported with financial discipline and structural regulations in the medium term.

The Banking Sector

The banking sector's asset size climbed by 14% in 2009. On the other hand, the sector's total lending increased by 6.4% to TL 396.6 billion.

The effects of the global economic crisis on Turkish banking sector have been limited.

The restructuring process and comprehensive transformation that the banking sector underwent at the beginning of the 2000s played a vital role in confining the impacts of the global economic crisis on the sector in 2009. Strong shareholders' equity and a qualified balance sheet composition, as well as properly and effectively working monitoring and audit mechanisms and risk management applications were also among the factors which supported the sector's resistance and strength against external shocks.

Turkish banks were affected most by the crisis when it came to accessing foreign sources, as well as the rapidly rising costs of these resources. Banks demonstrated a more meticulous and risk-sensitive attitude in 2009 than in the past when it came to issuing new credits.

The banking sector's profit for the period increased by 50.3% in 2009. Despite the massive increase in special provisioning of non-performing receivables, rising net interest income and profits generated from FX transactions were the main factors driving the increase in profit for the period.

A year in which the sector cemented its equity capital and profitability

The banking sector's asset size climbed by 14% in 2009. In a move to be more cautious than in previous years, banks predominantly opted for securities investments in 2009. On the other hand, the share of foreign currency items both in the assets and liabilities columns of banks' balance sheets declined, mostly replaced by TL.

In 2009 the sector's total lending increased by 6.4% to TL 396.6 billion. A significant part of the increase in lending was realized in Q4. By type, the highest increase was in retail loans with an increase of 10.9%, while SME lending declined by 0.9%. The ratio of non-performing loans to total loans rose to 5.2% as of December 2009, compared to 3.6% at the end of 2008.

While the ratio of deposits - the most significant funding source of banks - to liabilities remained unchanged when compared to the end of the previous year, funds generated from repurchasing transactions, which are alternative sources to deposits, demonstrated a significant increase. Although the negativities experienced in providing foreign sources as a result of the global crisis reduced the volume of loans received, there was no difficulty in redeeming the loans due. Moreover, with a proportion of the profits from the previous year was kept within banks, and with cash capital increases combined with the high bank profits generated during this period, shareholders' equity increased, while the share of equity capital in liabilities increased, driving the average capital adequacy ratio up from 18% to 20.6%.

The banking sector's profit for the period increased by 50.3% in 2009 to reach TL 20.2 billion. Despite the massive increase in special provisioning of non-performing receivables, rising net interest income and profits generated from FX transactions were the main factors driving the increase in profit for the period.

An Assessment of 2009: Strategies and Developments

The year 2009 was marked by economic recession, a result of the global crisis and its impact on all economic segments, especially the real sector. Ziraat Bank continued to undertake key roles in ensuring the healthy operation of the economic and commercial cycle in our country and to produce value for its stakeholders as a symbol of trust in the Turkish banking industry.

Everyone's bank

In 2009, a year marked by the impacts of the global economic crisis in Turkey, Ziraat Bank unstintingly pressed ahead in its efforts to cover finance needs of the following:

- The real sector,
- The agricultural sector, and
- Individuals.

The Bank thus strongly set forth that it is not only a bank for farmers, but a bank for everyone.

Taking into account the social responsibility it assumes as the leading bank of Turkey in all its operations, Ziraat Bank cemented its pioneering and exemplary identity in the sector with a raft of new credit campaigns and structuring applications.

Another year of successful results for Ziraat Bank

Ziraat Bank's total assets amounted to TL 125 billion at the end of 2009, with total lending of TL 37 billion.

Moreover, Ziraat Bank continued to unstintingly apply its business strategies in 2009 and continued to command the highest deposit volume in the sector in this difficult period. Ziraat Bank's total deposits increased by 17% year-on-year from TL 83.9 billion to TL

98.5 billion. In 2009, the Bank's share in total deposits in the sector was materialized as 18.4% and its share in total savings deposits in the sector came in at 25%.

Having recording the highest transaction volume in the sector in 2009, the number of Ziraat Bank's daily transactions exceeded 1.7 million in average, including pensions and direct income support payments.

A new threshold in asset size

Ziraat Bank's total asset size of TL 125 billion at the end of 2009 refers to a new threshold for the Turkish banking sector. This asset size, based on the non-consolidated balance sheet, is an indication of Ziraat Bank's increasing contribution to the Turkish economy with the knowledge and experience it has gained throughout its deeply rooted 150 year past.

A sixth year of record profit

As the leader when it comes to profitability in the sector for a fifth consecutive year in 2009, Ziraat Bank proudly carries forward this title for a sixth year.

Having generated nearly one fifth of the sector's total profit in 2009, Ziraat Bank recorded TL 4,417 million in pretax profit and TL 3,511 million in net profit during the year.

Ziraat Bank continued to support individuals, the real sector and the agricultural sector decisively and resolutely, issuing an average of more than TL 1 billion of credit per week throughout 2009.

There was a 50.3% increase in the total profit of the banking sector in 2009; Ziraat Bank's profit rose by 64.5%, exceeding the sector average.

The Bank generated a return on assets of 3.1% and a return on equity of 40.4% in 2009. These ratios are higher than the sector averages, which were 2.6% and 20.5%, respectively.

Efforts to expand the branch network continued in 2009.

Ziraat Bank opened 45 new branches and 3 bureaus in 19 Turkish cities in 2009, while converting 2 bureaus into branches. As a result of these efforts, Ziraat Bank continued to broaden its service network and reached a total of 1,305 local service locations by the end of 2009, including the following:

- 1,203 domestic branches,
- 70 special transaction centers,
- 29 bureaus, 1 charge bureau and 2 mobile branches.

Ziraat Bank serves as the one and only bank in 428 districts and towns of Turkey. Owing Turkey's biggest service network, Ziraat Bank is also the Turkish bank with highest penetration at the international platform by means of

- 11 international branches and 2 international sub-branches,
- 1 international bureau,
- 8 international banking subsidiaries and
- 2 international representative offices active at 67 locations in 17 countries.

Ziraat Bank will continue to broaden its domestic and international service network in the period to come by taking into account the demands and needs of its customer base.

One in every four savers in Turkey entrusts their savings to Ziraat Bank.

Ziraat Bank maintained its sector leadership in Bank deposits in 2009 with deposits exceeding TL 98.5 billion, controlling an 18.4% share in the sector's total deposits and a 25% share in the sector's total savings deposits.

According to figures for the end of 2009, Ziraat Bank had 35.2 million deposit accounts in the sector, corresponding to 36% of the 98 million deposit accounts in Turkey.

Backed by its credit policies and asset composition, the Bank maintained its TL-weighted deposit structure, while the share of Turkish Lira deposits in total deposits followed a stable course similar to that of 2008.

Deposits account for about 79% of Ziraat Bank's balance sheet liabilities. The Bank focused on increasing its profitability by reducing funding costs through effective liability and deposit management, thus contributing to high profitability generated in 2009.

Holding the highest deposit volume in the sector and playing a key role in the determination of market interest rates, Ziraat Bank continues to carefully fulfill its duties as a market-maker for the sector through the rational pricing and the competitive strategies which it adheres to.

Continued growth in the share of savings deposits

Ziraat Bank further increased the volume of its savings deposits in 2009, while also strengthening both the breadth and the durability of its deposit base. The share of savings deposits at Ziraat Bank was materialized 51%, while TL savings deposits maintained their weight in total deposits.

Ziraat Bank expanded its customer base in 2009, a time when the post-crisis recession was felt strongly both in Turkey and in the world, while also acting as a responsible economic player with loan opportunities and new products and services, which will empower both companies and individuals.

High growth rates in lending

Ziraat Bank continued to support individuals, the real sector and the agricultural sector decisively and resolutely, issuing an average of more than TL 1 billion of credit per week throughout 2009.

Ziraat Bank became the bank to supply the highest level of TL credits thanks to its growth efforts.

The bank supplying the most TL lending...

Ziraat Bank became the bank to supply the highest level of TL credits thanks to its growth efforts.

The Bank continued to apply its credit strategy without deviation, even under the difficult market conditions, and its credit portfolio currently stands in balance. Some 51% of the Bank's credit portfolio is composed of retail loans, followed by agricultural loans with a 24% share, and commercial loans with a 25% share.

Looking at the breakdown of loans on a regional basis, the Central Anatolia and Marmara regions accounted for 27% and 25% shares respectively, while the Bank is also active in every part of Turkey, from the Black Sea Region to the Mediterranean Region, from the Aegean Region to the Southeastern Anatolian Region.

The sector's total loans increased by 6% year-on-year in 2009, while Ziraat Bank's credit portfolio expanded by 19%; this rate rises to 20% when loans originating from funds are excluded.

Ziraat Bank's total lending portfolio amounted to TL 37 billion in 2009, marking an increase of 9% in commercial loans, 26% in retail loans and 21% in agricultural loans.

TL 2.7 billion in debt restructuring

Leading the sector in minimizing the negative effects of the global crisis on agricultural, commercial and retail customers, Ziraat Bank restructured a total of TL 2.7 billion in loan receivables.

Ziraat Bank's non-performing loans remained below the sector average in 2009 .

The ratio of the banking sector's non-performing loans in total loans rose to 5.2% in December 2009, from 3.6% at the end of 2008. However, the ratio of Ziraat Bank's non-performing loans in total loans only rose from 1.96% in 2008 to 2.3% in 2009, despite intensively supplying loans during the crisis. This ratio drops to 1.9% when loans originating from funds, for which the Bank does not allocate any provisions and other receivables, are excluded.

Continuing to serve the real economy

Ziraat Bank serves a broad range of customers in the commercial banking business line ranging from large-scaled, multinational and national firms to small and medium-sized enterprises.

In the depths of the crisis in the market in 2009, the Bank unstintingly continued to offer its products and services to its customers from various sectors within the scope of its mission to support the real economy.

Offering a wide array of commercial banking products and services, Ziraat Bank fully meets all manner of financing needs of its customers with its superior ability to extend low-cost funds and liquidity.

The Bank's broad and unrivalled service network is one of Ziraat Bank's most precious competitive advantages in the commercial banking business line.

Although the banking sector significantly scaled back the issue of commercial loans issued in 2009, Ziraat Bank continued to offer full support to the real sector. Ziraat Bank pursued a credit policy aimed at large-scale corporate customers and organizations in addition to SMEs in 2009.

As well as extending necessary liquidity to the real sector and commercial markets in 2009, Ziraat Bank also played a key role in keeping market interest rates under control by extending cost-efficient loans.

Ziraat Bank has seen an 11-fold expansion to its commercial loan portfolio over the last seven years. The Bank's commercial cash loans amounted to TL 8,258 million in 2009, up from the TL 7,549 million in 2008.

In the depths of the crisis in the market in 2009, Ziraat Bank unstintingly continued to offer its products and services to its customers from various sectors within the scope of its mission to support the real economy.

Cash management services

Ziraat Bank creates no-cost funding and cross-selling opportunities in its commercial banking activities.

Ziraat Bank was steadfast in offering customer-focused, effective and efficient cash management applications in 2009. The Bank worked to increase the number of collection-payment-general banking protocols with corporations/organizations and increased the number of these protocols to 261.

Nearly TL 49.3 billion of collections were made in total from corporations in 2009 within the scope of efforts carried out by the Bank to ensure non-cost/cost-efficient fund inflow.

Ziraat Bank works decisively to improve its relations by offering high-quality services and modern products to its commercial and corporate customers within the framework of cash management modules.

To offer more effective and more efficient services

Ziraat Bank continues to work on a number of projects aimed at providing a more effective and more efficient service to its customers.

Highlights from activities carried out by the Bank in 2009, which aim to further improve services offered to commercial banking customers and/or to offer new solutions, are as follows:

- A new scoring method, aimed at shortening the credit evaluation process and to identify customers' creditworthiness in a sound manner, was introduced.
- The Pre-shipment Rediscount Loan, which is made available by Turkish Eximbank in return for guarantee from the CBRT (Central Bank of Republic of Turkey), was put into practice.
- Debt relief was introduced for customers affected by the floods which hit various regions of Turkey, mainly the Thrace and Marmara regions.
- Maturity extension transactions offered to customers who suffered from temporary liquidity bottlenecks were included in the system.
- Efforts were made to improve customer satisfaction by ensuring that maturities/payment periods are automatically notified to customers from the system through SMS or e-mail.

- It was ensured that notifications made by the Banks Association of Turkey and individuals in respect to fraud and forgery, including their explanations, are entered into the central banking system, thus contributing to increasing efficiency.
- Powers to open credit were rearranged in a manner to accelerate the credit allocation process, taking into account similar practices in the sector.
- A refinancing facility was put in place on loans for license plates and vehicles and for office loans, by taking land and offices in the Organized Industrial Zones as a pledge.

At the side of SMEs in every location throughout Anatolia

Ziraat Bank remained one of the biggest supporters of SMEs in 2009.

Loans taken out by the sector in this business line contracted by 0.9% in 2009, with the highest ratio in non-performing loans being in SME loans at 7.6%. Ziraat Bank raised the volume of its cash loans for SMEs by 12.4% year-on-year, demonstrating significant growth in this category.

A total of 28% of the SME loans provided by the Bank were issued to business in Turkey's three largest cities of Istanbul, Izmir and Ankara, while 72% of the loans issued were provided to businesses in other cities. Ziraat Bank issued an average of TL 109 million of loans per week to SMEs throughout the year to reach a total credit volume of TL 5.1 billion in this business line during the year.

Close cooperation with chambers of trade and industry and the chamber of merchants and craftsmen

The Bank strengthened its years-long close cooperation with chambers of trade and industry and the chamber of merchants and craftsmen, and provided TL 350 million worth of credit support to SMEs in 2009 through such cooperations.

Furthermore, low interest rate credit facilities provided to those SMEs who are members of respective chambers and financial support provided to SMEs were diversified within the framework of protocols signed between the chambers and Ziraat Bank. These helped facilitate the transfer of financial resources of the chambers of trade and industry to Ziraat Bank in order to minimize the impacts of economic crisis on SMEs.

To support SMEs, the “first restructuring (maturity extension)” facility in the sector was implemented by Ziraat Bank. The Bank, has also been the most preferred service provider in the KOSGEB loans.

Debt restructuring facilities provided to SMEs, a first in the sector

The “first restructuring (maturity extension)” facility in the sector was implemented by Ziraat Bank in order to support SMEs who are deemed to be facing financial problems because of global volatility. With the introduction of this facility on October 14, 2008, SMEs were able to extend the maturities of their loans by up to 4 years.

A wealth of measures to diversify the product range...

Ziraat Bank unstintingly pressed ahead its efforts to serve its customers with a broad range of products in 2009, all designed by taking into account the needs of SMEs. Such products included the SME Project Investment Loan, the SME ODA (Overdraft Account), the SME Installment FX Loan, the SME Invoice Finance Loan, the SME International Exhibition Participation Loan, the SME Domestic Exhibition Participation Loan and the Franchising Loan.

Moreover, promotional campaigns were also introduced with such packages as the Pharmacist Loan Package, the Optician Loan Package, the Agricultural Industrial Enterprises SME Loan Package and the Taxi Driver Merchant Loan Package. Again, these were all designed by taking into account the cash balance of SMEs and which offer the most appropriate payment plan options and are also specific to sectoral/ occupational groups which benefit from discounted interest rates linked to the use of products. As such, SMEs introduced to other products were able to easily perform their transactions through Ziraat Bank.

Ziraat SME Card

Ziraat SME Card, which can also be used as a credit card, debit card, prepaid toll card or contactless card, was designed in 2009 as part of efforts aimed at developing products specific to SMEs. Ziraat SME Card aims to ensure that SMEs can easily manage and regularly keep view of their expenses.

Cooperation with KOSGEB (Small and Medium Enterprises Development Organization)

Ziraat Bank continued to offer financial support to SMEs by mediating in the following programs which are conducted in cooperation with KOSGEB, and in which KOSGEB provides interest support to:

- CANSUYU (Lifeline credit): Employment-Based Manufacturing Merchant, Craftsman and SME Support Loan with Zero Interest,
- SME Export Finance Support Loan,
- Enterprise Support Loan with Zero Interest provided to Manufacturing Merchants and Craftsmen,
- SME Export Support Loan with Zero Interest,
- 100,000 SMEs Support Loan, and
- Province of Diyarbakir Operating Capital Support Loan.

Ranking first place in the 100,000 SMEs Support Loan

Within the framework of KOSGEB's 100,000 SMEs Support Loan program, Ziraat Bank, as a result of proper and sound communication established with SMEs, became the only bank in 17 banks participating the loan program to receive the highest number of applications reaching 27,000 applications in total and to supply the highest volume of loans.

Similarly, as a result of its financial support to SMEs, Ziraat Bank

- provided SMEs operating at the Ankara Anatolian Organized Industrial Zone (AOSB) with middle- and long-term credit facilities for the financing of their infrastructure investments;
- made and put into practice an arrangement to ensure that debts of SMEs which were hurt because of the flood disaster are postponed and restructured; and
- facilitated SMEs in accessing the necessary financing by further concentrating on cooperation with the Credit Guarantee Fund (CGF) in order to support SMEs that are not able to provide collateral during credit supply and therefore have problems in credit access.

Growth strategies in commercial and SME banking

Ziraat Bank focuses on growth in commercial and SME banking business lines. Within this framework, the Bank aims to

- support its product range with innovative products,
- raise the share of commercial loans as well as SME loans in its total assets,
- continuously increase the service quality which is focused on customer satisfaction, and
- further strengthen customer loyalty by establishing long-term and multidirectional relations with customers.

The volume of agricultural loans that Ziraat Bank issued from its own resources jumped by 34 fold in the past seven years. The Bank made TL 25.4 billion worth credits available to 2.9 million farmers in the past six years.

Agricultural loans: A 34 fold increase in seven years

The volume of agricultural loans that Ziraat Bank issued from its own resources jumped by 34 fold in the past seven years. The Bank made TL 25.4 billion worth credits available to 2.9 million farmers in the past six years.

The volume of agricultural loans provided by the Bank increased by 21% year-on-year in 2009 to reach TL 7,708 million. Of these loans, 92% were subsidized loans. When TL 1,788 million of loans from funds which the Bank made available from its budget resources is taken into account, the total amount of resources that the Bank provided to the agricultural sector reached TL 9,497 million.

The average weekly volume of agricultural loans issued by the Bank in 2009 came in at TL 155 million.

Financing activities to raise added value in the agricultural sector

In line with the importance that Ziraat Bank attaches to investment credits, the share of investment loans in the agricultural loans portfolio was materialized at 30% in 2009. The Bank provides priority to canalizing agricultural loans into activities which contribute to and raise added value in the agricultural sector.

Easy payment terms, especially for agricultural loans

In 2009 the ratio of agricultural loans registered in Ziraat Bank's non-performing loan accounts to total loans provided by the Bank came in at 2.4%.

Within the framework of the "Easy Terms of Payment Package", introduced to minimize the negative impacts of the economic crisis on Turkish farmers, the maturity of credit debts of 160,000 agricultural producers, amounting to TL 2.4 billion at the end of the year, was extended.

112,000 agricultural producers using Başakkart

The number of producers using Başakkart reached 112,000 in 2009. Başakkart offers producers the opportunity to purchase agricultural inputs and services on interest-free repayment terms of up to six months.

Developments in agricultural banking and MBAE branch applications

A new MBAE branch was opened in İzmir in 2009, in addition to those opened in Adana and Antalya in 2008, to serve medium and big-scale agricultural enterprises.

Meanwhile, the first implementation of the Agricultural Banking Branch concept, set up to serve all agricultural customers, was initiated in Aksaray. The Bank plans to open new MBAE and Agricultural Banking branches in regions of intensive agricultural activity.

Agricultural mechanization loan

Ziraat Bank introduced fixed-interest agricultural investment loans to facilitate the purchase of combine harvesters and agricultural mechanization tools (excluding tractors) in order to raise the Bank's competitive strength in the agricultural mechanization loan area, and cover producers' agricultural equipment needs under improved conditions.

Interest-Free Agricultural Irrigation Loan

Interest-free agricultural irrigation loans which were launched in 2007 by Ziraat Bank have continued in 2009.

This loan was offered to more than 60,000 producers, enabling nearly 2 million decares of agricultural land in various regions throughout the country to be irrigated with dripping/sprinkling irrigation systems.

Contract Production Model

The Bank supplied loans to 3,520 producers, having signed protocols with firms under the framework of the Contract Production Model. Credit supply within the scope of the contracted production model will be one of Ziraat Bank's top priorities in terms of agricultural loans in the period to come.

Ziraat Bank is the sector leader in retail loans. The Bank continued to offer credit campaigns aimed at meeting individuals' various needs and solidifying its presence in the market in 2009.

'Our Enterprise Grows with Ziraat' and 'Leave No Small Enterprise in Agriculture'

The Bank will continue to generalize the projects, which were put into practice with such slogans as 'Our Enterprise Grows with Ziraat' and 'Leave No Small Enterprise in Agriculture', in order to raise the efficiency of agricultural enterprises and bringing them in economies of scale.

Farmer Training Project

The Farmer Training Project was implemented aiming to raise the level of farmers' knowledge and the first training program within the scope of the project was carried out in Şanlıurfa under the title "Ziraat-University Hand-to-Hand at GAP (Southeastern Anatolia Project)". The project will be expanded in 2010.

In the GAP Region...

The Bank plays an active role in the GAP Action Plan which aims to make sure that our citizens in the Southeastern Anatolia Region live in greater prosperity, peace and happiness by supporting economic growth, social development and employment increase in the region.

Agricultural Loan Interest Rates

The agricultural loan interest rate was reduced to 15% in September 2009 and to 13% in January 2010, while the interest rate reflected to producers varies between 0 and 9.75%.

Ziraat Bank will continue to contribute to the agricultural sector, with a combination of the unique knowledge it has accumulated during its 146 years of experience, innovative practices, qualified personnel and a wide service network.

The sector leader in retail loans

51% of Ziraat Bank's credit portfolio is composed of retail loans. The Bank continued to increase its market share in retail banking in 2009. In 2009, the Bank's retail loans amounted to TL 16.9 billion, with home-finance lending of TL 5.4 billion and general-purpose loans, in which the Bank is the sector leader, reaching TL 10.2 billion.

Having recorded a 29-fold increase in total retail loans over the past seven years, Ziraat Bank issued an average of TL 348 million of retail loans per week in 2009.

With this development, Ziraat Bank succeeded in becoming the sector leader in 2009 in terms of the total volume of retail loans.

Serving a broad personal customer base throughout the country, Ziraat Bank effectively reaches its customers through its branches as well as electronic service channels.

Ziraat Bank is the leader in 78 out of the 81 regions in consumer loans and one in every 4 people gets a general-purpose credit from Ziraat Bank.

Campaigns aimed at strengthening market share and stimulating consumer demand

The Bank continued to offer credit campaigns aimed at meeting individuals' various needs and solidifying its presence in the market in 2009. While the Bank's promotion policy is focused on attracting personnel from all primary sectors, the level of customer satisfaction remained high in 2009.

Ziraat Bank gained 97,000 new customers through the credit campaigns held in 2009, while issuing loans available to 193,000 people for the first time.

Salary Advance Loan: a new product for retail customers

New products diversifying the product range

Ziraat Bank concentrated on new retail lending practices to enrich its product range and increase its market share. Within this framework, the following loans were made available for the first time: Home-finance loans with interest payments only for the first year, home-finance and vehicle loans without commission, cost-free consumer loans, Change Residence Loan, New Home Consumer Loan, Joint Office Loan and Discounted Retail Loan.

Salary Advance Loan

Our Salary Advance product was introduced for retired workers whose pensions are paid through Ziraat Bank and the salaries of public sector workers and the Bank's and its subsidiaries' personnel who are paid through Ziraat Bank, and aims to cover their short-term cash needs, and attracted a great deal of interest in a very short space of time.

Easy terms of payment to retail customers

As part of its solution-focused and effective policies, Ziraat Bank goes to great effort to provide convenience to its individual customers who experience payment difficulties which arose from the economic crisis, which shook all global markets.

For this purpose, the maturities of retail loan receivables from customers likely to fall into default were extended to relieve terms of payment for customers that the Bank had extended retail loans to. At the end of 2009, TL 100 million of loans for nearly 7,600 individuals was tied to new contractual provisions, while their accounts were reconfigured.

Practices within the scope of home- financing loans

Ziraat Bank allowed 231,000 people to buy their own homes in the past five years through home-financing loans which it issued.

Sales and after-sales transactions were continued in line with the main protocol and supplementary protocols signed by and between TOKİ (Housing Development Administration of Turkey) and Ziraat Bank

on May 17, 2002. A total of 24,000 homes with a combined sales price of TL 2,025 million, corresponding to 67% of all homes sold by TOKİ throughout Turkey in 2009, were sold through Ziraat Bank. Moreover, in 2009, the Bank provided 1,652 people with home-financing loans worth a total of TL 67 million within the framework of TOKİ projects.

By carrying out a brand new practice in 2009, the Bank provided its customers who had previously taken out home-financing loans the opportunity to reduce their interest rates to the current interest rates.

A first in Turkey: Self-Trade

In 2009, Ziraat Bank implemented Turkey's first Self-Trade practice at its İnebolu and Aksaray branches. The system allows customers to trade on the ISE independently and to connect to Ziraat Yatırım A.Ş. through visual means. The Bank is currently working to initiate the Self-Trade system at its Ereğli/Zonguldak and Zonguldak branches. Thanks to the Self-Trade practice, customers may keep view of markets through Ziraat Ekspres Real Trade Net, which was allocated to available branches by Ziraat Yatırım A.Ş., receive information from customer representatives by reaching the call center through the established VideoFon application, and invest on their own by means of the computers allocated by Ziraat Yatırım.

Synergy and new subsidiaries in insurance transactions

As a result of the synergies developed with insurance companies for which it is an agency in life-pension and non-life branches, Ziraat Bank increased its total premium production by 16% year-on-year in 2009.

To reach a wider customer base in the most efficient way

Ziraat Bank extensively employs alternative delivery channels to reach broader customer masses and to offer high-quality services in the most efficient way. The Bank also continued to employ innovative and pioneering practices aimed at raising the utilization rate and effectiveness of alternative channels in 2009.

Ziraat Bank continued to widen the range of transactions offered in its internet branch with brand new applications. The number of customers using the internet branch rose by 52% and the number of transactions performed through the internet branch rose by 59%.

A 14.5% increase in the number of ATMs

The number of Ziraat Bank's ATMs in operation increased by 14.5% in 2009 to reach 2,609, with the number of ATMs upgraded under the EMV program, which aims to raise security at ATMs, increasing by 32.2% to 2,287.

Within the scope of efforts carried out by the Interbank Card Center (BKM) for Joint Use of ATMs, all Ziraat Bank ATMs were made available for use of all other bank cards.

VTM

A video service point bringing a brand new initiative to the banking service channels in Turkey, VTMs (Video Teller Machines) are the first unmanned electronic branch in our country.

A 21.5% increase in credit card turnover

Ziraat Bank maintained its title as the issuer of the most bank and credit cards in the Turkish banking sector in 2009.

In 2009 Ziraat Bank's credit card turnover rose by 21.5%, a figure exceeding the sector average. Having reached 2 million credit card customers in total with a 23.1% increase during the year, the Bank's total number of credit cards rose by 12.3% to 2.6 million. The number of bank cards increased by 16.3% to 13.8 million during the same period.

The Bank continues to improve its credit cards through new products and applications. The number of Contactless Cards put into practice in 2009 reached 62,387.

A 58.7% increase in the number of internet banking transactions

Ziraat Bank continued to widen the range of transactions offered in its internet branch with brand new applications. The number of customers using the internet branch rose by 52% and the number of transactions performed through the internet branch rose by 59%.

Mobile phone banking

Ziraat Mobile Phone Branch was opened in 2009, allowing banking transactions to be easily performed through mobile phones without ever going to the branch.

For steady and sustainable growth

In terms of fund management activities, the Bank centrally offers management services of liquidity risk and balance sheet risks, determination of interest and FX policies and fund management and investment instruments pricing to all its branches.

Fund management activities aim to monitor and manage financial risks that may appear on the Bank's balance sheet and to ensure profit maximization by employing the advantages of the Bank' wide branch network, and by offering high-quality service through product diversity.

Ziraat Bank remained actively involved in the primary and secondary money markets, the FX market and the capital markets in 2009, and effectively managed its liquidity in TL and foreign currencies and its securities portfolio within the framework of targets and risk parameters determined by the Board of Directors and Asset-Liability Committee. The Bank also demonstrated steady and sustainable growth and increased its profit, with due consideration for the risk-reward profile.

High transaction volume by customers and rising efficiency in treasury products

Customers' transaction volumes in treasury products were high thanks to product diversity and competitive pricing, as well as new products which are designed by taking into account customer needs and offered through the Bank's widespread branch network and its continuously developing and growing alternative delivery channels.

Within this framework

- Ziraat Bank successfully maintained its Turkish Public Domestic Borrowing Bonds Market Maker position since 2002 when the Market Maker practice started being implemented by the Undersecretariat of Treasury.

The most international Turkish bank in the world, Ziraat Bank, offers services at 67 locations in 17 countries through its branches, representative offices and subsidiaries.

- Remote access was realized for mediating sale and purchase transactions at the gold exchange.
- The Bank maintained its high market share in bond-bill primary market transactions, while adding a significant portion of issued securities to its portfolio.
- Safe Deposit products were made available as a flexible time deposit type and Short Term Convertible Deposit products as a type of deposit ensuring transition to various FX types, which were all designed according to customer demands.
- As banks were allowed to carry out transactions on non-convertible FX types following an amendment to Verdict no. 32 on the Protection of the Value of Turkish Currency, Ziraat Bank began sale and purchase of Russian Ruble after making the necessary arrangements.

In 2009 the Bank also began to serve portfolio management companies as a depository institution.

The most international Turkish bank in the world

Ziraat Bank has a robust and prestigious position on the international banking platform, thanks to its widespread international service organization, strong correspondent relations and sound funding base. Robust international funding facilities provide Ziraat Bank with an unrivalled advantage in terms of performing its customers' large-sized transactions with ease and under the best circumstances.

Ziraat Bank offers services at 67 locations in 17 countries through its branches, representative offices and subsidiaries.

Ziraat Bank's expanding international organization is composed of the following:

- In TRNC, one branch in Lefkoşa, one branch in Girne, one branch in Gazimağusa and one branch in Güzelyurt, one sub-branch at the Near East University's Campus and one bureau in Paşaköy;
- New York (USA), London (UK), Tbilisi (Georgia), Baghdad (Iraq), Athens and Komotini (Greece), Sofia (Bulgaria) branches and Plovdiv (Bulgaria) sub-branch; and
- Representative offices in Karachi (Pakistan) and Tehran (Iran).

In addition to the ones above, Ziraat Bank has international banking subsidiaries in Germany, Azerbaijan, Bosnia-Herzegovina, Kazakhstan, Uzbekistan, Russia, Turkmenistan and Macedonia.

Ziraat is anywhere Turkish business people go even before them.

In line with its target to ensure the Bank's global service network works more effectively and efficiently, Ziraat Bank presses ahead in its efforts aiming to make use of all opportunities arising as a result of global changes and developments.

In this direction, the Bank

- implements projects aimed at strengthening its presence and raising its effectiveness in the regions where it operates; and
- works on projects to operate in new regions, to mediate in banking transactions of customers who could potentially work with Turkish citizens or entrepreneurs.

Ziraat Bank in the Balkans

In line with its strategy of strengthening Ziraat Bank's presence and efficiency in the Balkans, the Bank presses ahead steadfastly in opening branches and extend its services throughout Bulgaria.

As part of this strategy, the Plovdiv sub-branch was opened on January 4, 2010. The Bank plans to complete its efforts to set up sub-branches in Kardzhali, Varna, Razgrad and Burgas this year. In addition to its efforts to open new branches, the Bank plans to offer alternative banking products and services to the Bulgarian market, such as internet banking, ATMs and bank cards in 2010.

Having entered the Greek market in 2008 and having set up branches in Athens and Komotini, Ziraat Bank continue to work on opening a branch in Xanthi in 2010.

Ziraat Bank was in cooperation with 1,025 correspondent banks in 82 countries at the end of 2009.

Ziraat Bank in the Turkish Republic of Northern Cyprus

The Bank has been offering services in the Turkish Republic of Northern Cyprus (TRNC) since 1974.

In parallel with its steady growth trend in the TRNC, Ziraat Bank recently took an important step to improve its product range, raising service quality and extending its activities by implementing its branching project throughout the country.

For this purpose, the Bank increased its number of ATMs to 21 and significantly raised its credit volume. As an initial result of the branching project, the Near East University Sub-Branch was opened and became operational on January 4, 2010. Again, following a process of analysis and evaluation which got underway in 2009 and were rapidly completed, the Bank set out plans to establish and open a branch in Lefkoşa Gönyeli and sub-branches in Girne Karaoğlanoğlu and Girne Çatalköy in 2010.

In other countries...

- In order to extend its banking activities in Georgia, the Bank has set out plans to transform its Tbilisi Branch into an international banking subsidiary, and to open a branch in Batumi in 2010. The Bank has also pressed ahead with its efforts to offer alternative banking products and services in Georgia such as ATMs and bank cards.
- Infrastructure works conducted to open a branch in Jeddah, Saudi Arabia, have reached their final stages, with the branch aimed to become operational in the first half of 2010.

More than 1,000 correspondent banks + export insurers = transaction capability throughout the world

Ziraat Bank was in cooperation with 1,025 correspondent banks in 82 countries at the end of 2009. The Bank gives priority to customer demands and takes the prevention of money laundering and "Customer Diagnosis" principles into account in selecting correspondent banks.

A strong and deeply rooted service structure in international transactions

Ziraat Bank carries out its customers' foreign trade (import, export, letters of guarantee) transactions through four international operation centers, corporate banking branches and free zone branches, supported by its broad network of correspondents, qualified staff as well as its years of experience and knowledge.

In 2009,

- Ziraat Bank became the first Turkish bank to be accepted to the Check 21 system which allows collection of US\$ checks by electronic means in the USA.
- SWIFT transfers began to be performed through the Bank's internet branch.
- Ziraat Bank received the "Western Union Support Service – The Best Operation Center 2008 (Best CSC 2008)" award at the Western Union Agencies Meeting held on May 2-3, 2009.
- Vostro accounts were turned into marketable products with the Bank's efforts to carry out transactions through vostro accounts rapidly and without-error, to alleviate the operational business burden, to provide customer satisfaction and to increase the number of accounts and customers.

Ziraat Bank's subsidiary policy and primary developments related to its subsidiaries in 2009

Ziraat Bank's subsidiary policy is

- to provide customers both in Turkey and abroad with universal and contemporary financial services in the best and the most profitable way,
- to establish new subsidiaries that will provide synergies for the Bank, to enter partnerships with established companies and to ensure that our current subsidiaries provide effective service to offer cost advantages and ensure competitive superiority through product diversification,
- to ensure our domestic subsidiaries, which are parent companies that we have control over, are the leading companies of the sectors they operate.

In 2009 Ziraat Bank founded two insurance companies entitled Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. which will operate in life, non-life and individual pension branches.

In 2009 Ziraat Bank

- founded two insurance companies entitled Ziraat Sigorta A.Ş. and Ziraat Hayat ve Emeklilik A.Ş. which will operate in life, non-life and individual pension branches. The companies entered operation after they received licenses for their respective fields of activity from the Undersecretariat of Treasury;
- entered a partnership with Kredi Garanti Fonu A.Ş. with a 1.67% stake, equal to a nominal share of TL 4 million;
- completed a capital increase of TL 42 million in its domestic subsidiaries and a capital increase of US\$ 20 million in its international subsidiaries to raise the profitability and operational volumes of its subsidiaries;
- brought the Zelenih Beretki and Hadzici offices at its international subsidiary, Turkish Ziraat Bank Bosnia d.d., and the Nakhichevan Branch of its international subsidiary, Azer Türk Bank ASC, into operation;
- collected its share in La Compagnie du Bosphore, its subsidiary in French which was in liquidation, through a capital decrease and terminated its relations with the subsidiary;
- completed the necessary transactions related to the purchase of Saving Deposit Insurance Fund's (SDIF) shares at the Kazakhstan Ziraat International Bank; and
- entered a partnership with MasterCard Incorporated and Visa Europe Limited with symbolic shares, after the credit card institutions MasterCard and Visa's member organization identity was terminated and when were incorporated as MasterCard Incorporated and Visa Europe Limited, respectively.

As of December 31, 2009, the Bank's subsidiaries had invested a total of TL 715 million, TL 234 million (net) of which was by its domestic subsidiaries and TL 481 million (net) by its international subsidiaries.

Detailed information on Ziraat Bank's subsidiaries is provided on page 36 of this report.

Contribution to the fight against money laundering

The remote training module on the Prevention of the Laundering of Income from Criminal Activities and the Prevention of the Financing of Terrorism, a basic reference guide prepared by Ziraat Bank on behalf of the Banks Association of Turkey (BAT), was made available

for the whole banking sector and the general public through BAT's Banking Training Website in September 2009, and all personnel through the Bank's Remote Training System in October. Such efforts were awarded with an achievement plate by BAT.

Internal Communication

Employee Satisfaction Survey

The Employee Relations Management Department was established at Ziraat Bank last year to promote employee satisfaction, motivation and in-house communication – all key elements in the success of a corporation. The Department conducted the 2009 Employee Satisfaction Survey in an electronic environment, with the participation of 64% of the Bank's employees in 2009. The main objective of the survey was to determine the expectations of employees and areas of opportunity for employees.

Activities aimed at raising in-house communication, which attracted considerable interest from Bank employees, continued in 2009 with opportunities for face-to-face communication, such as conversation meetings, sport tournaments, regional visits, social club activities and development seminars. These activities provided opportunities for the General Manager and upper management to meet employees from all levels.

An opportunity was created for employees to meet at such platforms as Ziraat Haber, which is an electronic bulletin where technological facilities are used and is renewed visually and in terms of content. In a significant component of the Bank's effective communication, the General Manager addressed all employees directly, at the same time and visually through the video conferencing system this year, as in previous years.

Also taking part in activities aimed at inter-corporate communication in addition to in-house activities, Ziraat Bank participated in the 2009 İstanbul Corporate Games organization. This was the first time the Bank participated in this event, where 66 employees of the Bank competed in 7 different sport events; in addition to medallions earned, the Bank was handed "Participant Firm to Win the Most Medallions" award.

Promotional and Cultural Activities in 2009

Ziraat Bank steadfastly presses ahead with its efforts aimed at developing individuals and the community in various fields, principally in culture, art, education and sport.

Ziraat Bank's social contribution efforts continued at pace speed in 2009. Having placed great emphasis on projects aimed at contributing to the cultural richness of the society, the Bank continues to press ahead in its mission of social responsibility with each passing year.

Advertising activities

Ziraat Bank conducted promotional activities for the new products that it brought into practice in 2009.

The Bank sponsored and obtained the royalties for the Turkish Cup, whose broadcasting rights are held by TRT, in the 2009/2010 football season. The organization was entitled "Ziraat Türkiye Kupası".

"Supporting the Arts is a Ziraat Tradition."

Ziraat Bank has attached great importance to art and artists since its foundation with the motto "Supporting the Arts is a Ziraat Tradition". Ziraat Bank extended its efforts in this area in 2009.

Since 1990s new links are constantly being added to Ziraat Bank's chain of support for the arts. The Bank presented Mithatpaşa, Kuğulu, Tünel and Kızıltan Ulukavak Art Galleries and Ömer Nafi Güvenli Exhibition Hall for the use of art-lovers.

Ziraat Bank's original painting collection that reached 2,637 works of art with the 28 paintings obtained from various exhibitions throughout the year, is one of the richest painting collections in our country.

In 2009, 31 exhibitions were organized at Ankara Kuğulu, Ankara Mithatpaşa and İstanbul Tünel Art Galleries, which were visited by more than 100,000 art-lovers.

Ziraat Bank's original painting collection that reached 2,637 works of art with the 28 paintings obtained from various exhibitions throughout the year, remained one of the richest painting collections in our country this year.

As the only cinema running for the public benefit in Turkey, the Ziraat Bank cinema presented 19 films for art-lovers during the year, which were viewed by fifty-nine thousand people in total. Moreover, films were shown free of charge to more than twenty-five thousand students at various times with the participation of schools chosen from regions where some of the pupils had never been able to go to the cinema in their lives.

The First Banking Museum from Ziraat

Opened on November 20, 1981, the Ziraat Bank Museum is located in the Ceremonial Hall of the Bank's Original Head Office building in Ankara's Ulus district.

The museum, which was witness to the Bank's 146 year long past and included momentous events such as the birth of the Republic of Turkey, was the first museum opened in Turkey to be devoted to banking. The Ziraat Bank Museum offers a view of the commercial, economic, political, cultural, artistic and educational transformations that the Turkish banking industry has undergone since its beginning right up to the present day. On display in this historic setting are a host of objects and materials highlighting the progress and development of banking in Turkey.

Other activities

In line with its sense of social responsibility, Ziraat Bank also supports activities in the areas of health, education, social services and sport.

Ziraat Bank was handed the "Social Responsibility Award" in recognition of its support for the construction of the Aegean Region Blood Center as part of the "Safe Blood Procurement Project" carried out by the Kızılay (Turkish Red Crescent). Work on the project started in 2007 and was completed in 2009.

In addition, Ziraat Bank sponsored projects for a large number of fairs taking place in Turkey as well as in other countries during 2009.

Ziraat Bank's Subsidiaries in 2009

Ziraat Bank offers its customers products and solutions in every field of financial services through its international and domestic subsidiaries portfolio which it has organized in a wide spectrum.

A portfolio of equity stakes complementing cross-sales and service capabilities

The Bank's equity stakes portfolio, which complements its cross-sales and service capabilities is also an important element of its competitive superiority.

International banking subsidiaries active in eight different countries

Ziraat Bank's international banking subsidiaries provide fully-integrated and synergetic services to Turkish and international customers in all business lines of banking with a particular emphasis on global trade finance as well as on regular corporate, commercial, and retail banking products and services.

International Subsidiaries

ZİRAAT BANK INTERNATIONAL AG

Active in the areas of corporate, commercial, and retail banking, Ziraat Bank International AG stands among the higher ranks of the Turkish-owned banks operating in the European Union. Cash and non-cash credit transactions related to financing foreign trade between Turkey and the EU comprises an important part of the Bank's corporate and commercial banking services.

Ziraat Bank International AG has broadened its activities in retail banking in recent years. Making use of internet as an effective delivery channel, the Bank offers its customers comprehensive internet banking services through the Ziraat@ctivebanking service module. The Bank has eight branches and two sub-branches in Germany.

TURKISH ZİRAAT BANK BOSNIA d.d.

The first foreign-owned bank to open its doors for business in Bosnia-Herzegovina, Turkish Ziraat Bank Bosnia d.d. entered operation in 1997. The Bank currently provides corporate, commercial, and retail banking products and services to customers through 7 branches and 14 sub-branches/offices and has an installed ATM network of 32 machines.

AZER-TÜRK BANK ASC

Incorporated in 1995 as a joint venture of Ziraat Bank and Azerbaijan Agrar Senaye Bank, Azer-Türk Bank provides service through four branches. Azer-Türk Bank ranked in the upper echelons of the 46 banks active in the country in terms of its return on assets.

KAZAKHSTAN-ZİRAAT INTERNATIONAL BANK

Headquartered in Almaty and incorporated as the first foreign capital-owned bank in Kazakhstan in 1993, Kazakhstan-Ziraat International Bank provides services through three branches.

UZBEKISTAN TURKISH BANK

Uzbekistan Turkish Bank (UTBANK) was founded in 1993 as a joint venture between Ziraat Bank and Agrobank (Uzbekistan), with each controlling an equal stake. Headquartered in Tashkent, the Bank provides service to its customers in all business lines of banking.

ZİRAAT BANK (MOSCOW) CJSC

Founded in Moscow in 1993, Ziraat Bank (Moscow) CJSC adopts a customer-focused approach to service in the conduct of its activities while meeting all the banking needs of its Turkish and Russian customers. The Bank seeks to play an active market role by catering particularly to the needs of the Turkish business community in Russia and of Russian firms in areas of corporate and commercial banking and non-cash credit.

TURKMEN TURKISH JOINT STOCK COMMERCIAL BANK (TTJSC BANK)

The Turkmen Turkish Joint Stock Commercial Bank (TTJSC Bank) was founded in 1993 as a joint venture between TDT Dayhanbank (one of the largest state-owned banks in Turkmenistan) and Ziraat Bank with each controlling an equal stake. Providing the complete range of corporate, commercial, and retail banking products and services, the Bank has played a key role in strengthening economic, commercial, and social links between Turkey and Turkmenistan since it was founded.

ZİRAAT BANKA AD SKOPJE

Originally set up in 1999 as the Skopje branch of Ziraat Bank, the operation was reconstituted as a fully fledged bank in March 2008 and renamed Ziraat Banka AD Skopje. The Bank currently provides services through 3 branches and 1 sub-branch. The Bank contributes to the strengthening of economic, commercial, and social links between Macedonia and Turkey.

Domestic Subsidiaries

Ziraat Bank-owned domestic subsidiaries are active across a broad range of the financial services sector from banking to leasing and from investment banking and brokerage services to asset management and technology.

The Bank's subsidiaries active in Turkey rank among the strongest players in the country's financial markets by virtue of their high-quality, effective, and customer-focused approach to service.

ZİRAAT FİNANSAL KİRALAMA A.Ş.

Ziraat Leasing, which came into operation in 1991, provides lease financing services for investment in agriculture as well as in manufacturing, construction, and health.

ZİRAAT YATIRIM MENKUL DEĞERLER A.Ş.

Founded in 1997, Ziraat Yatırım Menkul Değerler is an active participant in the capital markets with its professional team of 95 people and its infrastructure and superstructure focusing on providing customers with efficient service.

Holding authorization certificates for Trade Brokerage, Public Offering Brokerage, Portfolio Management, Investment Consultancy, Trade on Credit, Short Sale and Borrowing-Lending, Options and Derivatives Transactions, the Company provides services through 5 Branches and 21 Investment Centers, as well as its internet branch and its Full-Service Call Center on 444 00 00.

All Ziraat Bank nationwide branches are also agencies of Ziraat Yatırım Menkul Değerler.

Ziraat Yatırım makes active use of four alternative delivery channels in the conduct of its business: the Company's internet branch at www.ziraatyatirim.com.tr; "Ziraat Mobile", a mobile phone application that provides access to market information and allows orders to be placed; "Ziraat Ekspres", which allows orders to be placed via a data screen; and the Bank's full-service call center on 444 00 00.

ZİRAAT PORTFÖY YÖNETİMİ A.Ş.

Founded in 2002, Ziraat Portföy Yönetimi is an asset management company that manages its clients' investment portfolios of capital market instruments.

Ziraat Portföy Yönetimi manages nineteen mutual and private pension funds that belong to the Bank and various associations as well as a number of institutional customers' portfolios.

ZİRAAT HAYAT VE EMEKLİLİK A.Ş.

Founded on May 11, 2009, Ziraat Emeklilik became operational in the life insurance branch as of January 1st, 2010. Currently offering life insurance and personal accident insurance products to its customers, the Company's preparations for the individual pension branch are under way. The Company aims to cover its individual and institutional clients' needs in life and pension branches and to join the leading institutions of its sector by employing use of the strength of Ziraat Bank's service network spread throughout Turkey, as well as its strong capital structure and the "Ziraat" brand which is synonymous with trust.

The Bank's subsidiaries active in Turkey rank among the strongest players in the country's financial markets by virtue of their high-quality, effective, and customer-focused approach to service.

ZİRAAT SİGORTA A.Ş.

Founded on May 11th, 2009, Ziraat Sigorta began its operations in non-life branches.

The company aims to cover its individual and institutional clients' needs in life and pension branches and to join the leading institutions of its sector by making use of the strength of Ziraat Bank's service network throughout Turkey, as well as its strong capital structure and the "Ziraat" brand, which is synonymous with trust.

A&T BANK A.Ş.

A&T Bank was founded in 1977 as a joint venture between a number of Arab and Turkish financial institutions. The Bank offers its customers a full range of banking products and services.

BİLEŞİM ALTERNATİF DAĞITIM KANALLARI VE ÖDEME SİSTEMLERİ A.Ş.

Having entered operation in 1998, Bileşim Alternatif Dağıtım Kanalları ve Ödeme Sistemleri A.Ş. provides alternative delivery channel and payment system services to Ziraat Bank.

Bileşim A.Ş. has successfully passed audit for compliance with the security standards set by major international payment card organizations such as Visa and MasterCard. The Company was the fourth firm in the service provider category to be awarded PCI DSS (Payment Card Industry Data Security Standards) certification in Europe and the first in Turkey. The Company continues to fulfill all the requirements of certification and successfully passed its annual audit for compliance with international standards in 2009.

At the service of one of Turkey's biggest ATM networks, Bileşim A.Ş. maintained its position among the first three companies in the "Top 500 Information Technology Companies in Turkey, 2009" ranking in the "Income from Outsourced Services" category.

FİNTEK FİNANSAL TEKNOLOJİ HİZMETLERİ A.Ş.

Founded in 2001, Fintek Finansal Teknoloji Hizmetleri A.Ş. provides information technology services to our Bank and our domestic & foreign subsidiaries with its operations at Ankara and Istanbul offices.

Having implemented the Fin@rt project which allowed Ziraat Bank to switch from distributed computer architecture to a centralized system, Fintek provides information technology services in the areas of infrastructure, support & operations, application development, and technical consulting to Ziraat Bank. Fintek ensures that Ziraat Bank's management information and decision support systems remain in operation and make increasingly more effective and productive use of information that is constantly being updated and consolidated by continuing to develop its Fin@rt basic banking software.

The information technology service provider, information technology investment consultancy, and software application development and maintenance services provided by Fintek have all been awarded TSE EN ISO 9001:2000 certification, while security services are provided in compliance with TS ISO/IEC 27001 BGYS standards.

Management and Corporate Governance Practices

Ziraat Bank Board of Directors



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1. MEHMET MUMCUOĞLU**Deputy Chairman**

Mehmet Mumcuoğlu graduated from İstanbul University (Faculty of Business Administration) in 1974 after which he served in various positions such as bank inspector, assistant branch manager, head of the Board of Inspectors, and personnel manager at Akbank and Dışbank and as a manager and consultant in a number of private-sector concerns. He became a member of the Board of Directors in 2003 and has been deputy chairman since 2005.

2. CAN AKIN ÇAĞLAR**General Manager and Member of the Board**

Can Akın Çağlar is a graduate of İstanbul University (Faculty of Economics) and completed the money and banking master's program at the same school. He also holds a master's degree in banking and finance from Boston University. In 1985 he became a certified bank auditor for the Treasury Undersecretariat, assistant general manager of Egebank in 1997, and subsequently general manager of Ege Yatırım Menkul Değerler, a brokerage house of the same bank. Beginning in 1998, he served as a general manager of a private finance house. Mr. Çağlar speaks English. He has been a member of the Board of Directors and the Bank's General Manager since 2003.

3. AHMET CANDAN**Member of the Board**

Ahmet Candan is a graduate of Ankara University Faculty of Political Sciences (Department of Public Finance). Upon graduation he joined the Ministry of Finance as an assistant bank inspector. He subsequently served in management positions in private-sector concerns in Turkey and abroad and has published three works on economic and financial subjects. Mr. Candan became a member of the Board of Directors in 2006.

4. BURHANETTİN AKTAŞ**Member of the Board**

Burhanettin Aktaş graduated from Ankara University (Faculty of Political Sciences) in 1987. He began his career at the Treasury Undersecretariat as a comptroller and was appointed chief comptroller of the Treasury in 1998. He completed the master's program in public administration at Carnegie Mellon University in 2000. In 2001-2002 he served as assistant and then deputy head of the Treasury Board of Comptrollers. He currently holds the position of assistant Treasury Undersecretary. Mr. Aktaş has been a member of the Board of Directors since 2003.

5. MEHMET EMİN ÖZCAN**Member of the Board**

Mehmet Emin Özcan graduated from Ankara University (Faculty of Political Sciences, Department of Economics and Public Finance) in 1982. He began his career the same year as an assistant bank inspector at İşbank and subsequently served in management positions in the financial services industry. On 27 March 2003 he was elected to a seat on the board of directors of Halkbank and served as an executive director at that bank. He was appointed to a seat on the Ziraat Bank board of directors on 12 April 2005. He also serves as chairman of the Board of Directors of the Islamic Development Bank Association of National Development Finance Institutions (ADFIMI) of which Ziraat Bank is a member.

6. Dr. ÜMRAN DEMİRÖRS**Member of the Board**

Ümran Demirörs graduated from the Bursa Academy of Economic and Commercial Sciences (Department of Economics) in 1976. He received an MA in economics in 1981 and a PhD in the same discipline in 1988 from New York University (Faculty of Economics). He was a research associate at the Institute for Economic Analysis of NYU from 1981 to 1982 and from 1983 to 1988, he worked for Project LINK as an economic consultant at the Department of International Economic and Social Affairs of the United Nations in New York. Between 1988 and 1989, he worked as an economist at the International Finance Department of the Federal Reserve Bank of New York. From 1989 to 1992, he served as senior economic and financial consultant at the International Management Consultant and Advisory (IMCA) Group. Between 1992 and 1994, he headed the Research and Strategy Department of VestcorPartners Group Asset Management and Investment Bank. From 1994 to 1995, he was the head of Investment Committee of Renaissance Fund. From 1996 to 2002, he headed the Investments Committee of the Global Bond Department of the Franklin Templeton Investment Company. Between 2002 and 2008, he worked as the founding and managing partner of Gables Investment Management, a boutique hedge fund and investment advisory firm. Dr. Demirörs has been serving as a chief advisor to the Prime Minister of the Republic of Turkey since 13 December 2007 and as a member of Ziraat Bank Board of Directors since April 2008.

7. OĞUZ KAYHAN**Member of the Board****Audit Committee Member**

Oğuz Kayhan graduated from Ankara University (Faculty of Political Sciences, Department of Economics) in 1986. He began his career in 1987 as an assistant certified bank auditor for the Treasury Undersecretariat of the Prime Ministry. Mr. Kayhan was an assistant vice president of the Board of Certified Bank Auditors in 1998-2001, during which time he served as deputy president for a period of nine months. From February 2001 to November 2006 he headed a number of offices at the Banking Regulation and Supervision Agency. He was promoted to the position of a senior certified bank auditor in November 2006. Oğuz Kayhan has held a seat on the Ziraat Bank Board of Directors as a Member of the Bank's Audit Committee since June 2007.

8. HİKMET AYDIN SİMİT**Member of the Board****Audit Committee Member**

Hikmet Aydın Simit graduated from Ankara University (Faculty of Political Sciences, Department of Business Administration). After undertaking a variety of duties in privately-owned banks he joined the Ziraat Bank Board of Directors as a Member of the Board and the Bank's Audit Committee in June 2007.

9. ABDULLAH YALÇIN**Statutory Auditor**

Abdullah Yalçın graduated from Ankara Academy of Economic and Commercial Sciences in 1977. His career began in 1975 at Etibank in its headquarters department of accounting and financial affairs. He later served at the Central Bank of the Republic of Turkey and in positions such as bank inspector, manager, and branch manager at Vakıfbank. After retiring from that bank, he worked as a manager in the private sector for a time. Mr. Yalçın has been a Ziraat Bank statutory auditor since 2003.

Ziraat Bank Senior Management



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1. CAN AKIN ÇAĞLAR**General Manager and Member of the Board****2. SELİM GÜRAY ÇELİK****Chief Assistant General Manager
(Strategy and Operations)**

Selim Güray Çelik is a graduate of Ankara University (Faculty of Political Sciences, Department of Business Administration) and holds a master's degree from the University of Illinois in the United States. He served as an assistant auditor, auditor, and chief auditor at the Treasury Undersecretariat and then as a department head at the Banking Regulation and Supervision Agency (BRSA). He became an assistant general manager at Ziraat Bank in 2005 and has been serving as chief assistant general manager since August 2008. Mr. Çelik speaks English.

3. SENİH BOYACIĞİL**Chief Assistant General Manager
(Banking)**

Senih Boyacıgil is a graduate of Ankara Academy of Economic and Commercial Sciences (Department of Business Administration) and holds a master's degree from the same school. He joined Ziraat Bank in 1981 and has served as a bank inspector, assistant manager, branch manager, department head, and assistant general manager. He was appointed to the position of chief assistant general manager in August 2008.

4. ERCÜMENT GÜLER**Assistant General Manager for Resource Management**

Ercüment Güler graduated from Çukurova University (Faculty of Economic and Administrative Sciences). He began his career at Ziraat Bank in 1984 as an assistant bank inspector and subsequently served in the positions of inspector, unit assistant manager, and manager. After holding a senior management position at a state-owned enterprise for a time, he became a department head at Ziraat Bank in 2001. Mr. Güler has been an assistant general manager responsible for resource management since September 2008.

5. ALİ RIZA AKBAŞ**Assistant General Manager for Commercial Banking**

Ali Rıza Akbaş is a graduate of Ankara University (Faculty of Political Sciences, Department of International Relations). After undertaking positions as an inspector and manager at a number of privately-owned banks and financial institutions, he was appointed a regional head manager at Ziraat Bank in 2005. Mr. Akbaş has been an assistant general manager responsible for commercial banking since August 2007.

6. HÜSAMETTİN GÜLHAN**Assistant General Manager for Agricultural Banking**

Hüsamettin Gülhan is a graduate of Çukurova University (Faculty of Economic and Administrative Sciences). He joined Ziraat Bank in 1984 as an assistant inspector, subsequently serving as an inspector, assistant manager, branch manager, and regional manager both in Turkey and abroad. He became an assistant general manager in 2005 and was appointed to the position of group head in 2008. Mr. Gülhan has been assistant general manager for agricultural banking since August 2009.

7. Dr. SONER CANKO**Assistant General Manager for Retail Banking**

Soner Canko graduated from Istanbul University (Faculty of Political Sciences) after which he received a master's degree and doctorate from the Faculty of Economics of the same school. He began his career in the Information Technologies Department of Dışbank and subsequently undertook management positions in a number of private sector firms and banks. In addition to holding general manager and board member positions at in Bileşim A.Ş. between 2003-2007, he was also elected to a seat on the Board of Directors of the Interbank Card Center and became its chairman. He served as an incorporating general manager representing Turkish interests in a privately-owned firm in 2007-2009. He has been an assistant general manager at Ziraat Bank since December 2009. Dr. Canko speaks English.

8. ERTUĞRUL İSPAHA**Assistant General Manager for Loans and Overdue Loans**

Ertuğrul İspaha graduated from Ankara University (Faculty of Political Sciences, Department of Labor Economics and Industrial Relations). After undertaking positions as inspector and manager at a number of privately-owned banks and financial institutions, he joined Ziraat Bank and served as a corporate banking branch manager and as a regional head. Mr. İspaha has been an assistant general manager since December 2009.

9. CEM ÖZŞEN**Assistant General Manager for Treasury**

Cem Özşen is a graduate of Ankara University (Faculty of Political Sciences, Department of Business Administration) and holds a master's degree in business administration from Bentley College. After serving in various positions in the private sector, the Treasury Undersecretariat, and Ziraat Bank, he became an assistant general manager of the Bank in 2002. Mr. Özşen speaks English.

10. İ. ERDAL MAZLUM**Assistant General Manager for Accounting and Financial Management**

İ. Erdal Mazlum graduated from Anadolu University (Faculty of Economic and Administrative Sciences, Department of Economics). He began working at Ziraat Bank in 1986 as an assistant bank inspector and subsequently served as a bank inspector and department head. Mr. Mazlum has been an assistant general manager since September 2008.

11. BÜLENT YALIM**Assistant General Manager for Banking Operations**

Bülent Yalım is a graduate of Ankara University (Faculty of Political Sciences). He joined Ziraat Bank as an assistant bank inspector in 1987 and subsequently served as an inspector, assistant manager, branch manager, and department head. Mr. Yalım became an assistant general manager in 2005.

12. ELİF ZEYNEP ERÜL**Assistant General Manager for Corporate Communication**

Elif Zeynep Erül graduated from Istanbul University (Department of Business Administration). After serving in a variety of private sector positions in insurance, banking, and corporate communication, she joined Ziraat Bank as a department head in June 2007 and has been serving as an assistant general manager since September 2008. Ms. Erül speaks English.

13. SEYFETTİN SAĞLAM**Assistant General Manager for Human Resources**

Seyfettin Sağlam is a graduate of Middle East Technical University (Faculty of Sciences & Literature, Department of Sociology). He holds a master's degree from Marmara University (Faculty of Business Administration, Department of International Quality Management) and also completed the Management of People Program at the European Institute of Business Administration (INSEAD). After working in a number of private sector positions beginning in 2001, he joined Ziraat Bank as an assistant general manager in September 2008. Mr. Sağlam speaks English.

14. MUSTAFA ŞAHİN**Assistant General Manager for Support Services**

Mustafa Şahin is a graduate of Istanbul University (Faculty of Political Sciences). He began his career at Ziraat Bank in 1991 as an assistant bank inspector and subsequently served as an inspector, assistant manager, branch manager, regional manager, and department head, and head of the Board of Inspectors. Mr. Şahin has been serving as an assistant general manager since September 2008.

15. ALİ ARAS**Head of the Board of Inspectors**

Ali Aras graduated from Ankara University (Faculty of Political Sciences). He began his career at Ziraat Bank as an assistant bank inspector and subsequently served as a branch manager, regional manager, and department head. Mr. Aras has been head of the Ziraat Bank Board of Inspectors since September 2008.

16. YUSUF BİLMEZ**Internal Control Group Head**

Yusuf Bilmmez is a graduate of Hacettepe University (Department of Business Administration). He began his career at Ziraat Bank in 1983 as an assistant inspector. He subsequently served as an inspector, assistant manager, and branch manager and then as an assistant general manager in 2003-2006. Mr. Bilmmez has been head of the Internal Control Group since December 2006.

17. MEHMET AYHAN ALTINTAŞ**Risk Management Group Head**

Mehmet Ayhan Altıntaş graduated from Hacettepe University (Department of Business Administration) and holds a master's degree from University of Westminster. He began his career in 1985 as a certified bank auditor. He also worked at the Treasury Undersecretariat, Banking Directorate, London Office of the Economic Counsellor and the Banking Regulation and Supervision Agency SDIF Financing, Monitoring, and Research Office. He was appointed head of the Ziraat Bank Risk Management Group in August 2007.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Board of Directors Report

Ziraat Bank in 2009

In 2009 Ziraat Bank proudly completed its 146th year in operation. Last year, the Bank once again defended its superior position as the Bank possessing the most extensive service network in the sector with 1,203 branches, 70 special transaction centers, 29 bureaus, 1 charge bureau and 2 mobile branches in Turkey and with 11 international branches, 9 subsidiaries, and 2 representative offices in 17 other countries. Ziraat Bank's 22,198 personnel represent 12% of the sector's employment while the number of its branches makes up 14% of the sector's total. Ziraat Bank has a presence in 428 counties and townships in Turkey that are served by no other bank.

In addition to its four branches, one sub-branch and a bureau in the Turkish Republic of Northern Cyprus; Ziraat Bank also has branches in New York, London, Sofia, Tbilisi, Athens, Komotini, and Baghdad; a sub-branch in Plovdiv (Bulgaria); representative offices in Karachi, and Tehran; and international subsidiary banks and their branches, sub-branches and offices in Germany, Macedonia, Azerbaijan, Bosnia & Herzegovina, Kazakhstan, Uzbekistan, Russia and Turkmenistan. All together they give Ziraat Bank a presence at 67 locations all over the world and the most extensive reach of any Turkish bank in the world.

Despite adverse economic conditions that reigned, 2009 proved to be positive year for Ziraat Bank in terms of growth and profitability. The Bank sustained its leadership in a number of aspects in the industry, led by total assets and net profit also in 2009. While the Bank's total assets exceeded TL 124.5 billion, its net profit stood at TL 3,511 million. The Bank's gross profit last year amounted to TL 4,417 million, and TL 906 million was set aside as tax provision.

The progress made in the business of lending by Ziraat Bank in the last years continued in the reporting period. The Bank introduced new loan products and its weekly loans were worth no less than TL 1 billion, despite the cautious approach employed in its lending policy. Although 2009 was characterized by the consequences of the global economic crisis, total loans were up 19% year-on and reached TL 37 billion at the end of the year. Becoming the highest lender in Turkish lira in the banking industry in 2009, Ziraat Bank's total TL loans amounted to TL 34.5 billion.

Representing one of the Bank's most significant contributions to national economy, uninterrupted financing support to agricultural sector continued to gain momentum in 2009. Up 21% year-on, agricultural loans reached TL 7,708 million. While the weekly average of the Bank's agricultural lending was TL 109 million in 2008, this rose to TL 155 million in 2009. Over the past six years, the Bank extended TL 25.4 billion in agricultural loans to nearly three million producers.

Realizing a breakthrough in retail loans, the Bank captured leadership in retail loans in the sector. Making up a large part of our lending portfolio, retail loans increased 26% year-to-year and reached TL 16.9 billion, constituting nearly 13% of the sector. In general-purpose loans, one out of every four people across the country took out a loan from Ziraat Bank. Up to TL 10.2 billion at year-end 2009, total general purpose loans volume makes the Bank by far the leader of the sector. The Bank fulfilled the individual financing needs of a large number of customers with its specially designed products and interest rate policies adhered to. There was 37% growth in general purpose loans in the past one year bringing the Bank's share in the sector to 26%.

A significant indicator of the Bank's support to the real sector, commercial loans topped TL 8.2 billion in 2009 with 9% increase. Given special importance within commercial lending, SME loans reached TL 2.8 billion.

Thanks to sound lending policies and to watchful credit-monitoring practices, the Bank was able to maintain its ratio of non-performing loans (excluding those arising from funds and other receivables for which the Bank does not set aside any provisions) to total lending well below the sector average at 1.9%, despite the 19% year-on increase in total loans.

Ziraat Bank is the leader of its sector in deposits and holds about one-fifth of all deposits available to the entire sector. The deposits entrusted to the Bank rose by 17.5% year-on in 2009 to reach TL 98.5 billion.

Conclusion

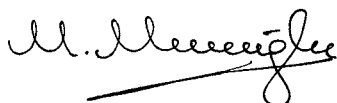
Having posted the highest profits of any bank in Turkey in the five-year period from 2004 through 2008, Ziraat Bank repeated that performance in 2009 by announcing a net profit in the amount of TL 3,511 million. The Bank's return on assets was 3.1% in the reporting period, while its return on equity was 40.4%. These ratios represent a profitability that is above the sector average.

Serving the Turkish people for 146 years since 1863, Ziraat Bank had a successful year in 2009 on the back of a liquid, sound and gradually strengthening balance sheet, and further solidified its leader position in the sector. Ziraat Bank will continue to contribute to the national economy, working in line with profitability and productivity principles all along and remaining the socially responsible enterprise that it is.

TÜRKİYE CUMHURİYETİ ZİRAAT BANKASI A.Ş.



Can Akın ÇAĞLAR
General Manager



Mehmet MUMCUOĞLU
Deputy Chairman of the Board

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Human Resources Practices

Remaining the leader of the banking sector in 2009, Ziraat Bank recognizes that the principal element that makes a difference in competition is the human resource and has maintained the modern human resources management system it has adopted in line with the principles of transparency, participation, productivity and compliance with banking ethics.

Having made it a mission to provide modern and reliable banking service all over the country, the Bank had 22,198 employees on its payroll at the end of 2009. While 13% of our employees work at the headquarters units, 87% are assigned at regional offices and branches. 73% of the employee body holds graduate or postgraduate degree; average age of employees is 39 and average tenure is 15 years.

As one of the long-established major enterprises in our country, Ziraat Bank adopts a transparent approach to career management in which career paths and promotion requirements are clearly formulated, and offer young people the chance to advance in their banking careers. To this end, the Bank provided employment to numerous new graduates in 2009 following suit of previous years, and the Ziraat Bank Family expanded with 2,355 new members in 2009.

The Bank authored a first in recruitment exams and gave online tests at our branches to Assistant Inspectors and Assistant Specialist candidates that will be admitted to the Banking School.

Istanbul Banking School became operational with a view to training and developing the qualified personnel that will be needed for the relocation project of the Bank's head office to İstanbul.

The Bank introduced the first "Customer Training" via its website in an effort to raise awareness and consciousness among the society. In this frame, Ziraat Bank developed "Information Islands Series" targeting children, which includes "Money and Bank Island", "Loans and Credit Card Island", "Budget Island", "Saving Island" trainings, while the agricultural industry is addressed with "Modern Irrigation Techniques" and "Agricultural Insurance" trainings. Other modules cover "Financial Markets in the World and in Turkey" and "Banking Profession" trainings for young people, as well as "Credit Cards: the Payment Tool of Modern Life" module which concerns many segments of the society. These training programs are accessible by customers at <http://ekampus.ziraatbank.com.tr/>.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Information on the Activities of the Committees

INFORMATION ON THE ACTIVITIES OF THE CREDIT COMMITTEE

As required by the Bank's "Regulation of Management Bodies", the Credit Committee engages in such activities as examining credit risk strategies and lending policies on a regular basis and, based on the results of such examinations, making recommendations to the Board of Directors concerning changes that need to be made in policies and strategies; taking proposed lendings under consideration if they are in compliance with the Banking Law and applicable legislation; approving those that fall within its authority and presenting those which exceed that authority and which are deemed appropriate to the Board of Directors with its favorable opinion; assessing credit-related regulations and presenting those that it regards suitable to the Board of Directors for its approval; taking into consideration lending policies and presenting those that are deemed appropriate to the Board of Directors for approval; coming to decisions related to lending proposals on such credit restructuring issues as new allocations, term extensions, increases, changes in conditions, and interest reductions. The Credit Committee met 36 times during 2009 and took 367 decisions.

Chairman

Can Akin ÇAĞLAR, General Manager and Member of the Board

Members

Mehmet MUMCUOĞLU, Deputy Chairman of the Board

Ahmet CANDAN, Member of the Board

INFORMATION ON THE ACTIVITIES OF THE AUDIT COMMITTEE

Pursuant to the Bank's "Regulation on Management Bodies", the Audit Committee is obliged to satisfy the duties, powers and responsibilities set out by the Banking Law and the Banking Regulation and Supervision Agency (BRSA). The Committee is responsible for the execution of the Compliance Program that will be formed pursuant to the "Regulation on Compliance Program concerning Prevention of Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism" issued in relation to the enforcement of the Law on the Prevention of Legalization (Laundering) of Proceeds from Crime, and fulfills the duties, powers and responsibilities set out in the legislation issued concerning these matters.

Members

Oğuz KAYHAN, Member of the Board

Hikmet Aydın SİMİT, Member of the Board

Attendance by the Members of the Board of Directors and of the Audit Committee in the Meetings Held During the Reporting Period

Board of Directors

The Board of Directors meets regularly at least once a month upon summons by the chairman, deputy chairman or any member of the Board.

The Board met 25 times during 2009 and passed 375 resolutions.

Audit Committee

The Audit Committee meets regularly at least once a month with the attendance of all members. The committee met 23 times during 2009 and passed 68 resolutions.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Related Party Transactions

As per article 49 of the Banking Law no 5411 and because its capital belongs entirely to the Turkish Treasury, the risk group of which Ziraat Bank is a member consists of itself and the companies that it controls either directly or indirectly.

Relations between the Bank and the members of the risk group in which it controls a stake are banking transactions conducted in compliance with the Banking Law within the framework of normal bank-customer relationships carried out at arm's length and consist primarily of borrowing and lending and of accepting and giving deposits.

Details of the amounts and reasons for the transactions that Ziraat Bank engaged in with members of its own risk group in 2009 are presented in footnote VII of section five of the year-end financial report that is included in this annual report.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Activities for Which Support Services are Outsourced in Accordance with the "Regulation Concerning the Outsourcing of Support Services by Banks and the Authorization of Organizations Providing Such Services" and the Persons and Organizations from Which They are Obtained

1. BİLEŞİM ALTERNATİF DAĞITIM KANALLARI VE ÖDEME SİSTEMLERİ A.Ş.

Bileşim was originally founded in 1995. In 1998, by taking the title "Ziraat Kart İşlemleri A.Ş.", the company changed its field of activity. In 2002, it was reorganized with a new partnership structure under the current title of "Bileşim A.Ş.". Bileşim is an information technology company that supplies operational and support services for alternative delivery channel and payment system services of Ziraat Bank.

The alternative delivery channel and payment system services and operations that Bileşim provides are concerned with Ziraat Bank's credit cards, debit cards, ATMs, merchant partners (POS), and call center. As of end-2009, it was delivering service to 2.6 million credit cards and 13.8 million debit cards on Ziraat Bank's behalf and managing the operations of 48.4 thousand POS and 2,609 ATM terminals. It also provides support services on information and screen use concerning the Bank's products and services through the Branch Support Hotline as well as through the Customer Communication Center on 444 00 00.

Maintaining the same service quality and customer-focused approach in responding to significant volumes in its areas of service in 2009, Bileşim successfully brought to finalization various projects relating to ATM, internet banking, merchant partners (POS), OGS (automated toll system), debit and credit cards. Major projects completed in 2009 by Bileşim A.Ş. include new machinery investments, credit card restructuring project, card printing network security efforts, commencement of VTM service, introduction of OTP in telephone banking, and inception of technical support service for mobile banking.

2. FİNTEK FİNANSAL TEKNOLOJİ HİZMETLERİ A.Ş.

Providing information technology service to Ziraat Bank and its domestic/international subsidiaries, Fintek Finansal Teknoloji Hizmetleri A.Ş. was established in 2001. Fintek offers application development services on a variety of platforms as well as systems operation and management services, operational services, communication network and infrastructure installation services, project management services, and consultancy services.

Not just a provider of services and products in information technologies, the company contributes to the enhancement of enterprises' competitive strength by helping them use information technologies more effectively through its research and development and product development services offered. Fintek ensures that Ziraat Bank's management information and decision support systems remain in operation and make increasingly more effective and productive use of information that is constantly being updated and consolidated by continuing to develop its Fin@rt basic banking software.

Fintek continued to provide IT services in the fields of infrastructure, support/operation, application development and technical consultancy to Ziraat Bank in 2009. During the reporting period, the company realized a number of projects in line with the Bank's needs and demands, including Pricing/Intelligence Request and Approval Form, Custody Service, Salary Advance Loan, Mobile Banking, Creation of Expense Management Group Structure, Accumulated Savings Account, E-pledge, Cash Balance Management and Barcode Implementation.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.
Financial Information and Risk Management

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Statutory Auditors' Report

To the General Assembly of T.C. Ziraat Bankası A.Ş.

In the assessment relating to the accounts and transactions of T.C. Ziraat Bankası A.Ş. for the period 1 January 2009 to 31 December 2009 within the context of the Article No: 354 of the Turkish Commercial Code, it was observed that:

The balance sheet dated 31 December 2009 and the 2009 profit & loss statement appended to the Ziraat Bank Board of Directors report and the statements made in that report conform to the books of account, and accurately reflect the true financial standing of the Bank and the true results of its activities for that year.

Decisions concerning the Bank's management were duly entered into the Resolution Book.

We kindly submit to the information and evaluation of the General Assembly.

Ankara, 08 March 2010



Abdullah YALÇIN
Statutory Auditor

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Audit Committee's Assessment of the Operation of the Internal Audit, Internal Control, and Risk Management Systems

Consisting of banks' audit, control and risk management units, internal systems is a management function aiming to ensure complete and secure pursuance of banking activities; realization of long-term profit targets, and reliable financial and administration reporting, and to minimize unexpected risks that might negatively affect the Bank's reputation.

Carried out under the provisions of the Regulation on Banks' Internal Systems enacted pursuant to the Banking Law no 5411, reorganization was formulated in alignment with the diversity of the Bank's activities and in a manner to be able to respond to changing conditions.

OPERATION OF THE INTERNAL AUDIT SYSTEM

Having endorsed that it has been carrying out its operations within the frame of international standards with the ISO 9001:2000 Quality Management System certification, Ziraat Bank Board of Inspectors maintained its pioneering role in the sector and in the field of audit in 2009, drawing on its deeply-rooted history. Consisting of a team of 240 inspectors and assistant inspectors, the Board of Inspectors audits all of the Bank's operations and units.

In addition to its routine audits, the Centralized Audit Team under the Board of Inspectors uses Finart monitoring screens and audit/analysis software to conduct remote assessment of the balance sheet data for the Bank and branches, establish their risk levels, and oversee increases in loan and placement balances, changes in the constitution of deposit accounts, activity in customer accounts, cash balance structure and other similar matters, aiming to establish operational risk and irregularities in advance.

Placing special emphasis on the training and personal development of inspectors for they make up the Bank's most important manager pool, in addition to their audit activities, the Board of Inspectors ensured that the members of the Board attended in-service training programs planned in this frame, as well as extramural meetings and seminars during the year.

A project is designed to provide information systems auditing training to the Bank's inspectors in foreign countries and to be instrumental in their gaining on-site experience on European Union practices in this field. Accordingly, to be considered within the frame of the "Leonardo da Vinci Professional Training Program" that is a sub element of the European Union Lifelong Learning Program, 14 inspectors attended the professional training given in Germany by Protiviti GmbH - Independent Risk Consulting and Internal Audit Company from 01 November 2009 until 05 December 2009.

Devised to establish incidences of malversation and to minimize the Bank's losses arising from irregularities, Branch Risk Study was repeated in 2009, which uses Individual Risk Analysis to establish the risk level of each branch in a measurable and comparable manner.

Inspectors started giving on-the-job training to personnel for the purpose of closely monitoring the changes that occur in products and services in view of the rapidly evolving market and competitive conditions so as to minimize erroneous transactions; quickly resolving basic legal issues that might be faced with on the basis of branches without causing loss to the Bank; and eliminating operational risk through enhancing sensitivity and awareness on information security at every level of the Bank.

Authoring a first in terms of human resource recruitment in the Turkish banking sector, the Board of Inspectors successfully administered the written part of the Assistant Inspector Admission Exam electronically at 63 test centers under 19 Regional Offices across the country and at branches. While the exam results were announced the same day on our website, each candidate was able to learn about his or her exam result from his/her computer monitor 15 minutes after the finishing hour of the exam.

With a view to obtaining feedback on the satisfaction level of our inspectors with the activities of the Board of Inspectors and of our branches with the audit activities conducted, a satisfaction survey was carried out among the managers of 242 branches and among our inspectors; based on the results of both surveys, the satisfaction level was found to be above 90%.

In the period ahead, the Board of Inspectors will continue to be guided by a high sense of responsibility and duty in its efforts, and to create high added value for the Bank and its stakeholders capitalizing on all technological facilities, and particularly on internationally accepted modern audit techniques.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Audit Committee's Assessment of the Operation of the Internal Audit, Internal Control, and Risk Management Systems

OPERATION OF THE INTERNAL CONTROL SYSTEM

Under the Group Directorate structure that reports directly to the Audit Committee, the Internal Control Department effectively carried out its activities with 300 internal controllers and assistant internal controllers in 2009. In addition, seven internal controllers work at international branches, who possess the qualifications required as per the local legislation of the relevant countries. Internal control activities at the Bank are organized so as to cover all of the Bank's domestic and international branches and headquarters units and all of the Bank's activities under the Regulation on Banks' Internal Systems issued by the BRSA.

Necessary steps were taken in 2009 to further improve the internal control system and to ensure that internal control activities are conducted smoothly. Internal controllers working at all branches and units systematically carried out on-site and centralized controls, making optimum use of information technologies and giving weight to risky areas.

Upon conclusion of control activities, results from the controls are securely and quickly reported to the related units and executive management through electronic reporting, and measures/steps taken based on the reports are followed-up.

Using the data from the database on Internal Control Reports issued electronically, quantifiable results are produced which fit various criteria such as erroneous transactions, number and amount of transactions, the personnel who handled the erroneous transaction, etc. These statistical data contribute significantly to the preparation of control programs in a more useful and fitting manner.

All branches are subject to controls that occur at quarterly intervals in average. As a result of the controls, processes related to findings that pose generality and significance are reviewed, and systemic and other deficiencies are determined, upon which process improvements are made. 95% of all loans extended during control periods have been controlled.

Web-based applications are employed in organizing internal control activities and results are monitored via the web.

Within the frame of centralized control activities, various analysis programs were used to analyze the system-produced data and the results there from have been forwarded directly to the related units. Alternatively, reports and ancillary documents were produced for use by Internal Controllers assigned to branches during their control activities, thereby enabling them to focus on selected transactions considered to be posing risks in lieu of a large number of transactions. This enhances effectiveness of controls. Furthermore, new systemic controls were added to the banking program as a result of these efforts.

Pursuant to Article 12/3 of the Internal Systems Regulation, the Bank personnel quickly refer the issues they are faced with to related units and Internal Control Department using the computer system, and the issue is resolved as soon as possible, monitored and controlled.

Information Systems Application Controls have been conducted by internal controllers who received engineering education, under the consultancy of TÜBITAK (The Scientific and Technological Research Council of Turkey) National Research Institute of Electronics and Cryptology.

Internal controllers assigned to the site conducted detailed examinations on the transactions about which there were doubts or hesitations on the basis of established practices. The Preliminary Examination Reports issued helped the Bank take action/adopt measures swiftly in relation to such transactions.

As per article 18 of the Regulation on Banks' Internal Systems, Compliance Control Division set up under the Internal Control Department performed compliance controls to ensure that all of the activities carried out and planned to be carried out by the Bank, as well as new transactions and products, are in compliance with the Law and other applicable legislation, and the Bank's own policies and rules, and established banking practices.

Based on the data internal controllers obtain from the control activities, significant contributions were made to the sound operation of the Bank's activities and enhancement of service quality by way of activities and recommendations developed for increasing the effectiveness of control activities on processes, development of control mechanisms and methods used during internal controls, proper operation of self-control mechanisms and reducing operational risks, and determination of erroneous implementations that can be prevented by the system or that needs to be identified by the system.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Audit Committee's Assessment of the Operation of the Internal Audit, Internal Control, and Risk Management Systems

As a consequence, the controls coordinated by the Internal Control Department and performed by internal controllers at branches and headquarters units are aligned with the Bank's objectives in terms of period, scope and methodology, and are swift, up-to-date and proactive. They are constantly reviewed and revised in parallel with the changing needs, risks, technological developments, and circumstances.

OPERATION OF THE RISK MANAGEMENT SYSTEM

The Risk Management Department effectively carried out its activities with 21 risk analysts and assistant risk analysts in 2009. The fundamental approach to risk management activities carried out at the Bank is to achieve the best possible practices in risk management functions by inculcating a culture of risk-awareness throughout the Bank and by continuously improving both the system and the human resources. Maximum attention is given to ensuring that the risk management activities that take place are conducted with the coordinated participation of all units that are involved in every activity associated with each category of risk.

Risk Management activities cover the main headings of credit risk, market risk, operational risk and balance sheet risks (banking accounts interest rate risk and liquidity risk), and have the ultimate objective of achieving compliance with international best practices.

Under the heading of credit risk management, work is undertaken for measuring, analyzing, reporting and monitoring credit risk, employing methods that are in alignment with Basel II. In this context, the credit risk is measured using the standardized method and calculations are supported by scenario analyses. Activities on Advanced Measurement Methods are ongoing at the Bank.

Under the heading of operational risk management, operational risks are defined, classified and analyzed. In the determination of operational risk levels of branches and headquarters units, operational risk indicators are used and self-assessments are performed. The project for automated monitoring of operational risk data has been completed and launched, thereby enabling monitoring of operational risk incidents as and when they are recognized in the accounts. Basic Indicator Approach is employed in calculating operational risk base amount, and activities are underway in relation to Advanced Measurement Methods.

Under market and balance sheet risks management activities; market, liquidity, and banking accounts interest rate risks are measured, analyzed, limited, scenario analysis is conducted thereon, and they are stress-tested, reported and monitored.

Within the scope of Risk Management activities, global and national developments are monitored via time-series, and projections are made on economic and financial indicators used in risk management, employing econometric models.

As part of Internal Capital Adequacy Assessment Process, "Economic Capital" projections that cover basic risks were commenced in 2009.

Results of analyses conducted under risk management activities and risk indicators are reported in different levels of content to the Board of Directors, the Audit Committee, Executive Units and Internal System Units on semi-annual, monthly, weekly and daily intervals.

The new operating period will see continued activities under all risk categories on the basis of internationally accepted advanced risk management techniques, as well as execution of these activities as an integral part of the Bank's strategic decision-making processes.



Hikmet Aydın SİMİT
Member of the Audit Committee



Oğuz KAYHAN
Member of the Audit Committee

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Independent Auditor's Report for the Period January 1 - December 31, 2009

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

We have audited the accompanying unconsolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. (the "Bank") as at December 31, 2009, and the related unconsolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the regulation on "Procedures And Principles Regarding Bank's Accounting Practices And Documentation" published in the Official Gazette dated November 1, 2006 and numbered 26333 and the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette numbered 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Türkiye Cumhuriyeti Ziraat Bankası A.Ş. as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Article 37 of the Banking Act No: 5411 and 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, March 01, 2010

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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.**The Unconsolidated Financial Report for the Year Ended December 31, 2009**

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

The unconsolidated year end financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN RELATED PERIODS
- NOTES TO THE FINANCIAL POSITION OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

Unless otherwise indicated, these unconsolidated financial statements and explanatory footnotes and disclosures are prepared in Thousand of the Turkish Lira in accordance with the Communiqué on "Banks' Accounting Practice and Preservation of Documents", Turkish Accounting Standards, Turkish Financial Reporting Standards and related communiqués and interpretations including the Bank's records, have been independently audited and presented as attached.



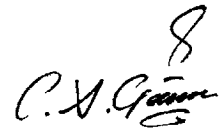
Mehmet MUMCUOĞLU
 Deputy Chairman of the
 Board of Directors



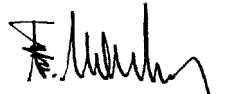
Oğuz KAYHAN
 Member of the Board of Directors
 (Member of the Audit Committee)



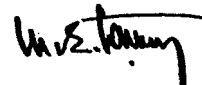
Hikmet Aydın SİMIT
 Member of the Board of Directors
 (Member of the Audit Committee)



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 Reporting Manager
 Telephone Number : 0312 584 70 97
 Fax Number : 0312 584 71 50 - 53

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

SECTION I: GENERAL INFORMATION

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Bank was officially established by the re-organization of the Benefit Funds in 1888, to grant loans to farmers, to accept interest-bearing deposits and to act as a moneylender and an intermediary for agricultural operations. The Bank, which was given the authority to perform all the banking activities, has its head office located in Ankara and all shares of the Bank belong to the Undersecretariat 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 Undersecretariat of Treasury of the Turkish Republic.

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

Name	Administrative Function
Members of the Board of Directors	
Mehmet MUMCUOĞLU	Deputy Chairman and Member
Can Akın ÇAĞLAR	General Manager and Board Member
Ahmet CANDAN	Member
Burhanettin AKTAŞ	Member
Hikmet Aydın SİMİT	Member
Mehmet Emin ÖZCAN	Member
Oğuz KAYHAN	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	
Ercüment GÜLER	Resource Management
Ali Rıza AKBAŞ	Commercial Banking
Hüsamettin GÜLHAN	Agricultural Banking
Dr. Soner ÇANKO	Retail Banking
Ertuğrul İSPAHA	Loans and Overdue Loans
Cem ÖZŞEN	Fund Management
İsmail Erdal MAZLUM	General Accounting and Finance
Bülent YALIM	Banking Operations
Elif Zeynep ERÜL	Corporate Communication
Seyfettin SAĞLAM	Human Resources
Mustafa ŞAHİN	Support Services
Chairman of the Internal Audit	
Ali ARAS	Chairman of the Internal Audit
Group Heads	
Yusuf BİLMEZ	Internal Control
M. Ayhan ALTINTAŞ	Risk Management

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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 December 31, 2009, Bank carries its activities with a grand total of 1,317 branches; 1,305 domestic branches including 1,203 branches, 29 bureaus, 70 private operation centers, 1 charge bureau, 2 mobile branches and abroad branches each in United States (New York), England (London), Bulgaria (Sofia), Georgia (Tbilisi) and Iraq (Baghdad), 2 branches in Greece (Athens, Komotini), 4 branches (Nicosia, Kyrenia, Morfou, Famagusta) and 1 bureau (Paşaköy) in Turkish Republic of Northern Cyprus. Also, Bank has 1 representative office in Pakistan (Karachi) and Iran (Tehran). As of January 4, 2010, new sub branches have been opened at Bulgaria (Filibe/Plovdiv) and Turkish Republic of Northern Cyprus (Nicosia). Moreover, preparations for opening a branch in Saudi Arabia (Jeddah) are still continuing.

The Bank signed a contract with T. İş Bankası A.Ş. on January 22, 2007 to provide longer installment plan and bonus points to their credit card users. The Bank's credit card users will be benefiting from all the advantages within Maximum credit card at merchants that are a part of Maximum plan. Also with this contract the Bank has the right to register members for Maximum from the merchants that apply. Transactions between the two banks are administered by Interbank Card Centre.

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

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 FLOW
- VII. STATEMENT OF PROFIT DISTRIBUTION

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Balance Sheet (Financial Position Table)

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2009)			AUDITED PRIOR PERIOD (31/12/2008)		
ASSETS	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	7,368,394	1,805,868	9,174,262	7,792,291	1,583,306	9,375,597
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(2)	445,106	49,138	494,244	640,943	22,636	663,579
2.1 Financial Assets Held for Trading		445,106	49,138	494,244	640,943	22,636	663,579
2.1.1 Public Sector Debt Securities		444,972	48,226	493,198	639,938	21,530	661,468
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.1.3 Derivative Instruments Held for Trading		133	912	1,045	1,004	1,106	2,110
2.1.4 Other Marketable Securities		1	-	1	1	-	1
2.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	6,695	5,422,914	5,429,609	9,237	3,701,113	3,710,350
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables From Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	20,885,249	4,764,572	25,649,821	3,970,104	5,100,940	9,071,044
5.1 Securities Representing a Share in Capital		24,028	6	24,034	21,391	6	21,397
5.2 Public Sector Debt Securities		20,826,981	3,206,994	24,033,975	3,637,410	3,582,741	7,220,151
5.3 Other Marketable Securities		34,240	1,557,572	1,591,812	311,303	1,518,193	1,829,496
VI. LOANS AND RECEIVABLES	(5)	34,667,230	2,057,337	36,724,567	29,589,641	1,246,553	30,836,194
6.1 Loans		34,495,155	2,057,337	36,552,492	29,475,597	1,246,553	30,722,150
6.1.1 Loans Granted to Risk Group of The Bank		-	35,001	35,001	18,715	41,511	60,226
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		34,495,155	2,022,336	36,517,491	29,456,882	1,205,042	30,661,924
6.2 Loans Under Follow-up		845,315	9,594	854,909	595,747	8,533	604,280
6.3 Specific Provisions (-)		673,240	9,594	682,834	481,703	8,533	490,236
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	40,120,714	4,723,082	44,843,796	44,001,121	4,786,079	48,787,200
8.1 Public Sector Debt Securities		40,116,200	4,722,654	44,838,854	43,997,649	4,785,670	48,783,319
8.2 Other Marketable Securities		4,514	428	4,942	3,472	409	3,881
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	121,963	-	121,963	121,399	-	121,399
9.1 Accounted with Equity Method		74,147	-	74,147	74,147	-	74,147
9.2 Unconsolidated Associates		47,816	-	47,816	47,252	-	47,252
9.2.1 Financial Associates		43,516	-	43,516	43,426	-	43,426
9.2.2 Non-financial Associates		4,300	-	4,300	3,826	-	3,826
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	112,041	455,182	567,223	65,112	449,879	514,991
10.1 Unconsolidated Financial Subsidiaries		107,662	455,182	562,844	60,313	449,879	510,192
10.2 Unconsolidated Non-financial Subsidiaries		4,379	-	4,379	4,799	-	4,799
XI. ENTITIES UNDER JOINT CONTROL (Net)	(9)	-	25,966	25,966	-	24,982	24,982
11.1 Accounted with Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Entities Under Common Control		-	25,966	25,966	-	24,982	24,982
11.2.1 Financial Entities Under Common Control		-	25,966	25,966	-	24,982	24,982
11.2.2 Non Financial Entities Under Common Control		-	-	-	-	-	-
XII. RECEIVABLES FROM LEASING TRANSACTIONS (Net)	(10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair Value Hedges		-	-	-	-	-	-
13.2 Cash Flow Hedges		-	-	-	-	-	-
13.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	811,492	4,522	816,014	812,577	2,165	814,742
XV. INTANGIBLE ASSETS (Net)	(13)	15,664	1,974	17,638	8,952	2,342	11,294
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		15,664	1,974	17,638	8,952	2,342	11,294
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	347,201	-	347,201	170,888	-	170,888
17.1 Current Tax Asset		2,382	-	2,382	426	-	426
17.2 Deferred Tax Asset		344,819	-	344,819	170,462	-	170,462
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	8,224	-	8,224	4,143	-	4,143
18.1 Held for Sale		8,224	-	8,224	4,143	-	4,143
18.2 Held from Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	284,830	23,174	308,004	282,525	23,568	306,093
TOTAL ASSETS		105,194,803	19,333,729	124,528,532	87,468,933	16,943,563	104,412,496

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Balance Sheet (Financial Position Table)

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2009)			AUDITED PRIOR PERIOD (31/12/2008)		
LIABILITIES AND EQUITY	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	79,526,120	19,003,347	98,529,467	67,317,998	16,565,437	83,883,435
1.1 Deposits Held By the Risk Group of the Bank		77,077	23,875	100,952	54,751	49,084	103,835
1.2 Other		79,449,043	18,979,472	98,428,515	67,263,247	16,516,353	83,779,600
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	108	178	286	1,026	2,993	4,019
III. FUNDS BORROWED	(3)	15,316	5,847	21,163	23,764	4,593	28,357
IV. MONEY MARKET BALANCES		9,144,070	-	9,144,070	7,267,869	-	7,267,869
4.1 Interbank Money Market Borrowings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		9,144,070	-	9,144,070	7,267,869	-	7,267,869
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		3,245,391	-	3,245,391	2,914,102	-	2,914,102
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		3,245,391	-	3,245,391	2,914,102	-	2,914,102
VII. SUNDRY CREDITORS		382,239	145,386	527,625	335,891	145,074	480,965
VIII. OTHER LIABILITIES	(4)	415,473	199,143	614,616	383,207	246,618	629,825
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. PAYABLES FROM LEASING TRANSACTIONS (Net)	(5)	-	1	1	1,705	240	1,945
10.1 Finance Lease Payables		-	2	2	1,705	247	1,952
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	1	1	-	7	7
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(6)	-	-	-	-	-	-
11.1 Fair Value Hedges		-	-	-	-	-	-
11.2 Cash Flow Hedges		-	-	-	-	-	-
11.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
XII. PROVISIONS	(7)	1,698,554	4,947	1,703,501	1,427,614	775	1,428,389
12.1 General Provisions		428,436	33	428,469	246,943	70	247,013
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		542,600	-	542,600	506,450	-	506,450
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		727,518	4,914	732,432	674,221	705	674,926
XIII. TAX LIABILITY	(8)	388,107	178	388,285	411,869	485	412,354
13.1 Current Tax Liability		388,107	178	388,285	411,869	485	412,354
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Held from Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(11)	10,326,445	27,682	10,354,127	7,398,774	(37,538)	7,361,236
16.1 Paid-in Capital		2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital Reserves		1,019,172	27,682	1,046,854	670,231	(37,538)	632,693
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		462,925	27,682	490,607	113,344	(37,538)	75,806
16.2.4 Tangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.6 Revaluation Reserves of Real Estates for Investment Purpose		-	-	-	-	-	-
16.2.7 Bonus Shares of Subsidiaries, Associates and Entities under Common Control		12,764	-	12,764	12,764	-	12,764
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		543,483	-	543,483	544,123	-	544,123
16.3 Profit Reserves		3,136,520	-	3,136,520	1,934,486	-	1,934,486
16.3.1 Legal Reserves		1,758,096	-	1,758,096	1,568,647	-	1,568,647
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1,074,290	-	1,074,290	90,121	-	90,121
16.3.4 Other Profit Reserves		304,134	-	304,134	275,718	-	275,718
16.4 Profit or Loss		3,670,753	-	3,670,753	2,294,057	-	2,294,057
16.4.1 Prior Years Profit/Loss		159,798	-	159,798	159,798	-	159,798
16.4.2 Net Period Profit/Loss		3,510,955	-	3,510,955	2,134,259	-	2,134,259
16.5 Minority Interests	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		105,141,823	19,386,709	124,528,532	87,483,819	16,928,677	104,412,496

The accompanying notes form an integrated part of these unconsolidated financial statements.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Off Balance Sheet Accounts

THOUSANDS OF TL							
Note	AUDITED CURRENT PERIOD (31/12/2009)			AUDITED PRIOR PERIOD (31/12/2008)			TOTAL
	TL	FC	TOTAL	TL	FC	TOTAL	
	A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	16,043,131	8,500,812	24,543,943	10,429,585	7,257,933	
I. GUARANTEES AND SURETYSHIPS (1), (3)	1,863,707	3,649,710	5,513,417	1,300,770	2,991,260	4,292,030	
1.1. Letters of Guarantee	1,863,707	2,945,792	4,809,499	1,300,770	2,267,056	3,567,826	
1.1.1. Guarantees Subject to Public Procurement Law	201,484	2,671,287	2,872,771	156,929	1,918,335	2,075,264	
1.1.2. Guarantees Given for Foreign Trade Operations	1,176,679	-	1,176,679	747,124	-	747,124	
1.1.3. Other Letters of Guarantee	485,544	274,505	760,049	396,717	348,721	745,438	
1.2. Bank Acceptances	-	33,753	33,753	-	16,305	16,305	
1.2.1. Import Letter of Acceptances	-	5,004	5,004	-	13,446	13,446	
1.2.2. Other Bank Acceptances	-	28,749	28,749	-	2,859	2,859	
1.3. Letters of Credit	-	670,165	670,165	-	707,899	707,899	
1.3.1. Documentary Letters of Credit	-	670,165	670,165	-	707,899	707,899	
1.3.2. Other Letters of Credit	-	-	-	-	-	-	
1.4. Guaranteed Prefinancings	-	-	-	-	-	-	
1.5. Endorsements	-	-	-	-	-	-	
1.5.1. Endorsements to Central Bank of Republic of Turkey	-	-	-	-	-	-	
1.5.2. Other Endorsements	-	-	-	-	-	-	
1.6. Purchase Guarantees on Marketable Security Issuance	-	-	-	-	-	-	
1.7. Factoring Guarantees	-	-	-	-	-	-	
1.8. Other Guarantees	-	-	-	-	-	-	
1.9. Other Suretyships	-	-	-	-	-	-	
II. COMMITMENTS (1), (3)	14,144,051	4,681,095	18,825,146	9,056,597	4,079,057	13,135,654	
2.1. Irrevocable Commitments	4,745,082	493,722	5,238,804	3,923,568	306,749	4,230,317	
2.1.1. Asset Purchase Commitments	155,778	234,856	390,634	42,783	127,178	169,961	
2.1.2. Deposit Purchase and Sale Commitments	-	-	-	-	-	-	
2.1.3. Share Capital Commitments to Subsidiaries and Associates	2,250	1,388	3,638	250	-	250	
2.1.4. Loan Granting Commitments	256,804	-	256,804	111,031	-	111,031	
2.1.5. Securities Issue Brokerage Commitments	-	-	-	-	-	-	
2.1.6. Commitments for Reserve Deposits	-	-	-	-	-	-	
2.1.7. Commitments for Cheques	2,371,778	-	2,371,778	2,311,720	-	2,311,720	
2.1.8. Tax and Fund Dues from Export Commitments	-	-	-	-	-	-	
2.1.9. Credit Card Expenditure Limit Commitments	1,929,243	-	1,929,243	1,427,784	-	1,427,784	
2.1.10. Commitments for Credit Cards and Banking Services Promotions	1,861	-	1,861	2,487	-	2,487	
2.1.11. Receivables from Short Sale Commitments	-	-	-	-	-	-	
2.1.12. Payables for Short Sale Commitments	-	-	-	-	-	-	
2.1.13. Other Irrevocable Commitments	27,368	257,478	284,846	27,513	179,571	207,084	
2.2. Revocable Commitments	9,398,969	4,187,373	13,586,342	5,133,029	3,772,308	8,905,337	
2.2.1. Revocable Loan Granting Commitments	9,398,617	4,187,373	13,585,990	5,132,677	3,772,308	8,904,985	
2.2.2. Other Revocable Commitments	352	-	352	352	-	352	
III. DERIVATIVE FINANCIAL INSTRUMENTS (2)	35,373	170,007	205,380	72,218	187,616	259,834	
3.1. Derivative Financial Instruments for Hedging Purposes	-	-	-	-	-	-	
3.1.1. Fair Value Hedges	-	-	-	-	-	-	
3.1.2. Cash Flow Hedges	-	-	-	-	-	-	
3.1.3. Hedges for Investments made in Foreign Countries	-	-	-	-	-	-	
3.2. Transactions for Trading	35,373	170,007	205,380	72,218	187,616	259,834	
3.2.1. Forward Foreign Currency Buy/Sell Transactions	35,373	36,408	71,781	72,218	72,703	144,921	
3.2.1.1. Forward Foreign Currency Transactions-Buy	17,695	18,209	35,904	36,142	36,300	72,442	
3.2.1.2. Forward Foreign Currency Transactions-Sell	17,678	18,199	35,877	36,076	36,403	72,479	
3.2.2. Currency and Interest Rate Swaps	-	133,599	133,599	-	114,913	114,913	
3.2.2.1. Currency Swap-Buy	-	67,043	67,043	-	56,163	56,163	
3.2.2.2. Currency Swap-Sell	-	66,556	66,556	-	58,750	58,750	
3.2.2.3. Interest Rate Swap-Buy	-	-	-	-	-	-	
3.2.2.4. Interest Rate Swap-Sell	-	-	-	-	-	-	
3.2.3. Currency, Interest Rate and Marketable Securities Options	-	-	-	-	-	-	
3.2.3.1. Currency Call Options	-	-	-	-	-	-	
3.2.3.2. Currency Put Options	-	-	-	-	-	-	
3.2.3.3. Interest Rate Call Options	-	-	-	-	-	-	
3.2.3.4. Interest Rate Put Options	-	-	-	-	-	-	
3.2.3.5. Marketable Securities Call Options	-	-	-	-	-	-	
3.2.3.6. Marketable Securities Put Options	-	-	-	-	-	-	
3.2.4. Currency Futures	-	-	-	-	-	-	
3.2.4.1. Currency Futures-Buy	-	-	-	-	-	-	
3.2.4.2. Currency Futures-Sell	-	-	-	-	-	-	
3.2.5. Interest Rate Buy/Sell Futures	-	-	-	-	-	-	
3.2.5.1. Interest Rate Futures-Buy	-	-	-	-	-	-	
3.2.5.2. Interest Rate Futures-Sell	-	-	-	-	-	-	
3.2.6. Other	-	-	-	-	-	-	

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Off Balance Sheet Accounts

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2009)			AUDITED PRIOR PERIOD (31/12/2008)		
Note		TL	FC	TOTAL	TL	FC	TOTAL
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	95,455,909	2,052,933	97,508,842	76,504,098	1,916,400	78,420,498
IV.	CUSTODIES	8,108,322	647,052	8,755,374	7,930,898	872,066	8,802,964
4.1.	Assets Under Management	-	-	-	-	-	-
4.2.	Marketable Securities in Custody	3,964,563	539,030	4,503,593	4,760,333	537,373	5,297,706
4.3.	Cheques Received for Collection	593,924	12,007	605,931	555,466	17,808	573,274
4.4.	Commercial Notes Received	1,103,817	53,386	1,157,203	2,086,407	58,806	2,145,213
4.5.	Other Assets for Collection	16,952	-	16,952	5,896	-	5,896
4.6.	Assets Received for Public Offering	2,210,442	-	2,210,442	307,096	-	307,096
4.7.	Other Items under Custody	216,972	42,629	259,601	213,979	258,079	472,058
4.8.	Custodians	1,652	-	1,652	1,721	-	1,721
V.	PLEDGED ASSETS	87,347,587	1,380,654	88,728,241	68,573,200	1,040,038	69,613,238
5.1.	Marketable Securities	201,018	14,152	215,170	167,120	9,666	176,786
5.2.	Guarantee Notes	9,963,090	638,605	10,601,695	7,636,373	464,480	8,100,853
5.3.	Commodity	1,205,407	12,422	1,217,829	1,253,713	12,396	1,266,109
5.4.	Warranty	-	-	-	-	-	-
5.5.	Immovables	70,158,893	489,701	70,648,594	54,873,427	389,291	55,262,718
5.6.	Other Pledged Assets	5,813,900	219,901	6,033,801	4,636,238	158,210	4,794,448
5.7.	Pledgees	5,279	5,873	11,152	6,329	5,995	12,324
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	25,227	25,227	-	4,296	4,296
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		111,499,040	10,553,745	122,052,785	86,933,683	9,174,333	96,108,016

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Statement of Income

		THOUSANDS OF TL	
		AUDITED	AUDITED
		CURRENT PERIOD	PRIOR PERIOD
		(31/12/2009)	(31/12/2008)
INCOME STATEMENT	Note		
I. INTEREST INCOME	(1)	14,202,443	13,368,109
1.1 Interest Income from Loans		5,640,173	4,516,919
1.2 Interest Income From Reserve Deposits		1,058	26,654
1.3 Interest Income from Banks		316,464	522,540
1.4 Interest Income from Money Market Placements		6,917	101,895
1.5 Interest Income from Marketable Securities		8,229,579	8,191,171
1.5.1 Financial Assets Held for Trading		91,406	114,188
1.5.2 Financial Assets at Fair Value through Profit and Loss		151	-
1.5.3 Financial Assets Available-for-sale		1,838,308	3,840,335
1.5.4 Investments Held-to-Maturity		6,299,714	4,236,648
1.6 Finance Lease Income		-	-
1.7 Other Interest Income		8,252	8,930
II. INTEREST EXPENSE	(2)	8,133,667	9,265,832
2.1 Interest Expense on Deposits		7,330,206	8,705,878
2.2 Interest on Borrowings		2,572	1,495
2.3 Interest on Money Market Borrowings		769,127	476,926
2.4 Interest on Marketable Securities Issued		-	-
2.5 Other Interest Expense		31,762	81,533
III. NET INTEREST INCOME/EXPENSES (I - II)		6,068,776	4,102,277
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		436,997	572,031
4.1 Fees and Commissions Received		529,279	654,725
4.1.1 Non-cash Loans		21,238	15,492
4.1.2 Other		508,041	639,233
4.2 Fees and Commissions Paid		92,282	82,694
4.2.1 Non-cash Loans		-	-
4.2.2 Other		92,282	82,694
V. DIVIDEND INCOME	(3)	26,985	26,451
VI. TRADING PROFIT/LOSS (Net)	(4)	61,452	(53,071)
6.1 Profit/Loss from Capital Market Operations		16,148	12,107
6.2 Profit/losses on Derivative Financial Transactions		948	(59,673)
6.3 Profit/Loss from Foreign Exchanges		44,356	(5,505)
VII. OTHER OPERATING INCOME	(5)	349,768	338,370
VIII. TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		6,943,978	4,986,058
IX. PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)	(6)	632,184	546,028
X. OTHER OPERATING EXPENSES(-)	(7)	1,895,059	1,724,530
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		4,416,735	2,715,500
XII. GAINS RECORDED AFTER MERGER		-	-
XIII. PROFIT/LOSS ON EQUITY METHOD		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+XII+XIII+XIV)	(8)	4,416,735	2,715,500
XVI. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9)	(905,780)	(581,241)
16.1 Current Tax Provision		(1,185,054)	(609,529)
16.2 Deferred Tax Provision		279,274	28,288
XVII. NET PROFIT FROM CONTINUING OPERATIONS (XV±XVI)	(10)	3,510,955	2,134,259
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from Assets Held for Sale		-	-
18.2 Income from Sale of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-
18.3 Other Income from Discontinued Operations		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expense on Non-current Assets Held for Sale		-	-
19.2 Expenses on Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-
19.3 Other Expenses from Discontinued Operations		-	-
XX. PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI. PROVISION FOR TAXES ON INCOME FROM TERMINATED OPERATIONS (±)	(9)	-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII. NET PROFIT/LOSSES (XVII+XXII)	(11)	3,510,955	2,134,259
23.1 Profit/Loss of Group		3,510,955	2,134,259
23.2 Profit/Loss of Minority Interests		-	-
Earnings/Loss per Share		0.001404	0.000854

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Statement of Profit and Loss Items Accounted Under Shareholders' Equity

PROFIT AND LOSS ACCOUNTED UNDER SHAREHOLDERS' EQUITY	THOUSANDS OF TL AUDITED	
	CURRENT PERIOD (01/01/2009-31/12/2009)	PRIOR PERIOD (01/01/2008-31/12/2008)
I. FINANCIAL ASSETS AVAILABLE FOR SALE ADDED TO MARKETABLE SECURITIES VALUATION CHANGES ACCOUNT	628,724	(808,045)
II. REVALUATION CHANGES OF PROPERTY AND EQUIPMENT	-	-
III. REVALUATION CHANGES OF INTANGIBLE ASSETS	-	-
IV. EXCHANGE RATE DIFFERENCES FOR FOREIGN CURRENCY OPERATIONS	(882)	(14,425)
V. PROFIT/LOSSES ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (Active part of fair value changes)	-	-
VI. PROFIT/LOSSES ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES FOR INVESTMENTS MADE IN FOREIGN COUNTRIES (Active part of fair value changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENTS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTS BOOKED IN SHAREHOLDERS' EQUITY IN ACCORDANCE WITH TAS	(24,898)	45,961
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(104,282)	38,495
X. NET INCOME/EXPENSE ACCOUNTS DIRECTLY BOOKED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	498,662	(738,014)
XI. CURRENT PROFIT/LOSSES	(83,861)	618,425
11.1. Net Difference in Fair Value at Securities (Transferred to Profit/Loss)	(55,308)	618,425
11.2. Part of Derivative Financial Assets Held for Cash Flow Hedges, Reclassified and Shown in Income Statement	-	-
11.3. Part of Hedges for Investments Made in Foreign Countries, Reclassified and Shown in Income Statement	-	-
11.4. Other	(28,553)	-
XII. TOTAL PROFIT/LOSSES BOOKED IN CURRENT PERIOD (X±XI)	414,801	(119,589)

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Statement of Changes in Shareholders' Equity
Audited

CHANGES IN SHAREHOLDERS EQUITY	Note	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancell. Profits	Legal Reserves	Statutory Reserves
PRIOR PERIOD							
(31/12/2008)							
I. Beginning Balance		2,500,000	543,482	-	-	1,251,782	-
II. Corrections According to TAS 8		-	-	-	-	-	-
2.1 The Effect of Corrections of Errors		-	-	-	-	-	-
2.2 The Effects of Changes in Accounting Policy		-	-	-	-	-	-
III. New Balance (I + II)		2,500,000	543,482	-	-	1,251,782	-
Changes in Period							
IV. Increase/Decrease Related to Merger		-	-	-	-	-	-
V. Marketable Securities Valuation Differences		-	-	-	-	-	-
VI. Hedging Funds (Active Part)		-	-	-	-	-	-
6.1 Cash-Flow Hedge		-	-	-	-	-	-
6.2 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
VII. Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VIII. Revaluation Differences of Intangible Assets		-	-	-	-	-	-
IX. Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
X. Foreign Exchange Differences		-	70,523	-	-	-	-
XI. Changes Resulted from Disposal of Assets		-	-	-	-	-	-
XII. Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XIII. Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-
XIV. Increase in Capital		-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-
14.2 From Internal Resources		-	-	-	-	-	-
XV. Issuance of Share Certificates		-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-
XVII. Adjustment to Paid-in Capital		-	-	-	-	-	-
XVIII. Other (*)		-	(69,882)	-	-	-	-
XIX. Net Profit or Losses		-	-	-	-	-	-
XX. Profit Distribution		-	-	-	-	316,865	-
20.1 Dividend Distributed		-	-	-	-	-	-
20.2 Transfers to Legal Reserves		-	-	-	-	316,865	-
20.3 Other		-	-	-	-	-	-
Closing Balance (III+IV+V +...+XVIII+XIX+XX)		2,500,000	544,123	-	-	1,568,647	-
CURRENT PERIOD							
(31/12/2009)							
I. Beginning Balance (**)		2,500,000	544,123	-	-	1,568,647	-
Changes in Period							
II. Increase/Decrease Related to Merger		-	-	-	-	-	-
III. Marketable Securities Valuation Differences (**)		-	-	-	-	-	-
IV. Hedging Funds (Active Part)		-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-
4.2 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-
VII. Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	(640)	-	-	-	-
IX. Changes Resulted from Disposal of Assets		-	-	-	-	-	-
X. Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XI. Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-
XII. Increase in Capital		-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-
12.2 From Internal Resources		-	-	-	-	-	-
XIII. Issuance of Share Certificates		-	-	-	-	-	-
XIII. Share Cancellation Profits		-	-	-	-	-	-
XV. Adjustment to Paid-in Capital		-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-
XVII. Net Profit or Losses		-	-	-	-	-	-
XVIII. Profit Distribution		-	-	-	-	189,449	-
18.1 Dividend Distributed		-	-	-	-	-	-
18.2 Transfers to Legal Reserves		-	-	-	-	189,449	-
18.3 Other		-	-	-	-	-	-
Closing Balances (I+II+III+...+XVI+XVII+XVIII)		2,500,000	543,483	-	-	1,758,096	-

(*) Amount equal to TL 69,882 Thousand is not a change in adjustment to paid-in capital, but is foreign currency reserve for foreign investments that is reclassified from profit reserves to capital reserves as a result of change in Uniform Chart of Accounts.

(**) Subsidiaries and entities under common control domiciled and operating abroad are followed by their fair values starting from December 31, 2008. In the current period, the revaluation differences about current values inspected from revaluation report prepared by independent valuation firm are presented in "Marketable Securities Valuation Differences" column.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Statement of Changes in Shareholders' Equity
Audited

THOUSANDS OF TL										
Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity	
90,121	124,275	-	2,510,889	195,395	-	2,158	-	-	7,218,102	
-	-	-	-	-	-	-	-	-	-	
90,121	124,275	-	2,510,889	195,395	-	2,158	-	-	7,218,102	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	(105,164)	-	-	-	-	(105,164)	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	10,606	-	-	10,606	
-	32,988	-	-	(14,425)	-	-	-	-	89,086	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	69,882	-	-	-	-	-	-	-	-	
-	48,573	2,134,259	(2,351,091)	-	-	-	-	-	2,134,259	
-	-	-	(1,985,653)	-	-	-	-	-	(1,985,653)	
-	48,573	-	(365,438)	-	-	-	-	-	(1,985,653)	
-	-	-	-	-	-	-	-	-	-	
90,121	275,718	2,134,259	159,798	75,806	-	12,764	-	-	7,361,236	
90,121	275,718	-	2,294,057	75,806	-	12,764	-	-	7,361,236	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	415,683	-	-	-	-	415,683	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	128	-	-	(882)	-	-	-	-	(1,394)	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	
-	-	3,510,955	-	-	-	-	-	-	3,510,955	
984,169	28,288	-	(2,134,259)	-	-	-	-	-	(932,353)	
-	-	-	(932,353)	-	-	-	-	-	(932,353)	
984,169	28,288	-	(1,201,906)	-	-	-	-	-	(932,353)	
-	-	-	-	-	-	-	-	-	-	
1,074,290	304,134	3,510,955	159,798	490,607	-	12,764	-	-	10,354,127	

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Unconsolidated Statement of Cash Flow

	THOUSANDS OF TL		
	AUDITED	AUDITED	
	CURRENT PERIOD (01/01/2009-31/12/2009)	PRIOR PERIOD (01/01/2008-31/12/2008)	
Note			
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities (+)		3,699,857	1,038,951
1.1.1 Interest Received(+)		14,128,604	13,608,254
1.1.2 Interest Paid(-)		(8,282,976)	(9,119,435)
1.1.3 Dividend Received(+)		22,514	18,320
1.1.4 Fees and Commissions Received(+)		529,253	656,709
1.1.5 Other Income(+)		131,419	274,535
1.1.6 Collections from Previously Written Off Loans and Other Receivables(+)		445,210	341,530
1.1.7 Payments to Personnel and Service Suppliers(-)		(1,084,849)	(915,128)
1.1.8 Taxes Paid(-)		(1,316,665)	(714,588)
1.1.9 Other(+/-)	(2)	(872,653)	(3,111,246)
1.2 Changes in Operating Assets and Liabilities		11,094,636	13,978,887
1.2.1 Net Increase/Decrease in Financial Assets Held for Trading(+/-)		157,321	(89,643)
1.2.2 Net Increase/Decrease in Due from Banks and Other Financial Institutions(+/-)		7,469	368,936
1.2.3 Net Increase/Decrease in Loans(+/-)		(6,084,933)	(9,290,000)
1.2.4 Net Increase/Decrease in Other Assets(+/-)		(1,910)	134,563
1.2.5 Net Increase/(Decrease) in Bank Deposits(+/-)		(663,316)	697,248
1.2.6 Net Increase/(Decrease) in Other Deposits(+/-)		15,473,149	14,827,066
1.2.7 Net Increase/(Decrease) in Loans Borrowed(+/-)		(7,132)	20,044
1.2.8 Net Increase/(Decrease) in Matured Payables(+/-)		-	-
1.2.9 Net Increase/(Decrease) in Other Liabilities(+/-)	(2)	2,213,988	7,310,673
I. Net Cash Provided from Banking Operations (+/-)		14,794,493	15,017,838
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities (+/-)		(12,076,391)	(12,008,379)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control (-)		(66,393)	(18,744)
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control (+)		-	-
2.3 Fixed Assets Purchases(-)		(33,408)	(276,879)
2.4 Fixed Assets Sales(+)		-	67,170
2.5 Cash Paid for Purchase of Financial Assets Available for Sale(-)		(15,518,918)	(5,277,240)
2.6 Cash Obtained from Sale of Financial Assets Available for Sale(+)		-	-
2.7 Cash Paid for Purchase of Investment Securities(-)		(9,136,005)	(12,115,996)
2.8 Cash Obtained from Sale of Investment Securities(+)		12,678,333	5,642,324
2.9 Other(+/-)	(2)	-	(29,014)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		(934,297)	(1,987,909)
3.1 Cash Obtained from Funds Borrowed and Securities Issued(+)		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued(-)		-	-
3.3 Marketable Securities Issued(+)		-	-
3.4 Dividends Paid(-)		(932,353)	(1,985,653)
3.5 Payments for Finance Leases(-)		(1,944)	(2,256)
3.6 Other(+/-)	(2)	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	(2)	(184,071)	1,243,705
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		1,599,734	2,265,255
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(2)	12,888,801	10,623,546
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(2)	14,488,535	12,888,801

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Profit Distribution Table

	THOUSANDS OF TL	
	AUDITED CURRENT PERIOD (31/12/2009)	AUDITED PRIOR PERIOD (31/12/2008)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	4,416,735	2,715,500
1.2 TAXES AND DUTIES PAYABLE	1,185,054	609,529
1.2.1 Corporate tax (Income tax)	1,185,054	609,529
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	3,231,681	2,105,971
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST ROUND LEGAL RESERVES (-)	-	105,299
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	3,231,681	2,000,672
1.6 FIRST ROUND DIVIDEND TO SHAREHOLDERS (-)	-	125,000
1.6.1 To owners of ordinary shares	-	125,000
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	46,566
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND ROUND DIVIDEND TO SHAREHOLDERS (-)	-	760,787
1.9.1 To owners of ordinary shares	-	760,787
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND ROUND LEGAL RESERVES (-)	-	84,150
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	984,169
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	1.29	0.84
3.2 TO OWNERS OF ORDINARY SHARES (%)	129.27	84.24
3.3 TO OWNERS OF PRIVILEGED SHARES	0.00	0.00
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	0.00	0.00
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	0.00	0.35
4.2 TO OWNERS OF ORDINARY SHARES (%)	0.00	35.43
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) The profit distribution table belongs to prior period become definite with the decision of Ordinary General Assembly after the publishing of December 31, 2008 financial statement. It is rearranged in this direction.

(**) The deferred tax asset TL 279,274 Thousand is not subject to profit distribution (December 31, 2008: TL 28,288 Thousand).

(***) Profit distribution is decided by the Ordinary General Assembly. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly has not been held.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

SECTION III: ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

According to Article 37 of the Banking Act numbered 5411, consulting the associations of institutions and the Turkish Accounting Standards Board, banks should apply uniformity in their accounting systems in line with the principles and procedures established by the Banking Regulation and Supervision Agency (BRSA) based on the international standards; record all their transactions based on their real nature; and timely and correctly prepare their financial reports in a style and format that will meet the requirements of providing information, that is clear, reliable and comparable and suitable for auditing, analysis and interpretation. Besides, as also stated in 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 numbered 26333 on November 1, 2006, the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) effective by the Turkish Accounting Standards Boards, other regulations, communiqués and circulars in respect of accounting and financial reporting, pronouncements and explanations by BRSA, Turkish Commercial Code and Turkish Tax Legislation.

As of December 31, 2009 all financial statements are presented comparatively with the December 31, 2008 audited balances.

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

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 repricing date of sources is short, cost of sources is repriced in short periods based on the market conditions. Moreover, the Bank adopts high return principle for its long-term placements.

Loans and securities are instruments from which the Bank gets returns above the average returns within its lines of activity. Letter of guarantees, bank loans, commercial letter of credits, repayment commitments for cheques and expense limit commitments for credit cards are the most important risk areas within the off-balance sheet accounts.

Since the Bank's total debt to the market is low among its total liabilities, the Bank can borrow easily from short-term markets, such as; Istanbul Stock Exchange, 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 profit margin 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 TRNC branches, assets and liabilities of the abroad branches of the Bank are translated into Turkish currency 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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

III. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

The derivative instruments of the Bank are composed of foreign currency-forward currency swaps and foreign currency forward agreements. The Bank has no embedded derivative instruments separated from the host contract.

The derivative instruments of the Bank are classified as held for trading or financial hedging instruments in accordance with Turkish Accounting Standard on "Financial Instruments: Recognition and Measurement" (TAS 39). The Bank has no derivative instruments for financial 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 financial hedging instruments or whether such derivative transactions are finalized through sale, term expiry or fulfillment of obligations under the contract.

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

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized on an accrual basis using the internal rate of return method in conformity with TAS 39 "Financial Instruments: Recognition and Measurement". In accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" came into force after being published in the Official Gazette numbered 26333 dated November 1, 2006, no interest accrual is calculated for non-performing loans. Realized interest accruals calculated for non-performing loans and recognized as income although not collected are reversed and interest income related to these loans is recognized as interest income only when they are collected.

V. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

Commission income from banking, agency, intermediary services and commission income from individual loans which are not attributable to interest rates applied is recognized as income on the date they are collected. Whereas, commission income from trade and agricultural cash loans and from individual loans in which the commission is in the form of interest (depending on the amount of commission that the interest rate is changed) are recognized on an accrual basis by using internal rate of return method. The other fees and commission expenses are recorded as expense on the date they are paid.

VI. EXPLANATIONS ON FINANCIAL ASSETS

Financial instruments comprise financial assets and liabilities and derivative instruments. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments.

Financial assets mainly constitute the Bank's commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

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

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 maturity of 3 months or less following the date of purchase, 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 the 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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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. Marketable securities classified as investments held to maturity can be subject of exchange-repurchase tenders or reimbursement transactions within the context of early redemption.

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 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 shown with their fair value in financial statements. The difference between fair value and cost is recorded as provision for impairment loss or interest income accrual. Moreover, amortized values 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 Valuation 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.

Bank loans and receivables are initially carried at cost. Loans are to be measured at amortized cost with internal rate of return. Short-term and long-term loans are grouped as open or guaranteed, FC loans are recognized with fixed price and at period-ends revalued by the counter foreign exchange buying rate of the Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Bank at usage date. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Bank at installment date.

The Bank sets specific and general provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 26333 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 year are collected, provision for allowances are released and recognized as income under "Other Operating Income" account. Releases of current period provisions are made by the reversal of the amount from the "Provision for Impairment of Loans and Other Receivables" account.

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.

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If financial assets available for sale are subject to permanent impairment, the amount is charged to "Value Loss Expenses for Securities" account in accordance with the related Turkish Accounting Standard.

If subsidiaries, associates, entities under common control and investment securities held to maturity are subject to permanent impairment, the amount is reflected to "Value Loss Expenses for Subsidiaries, Associates and Securities Held to Maturity" account.

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.

In accordance with the related 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 born 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 valuation principles of the related portfolios.

Total costs including the interest income and accruals of held to maturity investments sold under repurchase agreements amount to TL 8,972,397 Thousand (December 31, 2008: TL 6,283,263 Thousand), whereas the Bank has no cost related with the interest income and accruals of the securities classified under available for sale securities sold under repurchase agreements (December 31, 2008: TL 1,097,691 Thousand). Funds obtained by those repurchase 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 December 31, 2009 the Bank has no reverse repo transaction (December 31, 2008: None).

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

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

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

The Bank's immovables acquired amount to TL 8,315 Thousand consisting of TL 7,574 Thousand on its commercial loans and TL 741 Thousand on its agricultural loans. Total assets held for sale together with its movables amounting to TL 42 Thousand equal to TL 8,357 Thousand. Total depreciation expense is TL 133 Thousand for these assets.

XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As of 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

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subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses with undetermined 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.

XII. EXPLANATIONS ON TANGIBLE FIXED ASSETS

Tangible fixed assets are carried at cost and if results of appraisal reports exceed the costs, they are not subject to any revaluation. The Bank's tangible fixed assets purchased before January 1, 2005 are carried at restated cost in the balance sheet before December 31, 2004 and its tangible fixed assets that are purchased subsequent to January 1, 2005 are valued at historical cost. Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and impairment loss, if any. Tangible fixed assets are amortized by using the straight-line method over their estimated useful lives. No changes made in the current period regarding depreciation method.

Estimated depreciation rates of tangible fixed assets are as follows;

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

Gain or loss arising from the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of that asset and is recognized in profit or loss.

Ordinary maintenance and repair expenses of tangible fixed assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized.

There are no mortgages, pledges or similar precautionary measures on tangible fixed assets or commitments given for the purchase or any restrictions designated for the use of those tangible fixed assets.

XIII. EXPLANATIONS ON LEASING TRANSACTIONS

The Bank, as the lessee, recognizes its leasing operations in accordance with the requirements of the Turkish Accounting Standards (TAS 17) "Leases". Fixed assets that are acquired under financial leasing are amortized with respect to the rates used for directly acquired assets that have similar nature. Assets held under financial leases are recognized under the tangible fixed assets account and are depreciated on annual and monthly basis with respect to their useful lives. Principal and installment paid for tangible fixed assets that are acquired under financial leasing are charged to liability account "Finance Lease Payable", whereas interests are recognized in "Deferred Financial Leasing Expenses" account. At installment payments, principal and interest amount of installment amount are debited to "Financial Lease Payable" account, whereas interest is credited in "Deferred Financial Leasing Expenses" account and recorded to the other interest expenses.

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

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 TL 100 Thousand amount to TL 211,355 Thousand. Full provision has been provided in the accompanying financial statements for law suits ended against the Bank

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but not finalized yet, amounting to TL 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 TL 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.

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 December 31, 2009, provision allocated by the Bank for all employee benefit liabilities is TL 542,600 Thousand. The Bank is not employing its personnel by means of limited-period contracts.

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

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

In accordance with the Act numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 26870 on May 8, 2008, bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

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XVI. EXPLANATIONS ON TAXATION

Corporate Tax:

In accordance with Article 6 "Taxation and Payment of Tax Payers - Determination of Tax Base" and Article 32 "Corporate Tax and Provisional Rates" of the Corporate Tax Law numbered 5520, corporate tax is calculated based on the net corporate income of tax-payers in an accounting period by using 20% as tax rate.

In accordance with the requirements of Income Tax Act (by considering non-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.

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 circulars 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 valuation 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 in the current period, there are no transaction costs related to share issue.

XIX. EXPLANATIONS ON BILL GUARANTEES AND ACCEPTANCES

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

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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. In addition, 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.

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

As of December 31, 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".

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Table for Segment Reporting:

	Retail Banking	Commercial and Corporate Banking (1)	Specialized Banking (2)	Treasury	International Banking	Total Operations of the Bank
Current Period						
Total Operating Income/Expense (3)	2,627,954	449,741	1,376,231	2,444,300	45,752	6,943,978
Net Operating Profit	352,931	315,484	1,376,231	2,357,635	14,454	4,416,735
Income from Subsidiaries (4)	-	-	-	-	-	26,985
Income Before Taxes	-	-	-	-	-	4,416,735
Tax Provision	-	-	-	-	-	(905,780)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	3,510,955
Segment Assets-net (3)	18,442,392	6,576,354	10,791,604	84,002,161	2,811,792	122,624,303
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	-	-	-	-	-	715,152
Undistributed Assets (5)	-	-	-	-	-	1,189,077
Total Assets	-	-	-	-	-	124,528,532
Segment Liabilities – net (3)	72,202,307	24,267,847	3,245,391	9,588,491	2,778,583	112,082,619
Undistributed Liabilities (5)	-	-	-	-	-	2,091,786
Shareholders' Equity	-	-	-	-	-	10,354,127
Total Liabilities	-	-	-	-	-	124,528,532
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	50,298
Restructuring Costs	-	-	-	-	-	-

(1) Commercial and corporate banking column includes results of operations and total assets and liabilities of 4 corporate and 28 commercial branches of the Bank. Since any commercial and corporate banking operations in other branches could not be distributed; they are not included in this column.

(2) Agricultural loans and real estate loans transferred from Emlak Bank, 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. Additionally, since operating expenses regarding "Specialized Banking" cannot be decomposed, such amounts are presented in the 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 branches.

(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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	Retail Banking	Commercial 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	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	-	-	-	-	-	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) Commercial and corporate banking column includes results of operations and total assets and liabilities of 3 corporate and 24 commercial branches of the Bank. Since any commercial and corporate banking operations in other branches could not be distributed; they are not included in this column.

(2) Agricultural loans and real estate loans transferred from Emlak Bank, 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. Additionally, since operating expenses regarding "Specialized Banking" cannot be decomposed, such amounts are presented in the 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 branches.

(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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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 TL 2,134,259 Thousand, TL 189,449 Thousand is transferred to legal reserves, TL 46,566 Thousand is distributed as dividend to employees provided that dividend amount does not exceed one month gross wage for each employee and TL 750,000 Thousand is distributed to Undersecretariat of Treasury after deducting withholding tax of 15% (TL 132,353 Thousand) in cash on April 30, 2009. In addition, TL 984,169 Thousand of the profit for the year 2008, deferred tax income amounting to TL 28,288 Thousand is not distributed. On December 30, 2009, TL 3,434 Thousand of dividend left undistributed to employees transferred to Undersecretariat of Treasury after deducting withholding tax of 15%.

SECTION IV: INFORMATION ON FINANCIAL STRUCTURE

I. EXPLANATIONS ON THE CAPITAL ADEQUACY STANDARD RATIO

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

The Bank's unconsolidated capital adequacy ratio calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" is 23.22% (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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Information related to capital adequacy ratio:

Current Period	Risk Weights						
	0%	10%	20%	Bank Only			
				50%	100%	150%	200%
Credit Risk Base Amount							
Balance Sheet Items (Net)	58,990,997	-	5,524,908	8,217,995	24,971,867	20,088	20
Cash	1,034,022	-	46	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	6,432,428	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	5,378,475	-	50,795	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,655,613	-	-	-	-	-	-
Loans(1)	4,568,960	-	18,368	8,155,538	23,198,572	20,088	20
Loans Under Follow-up (Net) (1)	-	-	-	-	-	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	43,502,228	-	-	-	4,749	-	-
Receivables from Forward Sale of Assets	-	-	-	-	1,888	-	-
Sundry Debtors	16,014	-	1,654	-	87,966	-	-
Interest and Income Accruals	1,407,645	-	776	62,457	684,011	-	-
Subsidiaries, Associates and Entities Under Common Control (Joint Ventures) (Net)	-	-	-	-	83,078	-	-
Tangible Fixed Assets	-	-	-	-	824,101	-	-
Other Assets	374,087	-	125,589	-	36,707	-	-
Off Balance Sheet Items	172,428	-	105,439	-	3,849,239	-	-
Non-cash Loans and Commitments	172,428	-	105,439	-	3,847,891	-	-
Derivative Financial Instruments	-	-	-	-	1,348	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	59,163,425	-	5,630,347	8,217,995	28,821,106	20,088	20

(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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

Prior Period	Risk Weights						
	0%	10%	20%	Bank Only			
				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 TL 114,044 Thousand. However, TL 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.

Summary information about the capital adequacy standard ratio:

	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	34,086,345	28,450,572
Market Risk Base Amount (MRBA)	2,331,700	1,172,713
Operational Risk Base Amount (ORBA)	8,659,562	8,115,602
Shareholders' Equity	10,466,127	7,577,282
Shareholders' Equity/(CRBA+MRBA+ORBA) *100	23.22	20.08

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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
1st Degree Legal Reserves (TCC 466/1)	673,340	568,041
2nd Degree Legal Reserves (TCC 466/2)	1,084,756	1,000,606
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	1,378,424	365,839
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	1,378,424	365,839
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	3,670,753	2,294,057
Net Profit of the Period	3,510,955	2,134,259
Retained Earnings	159,798	159,798
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	611,962	607,509
Subsidiary and Associate Shares and Gains on Sale of Real Estate to Be Added to Capital	-	-
Primary Subordinated Loans (up to 15% of Core Capital)	-	-
Loss(-) Portion of Losses that Cannot be Covered by Reserves	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-)	-	-
Prepaid Expenses (-) (*)	6,502	4,463
Intangible Assets (-) (*)	17,638	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	10,438,577	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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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	428,469	247,013
45% of Movable Assets Revaluation Fund	-	-
45% of Immovables Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	12,764	12,764
Primary Subordinated Loans Excluding the Portion included in the Core Capital	-	-
Secondary Subordinated Loan	-	-
45% of Marketable Securities Revaluation Fund	220,773	34,402
From Subsidiaries and Associates	8,785	20,278
From Financial Assets Available For Sale	211,988	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	662,006	294,179
TIER-III CAPITAL		
CAPITAL	11,100,583	8,173,713
DEDUCTIONS FROM CAPITAL	634,456	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	632,076	578,349
Total Equity Shares in Banks and Financial Institutions (Domestic and Foreign), less than 10% of whose Capital is Owned by the Bank and that Exceeds 10% of the Total Core Capital and Supplementary Capital	-	-
Loans to banks, Financial Institutions (Domestic/Foreign), Holders of Qualified Shares in the form of Secondary Subordinated Loan and Loan Instruments Purchased from those Parties Qualified as Primary or Secondary Subordinated Loan	2,243	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	137	15
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	10,466,127	7,577,282

II. EXPLANATIONS ON THE CREDIT RISK

Credit risk is the probable risks and losses arising from the partial or complete default of the opposite party that the Bank is engaging in relation by not complying to the obligations of the agreement made.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, regional heads, department heads, Assistant General Managers, Chief Assistant General Managers, General Manager, Credit Committee, and Board of Directors.

The average limits identified related the credit portfolio are approved by the Board of Directors and revised when required. The identified limits are allocated by related departments on regional heads basis by considering the factors like portfolio structure, potentials of the customers and credit, regional and sectoral characteristics, competencies of the personnel.

In order to prevent the risk intensity on the commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered.

In line with the budgeted targets, TL/FC Cash/Non-Cash Commercial/SME loan placements are issued and followed on sectoral and regional basis.

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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The credits issued by the branches are periodically analyzed on the basis of the limits, subjects, guarantees, maturities, accounts followed, outstanding balances, numbers of the customers, and followed on customer and regional basis.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (financial structure, market, guarantee, etc.).

Agricultural loans are the specialized loans of the Bank and issued by the regional heads, agricultural banking branches and affiliated branches which are given credit issuance authority. The credit limit is determined by considering factors like activities related to agricultural production capacity, unit cost of the product subject to loan, operating capital requirement, investment amount, market value of the product, supporting payments, documentable receivables, income-loss, cash flow projection of the firm and payment ability of the customer. For the determination of the credibility, the financial information of the customers is also considered. The agricultural loan customers are followed through the periodic visits made to the facilities production is operated and the changes at the credit worthiness are identified. The new limit issuances and changes at the limits are made after the on-site detections.

The Bank is assessing credibility of the customer as the essential factor in issuing credits and considers guarantees as important in minimizing the risk and liquidation. The Bank is not carrying a material credit risk as the result of the loan policies and processes based on reliable and robust guarantees.

The Bank is not engaging in credit transaction that are not defined at the legislation and not put into the practice.

The Bank allocates 100% special provision for all loans under follow-up, except the externally funded loans, without considering the guarantees received.

Since the Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, the Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Bank are generally taken on financial institutions and countries which are rated by international rating institutions. The limits identified for those financial institutions/countries are updated annually and treasury operations are executed under those limits and the transactions are followed.

The Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits. These are not considered to generate material risk given the amount of these transaction in the balance sheet.

Indemnified non-cash loans are followed under Loans Under Close Monitoring and Other Receivables.

The percentage of top 100 cash loans in the total cash loan portfolio is 13.60%. The percentage of top 100 non-cash loans in the total non-cash loan portfolio is 79.20%. The percentage of top 100 cash and non-cash loans in the total assets and off-balance sheet items is 3.74%.

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

Credit risk by types of borrowers and geographical concentration:

	Loans to Legal Entities and Real Persons (4)		Loans to Banks and Other Financial Institutions (4)		Marketable Securities (1) (4)		Other Loans (2)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loan Distribution								
according to users	35,551,518	29,752,574	1,000,974	204,834	70,987,861	56,455,342	6,172,786	4,389,113
Private Sector	8,481,628	6,878,776	782,402	200,000	-	-	190,738	143,336
Public Sector	830,544	1,768,507	216,311	-	70,963,827	56,433,945	26,138	15,606
Banks	-	-	2,261	4,834	-	-	5,954,022	4,225,089
Individual Customers	26,239,346	21,105,291	-	-	-	-	1,888	5,082
Share Certificates	-	-	-	-	24,034	21,397	-	-
Information according to geographical concentration	35,551,518	29,752,574	1,000,974	204,834	70,987,861	56,455,342	6,172,786	4,389,113
Domestic	35,134,711	29,498,894	943,922	200,000	70,620,143	56,410,509	263,525	208,199
European Union Countries	210,647	117,467	37,460	3,080	135,364	-	3,926,132	2,275,394
OECD Countries (3)	-	-	-	-	-	-	152,664	9,499
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	53,636	80,249	19,592	1,754	99,678	41,069	1,607,006	1,657,249
Other Countries	152,524	55,964	-	-	132,676	3,764	223,459	238,772

(1) Includes marketable securities designated at fair value through profit or loss, available for sale and held to maturity.

(2) Includes the transactions that are not presented in the first 3 columns but defined as loans and receivables in the 48th article of Banking Act numbered 5411. The unallocated other loans and receivables are presented under "individuals customers" line.

(3) OECD countries other than EU countries, USA and Canada.

(4) Income accruals have not been included in the prior period balances.

Information according to geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income/Loss
Current Period					
Domestic	120,900,705	111,298,720	5,158,133	-	3,499,662
European Union Countries	663,282	660,562	34,961	-	(3,357)
OECD Countries (1)	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	1,788,345	1,784,839	315,806	-	2,940
Other Countries	461,048	430,284	4,517	-	11,710
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	715,152	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	123,813,380	114,174,405	5,513,417	715,152	3,510,955
Prior Period					
Domestic	99,873,592	96,002,904	3,850,599	-	2,125,053
European Union Countries	1,988,105	525,173	43,016	-	(1,633)
OECD Countries (1)	9,499	4,217	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	1,700,309	9,215	340,631	-	3,241
Other Countries	179,619	509,751	57,784	-	7,598
Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-	-	661,372	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	103,751,124	97,051,260	4,292,030	661,372	2,134,259

(1) OECD countries other than EU countries, USA and Canada.

(2) Including the assets and liabilities that cannot be allocated on a consistent basis.

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

Sector concentration for cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	10,231,004	29.66	26,238	1.28	8,713,388	29.56	51,494	4.13
Farming and Raising Livestock	10,103,406	29.29	26,062	1.27	8,622,810	29.54	50,562	4.06
Forestry, Wood and Paper	-	-	-	-	-	-	-	-
Fishery	127,598	0.37	176	0.01	90,578	0.02	932	0.07
Manufacturing	1,668,764	4.85	1,201,577	58.43	2,067,473	7.01	1,040,365	83.46
Mining and Quarry	250,367	0.73	76,357	3.71	43,846	0.15	180,669	14.49
Production	1,409,259	4.09	1,124,545	54.69	1,763,345	5.98	858,904	68.91
Electricity, Gas and Water	9,138	0.03	675	0.03	260,282	0.88	792	0.06
Construction	982,973	2.85	14,673	0.71	1,033,175	3.51	13,313	1.07
Services	3,195,568	9.25	556,930	27.10	2,745,865	9.32	139,377	11.18
Wholesale and Retail Trade	923,553	2.68	51,536	2.51	689,758	2.34	27,014	2.17
Hotel, Food and Beverage Services	90,615	0.26	258	0.01	62,703	0.21	-	-
Transportation and Communication	546,561	1.58	36,145	1.76	573,340	1.96	-	-
Financial Institutions	748,270	2.17	44,314	2.16	407,804	1.38	2,789	0.22
Real Estate and Renting Services	8,290	0.02	-	-	3,880	0.01	-	-
Self-Employment Services	7,597	0.02	179	0.01	6,339	0.02	-	-
Education Services	21,046	0.06	-	-	20,118	0.07	-	-
Health and Social Services	849,636	2.46	424,498	20.65	981,923	3.33	109,574	8.79
Other (*)	18,416,846	53.39	257,919	12.48	14,915,696	50.60	2,004	0.16
Total	34,495,155	100.00	2,057,337	100.00	29,475,597	100.00	1,246,553	100.00

(*) Consumer loans are presented under other line.

Bank's improvement of the application system to decompose the guarantee information of the loans has not been completed, as of December 31, 2009, therefore the guarantees could not be included in the analysis of sector concentration of the cash loans.

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss	494,244	663,579
Banks	5,429,609	3,710,350
Money Market Placement	-	-
Financial Assets Available-for-sale	25,649,821	9,071,044
Held-to-maturity investments	44,843,796	48,787,200
Loans	36,724,567	30,836,194
Total	113,142,037	93,068,367
Contingent Liabilities	5,513,417	4,292,030
Commitments	18,825,146	13,135,654
Total Credit Risk Exposure	137,480,600	110,496,051

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

Credit quality per class of financial assets is as follows:

Financial Assets	Current Period			Prior Period		
	Neither past due nor impaired	Past due but not impaired	Total	Neither past due nor impaired	Past due but not impaired	Total
Banks	5,429,609	-	5,429,609	3,710,350	-	3,710,350
Financial Assets at Fair Value Through Profit and Loss	494,244	-	494,244	663,579	-	663,579
Loans	36,246,548	305,944	36,552,492	29,999,675	722,475	30,722,150
Corporate Loans	8,222,567	101,846	8,324,413	7,520,550	133,000	7,653,550
Consumer Loans	18,148,580	57,731	18,206,311	14,652,659	48,925	14,701,584
Specialized Loans	9,875,401	146,367	10,021,768	7,826,466	540,550	8,367,016
Financial Assets Available for Sale	25,649,821	-	25,649,821	9,071,044	-	9,071,044
Investments Held to Maturity	44,843,796	-	44,843,796	48,787,200	-	48,787,200

Bank's improvement of the application system to decompose the guarantee information of the loans has not been completed, as of December 31, 2009. Therefore, information regarding the guarantees for overdue but non-impaired loans and other receivables and loans under follow-up could not be given.

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Receivable from Banks	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-
Loans	2,616,338	25,086
Corporate Loans	148,804	17,361
Consumer Loans	46,488	55
Specialized Loans	2,421,046	7,670
Others	-	-
Financial Assets Available for Sale	-	-
Investments Held to Maturity	-	-

As of October 12, 2009; the Bank has started the assessment of credit card applications using the scoring method. Starting from January 4, 2010, all of the credit card applications of the branches are determined using the scoring method. For consumer loans, assessment with pre-application through Alternative Distribution Channels (ATM, SMS, WEB, Internet) is planned to become applicable by March 2010.

The Bank, for the commercial loan portfolio, has developed two base models as rating and scoring. Presently, the operations to integrate scoring model annexed to Financial Analysis and Intelligence Reports, that is at the testing stage into the loan processes are continuing. Meanwhile, commercial loan scoring model is applicable in the loan approval process starting from September 1, 2009.

III. EXPLANATIONS ON THE MARKET RISK

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

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

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

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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 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:

	Current Period Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	158,060
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	5,032
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	22,674
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	770
(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)	186,536
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	2,331,700

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	109,886	178,896	59,868	232,767	357,060	58,240
Equity Share Risk	3,594	3,844	3,450	-	-	-
Currency Risk	28,376	37,843	17,202	32,036	42,870	24,981
Commodity Risk	664	825	599	413	526	313
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Amount Subject to Total Risk	1,759,031	2,644,000	1,228,975	3,315,193	4,976,500	1,050,875

IV. EXPLANATIONS ON THE OPERATIONAL RISK

a) The method used in calculating the operational risk and the interval in which the market risk measurement is done:

Operational risk is defined as the probability of loss or damage due to the overlooked errors and irregularities arising from failures of the internal controls of the Bank, and not responding timely by the Bank's management and the personnel, errors and irregularities of the information systems, and due to the disasters earthquake, flood, or fire.

Bank is calculating Operational Risk Base Amount on yearly basis using "Basic Indicator Method". In this method, the parameter which determinates the operational risk is the gross income. Gross income is composed of the total of net interest income and net non interest income in general whereas profit and loss from sale of available for sale securities and held to maturity securities and extraordinary income is excluded from calculation. Calculation of Operational Risk Base Amount is done by multiplying the averages of the three years gross income by 12.5.

The Bank's operation risk managerial policy and application procedures are determined within the context of "Operational Risk Management Regulation".

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Operational Risk Management actions are conducted by Bank's Operational Risk Management Head Department. In this context generally;

- Reports are submitted semi-annually to the Board of Directors and monthly to General Management, Members of Audit Committee, Chief Assistant General Managers, Internal System Units Directors and Asset Liability Committee. Under this reporting, risk intensities in lost database, measurements of operational risk base amount, results of risk mapping studies of the branches and Head Quarter, indicators of the key risks, operational risks realized on information system and various indicators, external sourced operational risks and similar subjects are included.
- Realized operational risks are followed in the "Operational Lost Database". At this database, under the context of the identification of operational risk, the lost operational risk information occurred at the Bank are collected appropriate to the standards anticipated at the Basel II.
- The calculation of economic capital with the Advanced Measurement Techniques that are projected to be performed by the banks rendering service on a global scale as envisaged within the framework of Basel II Accord is applied by the Bank and operations regarding the improvement of the techniques are continuing.
- "Operational Risk Map" studies have been conducted by the help of operational risk indicators, operational risk database and unit/volume information for transactions identified in order to determine risk levels of branches and general management units.
- "Self Evaluation Studies" are undertaken in the format of working groups that are formed with the personnel selected from branches and regional heads with the aim of carrying out on-site determination of risks with referrals as the opinions of personnel.
- Within the context of Information Systems Risk Management, a coordinated activity parallel to the BRSA's effective regulations, is undertaken with the other related divisions.
- At year 2005 Bank prepared Business Continuity Plan and it is being updated.

b) The Bank does not apply standard method.

V. EXPLANATIONS ON THE CURRENCY RISK

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

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

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

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

None.

c) Management policy for foreign currency risk:

"Liquidity Gap Analysis", "Repricing Gap Analysis" and "Structural Liquidity Gap Analysis" which takes into account historical repricing rates of foreign currency accounts, are prepared periodically in order to define liquidity and structural interest rate risks at US Dollar and Euro, which are mainly used by the Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders' Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

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

	USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.12.2009	1.5049	2.1591	1.3291	0.2907	0.2066	1.4519	1.4377	0.2590	2.4032	0.3956	1.6433
25.12.2009	1.5039	2.1611	1.3310	0.2916	0.2069	1.4542	1.4329	0.2601	2.4038	0.3951	1.6500
26.12.2009	1.5044	2.1626	1.3322	0.2904	0.2088	1.4548	1.4373	0.2597	2.4061	0.3941	1.6391
29.12.2009	1.4970	2.1548	1.3449	0.2903	0.2092	1.4533	1.4401	0.2592	2.3977	0.3932	1.6330
30.12.2009	1.5019	2.1413	1.3405	0.2885	0.2093	1.4451	1.4260	0.2586	2.4035	0.3946	1.6211
31.12.2009	1.4950	2.1448	1.3380	0.2874	0.2089	1.4429	1.4210	0.2581	2.4082	0.3947	1.6020

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

USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
1.4973	2.1767	1.3491	0.2931	0.2097	1.4546	1.4205	0.2596	2.4297	0.3935	1.6614

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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	1,719,731	63,684	133	22,320	1,805,868
Banks	3,408,768	1,632,628	1,926	379,592	5,422,914
Financial Assets at Fair Value Through Profit and Loss	44,175	4,963	-	-	49,138
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	2,729,315	2,024,790	-	10,467	4,764,572
Loans (2)	588,893	1,472,100	-	4,574	2,065,567
Subsidiaries, Associates, Entities Under Common Control (Joint Ventures) (5)	340,600	108,191	-	32,357	481,148
Investments Held-to-Maturity	2,304,477	2,418,329	-	276	4,723,082
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	2,960	1,093	-	469	4,522
Intangible Assets	677	1,116	-	181	1,974
Other Assets	12,166	5,581	-	5,427	23,174
Total Assets	11,151,762	7,732,475	2,059	455,663	19,341,959
Liabilities					
Interbank Deposits	138,442	441,604	10	9,999	590,055
Foreign Currency Deposits	10,800,619	7,215,370	187	397,116	18,413,292
Money Market Borrowings	-	-	-	-	-
Funds provided from Other Financial Institutions	1,606	4,241	-	-	5,847
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	142,863	2,178	-	345	145,386
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	96,318	101,165	1,231	33,415	232,129
Total Liabilities	11,179,848	7,764,558	1,428	440,875	19,386,709
Net Balance Sheet Position	(28,086)	(32,083)	631	14,788	(44,750)
Net Off-Balance Sheet Position (3)	(19,421)	(25,361)	-	45,279	497
Assets on Derivative Instruments	857	27,797	-	56,598	85,252
Liabilities on Derivative Instruments	20,278	53,158	-	11,319	84,755
Non-cash Loans (4)	809,696	2,792,022	11,125	37,838	3,650,681
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, 22.89% is CHF, 44.18% is GBP, 12.75% is DKK and the remaining 20.18% is other foreign currencies.

Of the foreign currencies presented in the other FC column of liabilities, 30.48% is CHF, 48.73% is GBP, 13.07% is DKK and the remaining 7.72% is other foreign currencies.

(2) TL 5,208 Thousand equivalent of USD and TL 3,022 Thousand equivalent of EURO balances of loans are originated as foreign currency indexed loans (December 31, 2008: TL 6,140 Thousand equivalent of USD and TL 1,227 Thousand equivalent of EURO).

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(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 TL 417 Thousand, related balance is not included in the table above (December 31, 2008: TL 600 Thousand).

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

The Bank's sensitivity to foreign currency rates has been analyzed and 10% increase/decrease is anticipated in the US Dollar, EURO, GBP and other foreign currency units. 10% is the rate used in Bank's internal reporting. The following table shows the detail of analysis.

	Change in exchange rate in %	Effect on Profit/Loss	
		Current Period	Prior Period
US Dollar	10% increase	(10,036)	(11,887)
	10% decrease	10,036	11,887
EURO	10% increase	(36,464)	(40,244)
	10% decrease	36,464	40,244
Other	10% increase	2,594	2,225
	10% decrease	(2,594)	(2,225)

* The effects on profit or loss and shareholders' equity are presented before tax, in the above table.

** The Bank has started to follow the foreign currency subsidiaries and entities under common control with fair value fair values are determined by the independent valuation firm's revaluation report and balances are fixed to TL equivalents as of revaluation date. Revaluation differences are recognized under subsidiaries and entities under common control and "Marketable Securities Revaluation Fund" under equity.

VI. EXPLANATIONS ON THE INTEREST RATE RISK

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

The structural interest rate risk analysis is made based on the income and economic value approaches. Under economic value approach, the Bank is applying the Banking Accounts Interest Shock Value Loss analysis, whereas under income approach the Bank is applying Net Interest Margin/Income analysis. The Banking Accounts Interest Shock Value Loss analysis is applied over interest rate sensitive balance sheet items excluding the positions subject to the market risk and the results are compared with discounted total assets. At the Net Interest Margin/Income analysis the change in the interest income of the Bank resulting from changes in interest rates is analyzed. About the structural interest rate risk the duration analysis is applied at the Bank. The Bank monitors the limits determined for the structural interest rate risk in monthly periods.

Using possible changes in the interest rate, the changes in the assets and the liabilities of the Bank have been analyzed. With this respect;

In order to analyze the effect of the increases and decreases in the interest rate on the interest income/expense of the Bank, interest rate sensitive instruments in balance sheet have been grouped on the basis of repricing periods. As a result of the funding/placing of these assets and liabilities with the changing interest rates, the net interest income of the Bank has been analyzed. In this analysis, TL and foreign currency interest rates are increased/decreased by the ratios seen at the tables below and the amounts of the repriced assets and liabilities are assumed to be constant during the balance sheet period. The demand deposit is excluded from this analysis and the interest rates of those financial assets and liabilities are assumed to be increasing/decreasing by the same amounts. The below mentioned analysis is presenting the net interest income of the Bank generated within the balance sheet period.

TL	Change in Interest Rate	FC	Net Interest Income Effect(*) (**)	
			Current Period	Prior Period
3 points increase	1 point increase		(221,854)	(231,075)
2 points increase	0.66 point increase		(147,819)	(153,828)
1 point increase	0.33 point increase		(73,910)	(76,914)

(*) Demand deposits are excluded.

(**) Net interest income effect presented above reflects amounts before tax.

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

Change in Interest Rate		Net Interest Income Effect(*) (**)	
TL	FC	Current Period	Prior Period
3 points decrease	1 point decrease	221,854	231,075
2 points decrease	0.66 point decrease	147,819	153,828
1 point decrease	0.33 point decrease	73,910	76,914

(*) Demand deposits are excluded.

(**) Net interest income effect presented above reflects amounts before tax.

On the other hand, the analysis of the interest sensitivity of the financial assets which are monitored within the positions exposed to market risk only (Fair Value through Profit or Loss and Securities Available for Sale) is presented below. The interest rate sensitivity analysis expressed the effect of 1 basis point increases in TL, 0.33 basis point increase in FC and 3 basis point increases in TL and 1 basis point increase in FC over accounting records. The financial assets recorded under so-called accounts are repriced as a result of the foregoing interest rate increases and the effect of the change in prices aroused on the equity and profit/loss accounts is stated. The effect of the changes in prices calculated for the positions exposed to market risk is resulting from the financial assets available for sale.

Change in Interest Rate		Effect on Profit and Loss	Effect on Shareholders' Equity	Effect on Profit and Loss	Effect on Shareholders' Equity
TL	FC	Current Period	Current Period	Prior Period	Prior Period
3 points increase	1 point increase	(4,148)	(342,885)	(8,781)	(70,128)
1 point increase	0.33 point increase	(1,400)	(116,133)	(2,964)	(23,531)

(*) The effects on profit and loss and shareholders' equity in the table above presents the amounts before tax.

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

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

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

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

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

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

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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 Years 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	8,140,194	-	-	-	-	1,034,068	9,174,262
Banks	5,369,519	1,757	58,333	-	-	-	5,429,609
Financial Assets at Fair Value Through Profit and Loss	247,603	65,795	141,012	37,497	1,293	1,044	494,244
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	6,935,603	6,049,733	7,373,963	4,428,971	802,363	59,188	25,649,821
Loans Given	11,428,281	1,841,569	3,239,205	16,708,164	3,335,273	-	36,552,492
Investments Held-to-Maturity	13,568,925	22,815,595	2,979,284	2,148,407	3,331,585	-	44,843,796
Other Assets	-	-	-	-	-	2,384,308	2,384,308
Total Assets	45,690,125	30,774,449	13,791,797	23,323,039	7,470,514	3,478,608	124,528,532
Liabilities							
Interbank Deposits	591,442	4,920	-	-	-	-	596,362
Other Deposits	65,293,170	12,146,384	5,094,630	44,725	-	15,354,196	97,933,105
Money Market Borrowings	9,144,070	-	-	-	-	-	9,144,070
Sundry Creditors	-	-	-	-	-	527,625	527,625
Issued Marketable Securities	-	-	-	-	-	-	-
Funds provided from Other Financial Institutions	7,759	6,585	6,177	611	31	-	21,163
Other Liabilities	-	-	-	2,972,958	-	13,333,249	16,306,207
Total Liabilities	75,036,441	12,157,889	5,100,807	3,018,294	31	29,215,070	124,528,532
Balance Sheet Long Position	-	18,616,560	8,690,990	20,304,745	7,470,483	-	55,082,778
Balance Sheet Short Position	(29,346,316)	-	-	-	-	(25,736,462)	(55,082,778)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(29,346,316)	18,616,560	8,690,990	20,304,745	7,470,483	(25,736,462)	-

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

(*) TL 2,972,958 Thousand of fund balance, whose risk does not belong to the Bank, in other liabilities is shown under the "1 - 5 Years" column.

TL 272,433 Thousand of fund balance is not granted as loan and is shown under the "Non-Interest Bearing" column.

(*) Deferred tax asset and other similar assets are 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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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	-	-	-	5.20
Banks	0.26	1.11	-	6.25
Financial Assets at Fair Value Through Profit and Loss	3.36	5.51	-	12.63
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.05	5.80	-	9.75
Loans Given	4.09	4.25	-	16.45
Investments Held-to-Maturity	5.90	7.00	-	9.96
Liabilities				
Interbank Deposits(*)	0.16	0.21	-	-
Other Deposits	1.86	1.83	-	8.74
Money Market Borrowings	-	-	-	7.23
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3.75	4.05	-	9.64

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	8,670,386	-	-	-	-	705,211	9,375,597
Banks	3,642,155	8,603	59,592	-	-	-	3,710,350
Financial Assets at Fair Value Through Profit and Loss	148,705	87,956	289,302	134,070	1,436	2,110	663,579
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	139,631	3,346,267	3,426,752	1,970,029	166,968	21,397	9,071,044
Loans Given	10,806,958	1,257,527	2,919,394	12,239,740	3,498,531	-	30,722,150
Investments Held-to-Maturity	8,479,742	26,340,461	6,051,928	4,269,515	3,645,554	-	48,787,200
Other Assets	-	-	-	-	-	2,082,576	2,082,576
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.

(*) TL 2,696,027 Thousand of fund balance in other liabilities is shown under the "1 - 5 Years" column. TL 218,075 Thousand of fund, whose risk does not belong to the Bank, is not granted as loan and is shown under the "Up to 1 Month" column.

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

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

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

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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 Given	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 interest rates, except for foreign currency interbank deposits.

VII. EXPLANATIONS ON THE LIQUIDITY RISK

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

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

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

The Bank performs "Remaining Maturity Analysis" for the observation of the maturity structure of the balance sheet, "Liquidity Gap" and "Structural Liquidity Gap Analysis" for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Bank's liquidity and in the worst case scenario and the loss associated with it. The renewal of deposits which constitutes the Bank's most crucial funding resource is monitored on a daily basis. Besides, in order to compare the Bank's level of liquidity risk with the sector, average remaining maturity balances of Bank-Sector and legal liquidity rates are monitored.

According to the "Measurement and Assessment of Liquidity Adequacy of Banks" issued in the Official Gazette numbered 26333 dated November 1, 2006, from June 1, 2007, at the weekly and monthly calculations of the banks, the liquidity ratio is required to 80% for the foreign currency assets/liabilities and 100% for the total assets at minimum. The liquidity ratios for 2008 and 2009 are as follows:

Current Period	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	673.49	409.50	290.14	194.86
Maximum (%)	789.44	565.76	323.11	233.08
Minimum (%)	520.49	316.79	265.53	168.23

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Prior Period	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	675.37	510.55	327.61	216.92
Maximum (%)	837.75	707.96	398.02	263.14
Minimum (%)	412.65	359.29	271.59	183.84

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 longer compared to the deposits, securities with coupon payments no longer than six months 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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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for the Year Ended December 31, 2009

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

Presentation of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed(1) (2)	Total
Current Period								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	9,174,262	-	-	-	-	-	-	9,174,262
Banks	1,646,598	3,722,921	1,757	58,333	-	-	-	5,429,609
Financial Assets at Fair Value Through Profit and Loss	-	119,736	63,366	143,189	166,660	1,293	-	494,244
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	-	1,295,212	1,086,591	5,396,289	15,186,157	2,661,538	24,034	25,649,821
Loans Given	-	1,315,782	3,757,936	15,630,431	14,274,211	1,574,132	-	36,552,492
Investments Held-to-Maturity	-	1,698,978	1,620,645	7,089,745	29,947,461	4,486,967	-	44,843,796
Other Assets	297,689	-	-	2,382	1,888	-	2,082,349	2,384,308
Total Assets	11,118,549	8,152,629	6,530,295	28,320,369	59,576,377	8,723,930	2,106,383	124,528,532
Liabilities								
Interbank Deposits	48,284	543,158	4,920	-	-	-	-	596,362
Other Deposits	15,354,196	65,293,170	12,146,384	5,094,630	44,725	-	-	97,933,105
Funds Provided from Other Financial Instruments	-	7,759	6,585	6,177	611	31	-	21,163
Money Market Borrowings	-	9,144,070	-	-	-	-	-	9,144,070
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	527,625	-	-	-	-	-	-	527,625
Other Liabilities(3)	614,616	428,152	54	232,799	2,972,958	-	12,057,628	16,306,207
Total Liabilities	16,544,721	75,416,309	12,157,943	5,333,606	3,018,294	31	12,057,628	124,528,532
Liquidity Gap	(5,426,172)	(67,263,680)	(5,627,648)	22,986,763	56,558,083	8,723,899	(9,951,245)	-
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) TL 2,972,958 Thousand of the funds balance, whose risk is not born by the Bank, is included in other liabilities and shown under the "1-5 year" column, fund balance amounted to TL 272,433 Thousand is not granted as loan and is included under "Up to One Month" column.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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

Presentation of liabilities according to their remaining maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
Current Period							
Interbank Deposits	591,454	4,921	-	-	-	(13)	596,362
Other Deposits	80,796,763	12,295,285	5,210,604	47,005	-	(416,552)	97,933,105
Funds Provided From Other Financial Institutions	8,024	7,021	6,733	675	31	(1,321)	21,163
Money Market Borrowings	9,152,596	-	-	-	-	(8,526)	9,144,070
Total	90,548,837	12,307,227	5,217,337	47,680	31	(426,412)	107,694,700
Prior Period							
Interbank Deposits	1,248,411	3,122	3,269	-	-	(73)	1,254,729
Other Deposits	64,521,881	13,742,442	4,942,042	80,409	-	(658,068)	82,628,706
Funds Provided From Other Financial Institutions	5,775	7,369	15,080	806	50	(723)	28,357
Money Market Borrowings	7,274,187	-	-	-	-	(6,318)	7,267,869
Total	73,050,254	13,752,933	4,960,391	81,215	50	(665,182)	91,179,661

(*) Amounts related with the fund balances are not included in the table since decomposition on the basis of their remaining maturities could not be performed.

VIII. EXPLANATIONS ON THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

a) Information regarding the fair value of financial assets and liabilities:

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	112,647,793	92,404,788	114,107,817	92,437,122
Receivables from Money Market	-	-	-	-
Banks	5,429,609	3,710,350	5,429,609	3,710,350
Financial Assets Available-for-Sale	25,649,821	9,071,044	25,649,821	9,071,044
Investments Held-to-Maturity	44,843,796	48,787,200	46,303,820	48,819,534
Loans	36,724,567	30,836,194	36,724,567	30,836,194
Financial Liabilities	99,078,255	85,393,174	99,078,255	85,393,174
Interbank Deposits	596,362	1,254,729	596,362	1,254,729
Other Deposits	97,933,105	82,628,706	97,933,105	82,628,706
Funds Provided from Other Financial Institutions(1)	21,163	1,028,774	21,163	1,028,774
Marketable Securities Issued	-	-	-	-
Sundry Creditors	527,625	480,965	527,625	480,965

(1) The repo amount of the financial institutions under money market borrowings account is included in the prior period.

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market indicative, the prices calculated by CBRT are taken into account.

The book values of held to maturity investments are calculated by amortized cost prices which are calculated by using internal rate of return while fair values are calculated by considering the market prices. If these securities are not traded in an active market, the indicator prices calculated by CBRT are taken into account.

All of the receivables from money markets and receivable from Bank's consist of short term financial assets; therefore fair value of these assets are accepted to be equal to their carrying value.

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Since 90.27% of total deposits consist of demand deposits and up to 3 months matured deposits; their carrying value and fair value are considered as equal. Likewise, since the longest maturity of the repo amount within the funds provided from other financial institutions is lasting shorter than 1 month; its carrying value and fair value are considered as equal.

The development of the application system on the calculation of the fair value of loans granted and the loans borrowed within the funds provided from other financial institutions is continuing. Since the development has not been finalized as of December 31, 2009, the carrying values and fair values of the items mentioned are considered as equal.

b) Information on fair value measurements recognized in the financial statements:

According to UFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the balance sheet should be presented and classified sequentially in the related footnotes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Bank's balance sheet, are presented with respect to such basis of classification in the table below:

	1st Level	2nd Level	3rd Level
Financial Assets at Fair Value through Profit and Loss			
Debt Securities	493,198	-	-
Securities Representing a Share in Capital	-	-	-
Derivative Instruments Held for Trading	-	1,045	-
Other	-	1	-
Financial Assets Available for Sale (*)			
Debt Securities	25,302,040	-	323,747
Other	-	-	-
Investments in Associates and Subsidiaries (**)	-	-	-
Derivative Financial Liabilities	-	286	-

(*) The fair values of debt securities classified under 3rd Level are determined with the internal rate of return method. Since securities representing a share of capital under the heading of financial assets available for sale (TL 24,034 Thousand) are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

(**) Since Associates and Subsidiaries that are not publicly traded are recognized and followed with their acquisition cost within the framework of IAS 39; they are not included in the table above.

IX. EXPLANATION ON TRANSACTIONS MADE ON BEHALF AND ACCOUNT OF OTHERS, FIDUCIARY TRANSACTIONS

1. Transaction, Custody, Management and Consultancy Services of the Bank on behalf of Third Parties:

The Bank acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

2. Transactions with other financial institutions under fiduciary transaction agreements and financial services rendered to other financial institutions under the scope of fiduciary transactions and the effects of such services to the financial position of the Bank or the Group:

The Bank has no fiduciary transactions.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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	
	TL	FC	TL	FC
Cash in TL and Foreign Currency	864,420	165,324	545,710	156,566
Central Bank of the Republic of Turkey	6,503,974	1,636,220	7,246,580	1,423,806
Other	-	4,324	1	2,934
Total	7,368,394	1,805,868	7,792,291	1,583,306

1.a.1) Information on Required Reserves:

Banks that are established in Turkey or performing their operations by opening new branches in Turkey are subject to the Central Bank of the Republic of Turkey's Communiqué numbered 2005/1 "Required Reserves". The Bank's total domestic liabilities excluding the items stated in the Communiqué as deductibles and the deposits accepted on behalf of foreign branches from Turkey constitutes the required reserves liabilities. The required reserve ratios are 5% for TL 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 December 31, 2009 are 5.20% for TL. No interest rate has been applied for USD and EURO required reserves since December 12, 2008.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	6,484,581	-	7,229,549	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves (*)	19,393	1,636,220	17,031	1,423,806
Total	6,503,974	1,636,220	7,246,580	1,423,806

(*) Required reserve of branches abroad amounting to TL 23,553 Thousand is presented in this line (Prior Period: TL 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.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Securities	1	-	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	
	TL	FC	TL	FC
Forward Transactions	133	10	1,004	13
Swap Transactions	-	902	-	1,093
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	133	912	1,004	1,106

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

c) Information on financial assets held-for-trading:

	Current Period	Prior Period
Debt securities	493,198	661,515
Quoted in Stock Exchange	493,198	661,515
Not Quoted	-	-
Share certificates	-	-
Quoted in Stock Exchange	-	-
Not Quoted	-	-
Provision for Impairment (-)	-	47
Other	-	-
Total	493,198	661,468

3.a) Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	-	1,621	1,022	-
Foreign Banks	6,695	5,421,293	8,215	3,701,113
Foreign Head Office and Branches	-	-	-	-
Total	6,695	5,422,914	9,237	3,701,113

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	3,629,866	1,980,447	-	-
USA and Canada	1,607,006	1,657,269	-	-
OECD Countries (*)	152,664	9,499	-	-
Off-shore Banking Regions	-	-	-	-
Other	38,452	62,113	-	-
Total	5,427,988	3,709,328	-	-

(*) OECD countries other than the USA, Canada and European Union Countries

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	1,510,535	1,829,495
Total	1,510,535	2,927,186

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt securities	25,625,885	9,063,910
Quoted in Stock Exchange	25,302,138	8,740,916
Not Quoted	323,747	322,994
Share Certificates	24,647	22,647
Quoted in Stock Exchange	-	-
Not Quoted	24,647	22,647
Provision for Impairment (-)	711	15,513
Total	25,649,821	9,071,044

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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	173,736	-	146,468	-
Total	173,736	-	146,468	-

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	24,434,662	3,876	1,664,467	191,416
Discount Notes	-	-	-	-
Export Loans	1,190,711	-	2,054	134
Import Loans	-	-	-	-
Loans Given to Financial Sector	949,564	-	-	-
International Loans	246,361	-	-	-
Consumer Loans	14,598,977	476	1,249,168	45,992
Credit Cards	874,555	20	-	-
Precious Metals Loans	-	-	-	-
Other	6,574,494	3,380	413,245	145,290
Specialized Loans	8,507,065	7,023	983,204	-
Other Receivables	-	-	-	-
Interest Income Accruals (*)	760,779	-	-	-
Total	33,702,506	10,899	2,647,671	191,416

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

c) Loans according to the maturities:

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
Short-term Loans and Other Receivables	12,393,178	2,585	784,159	16,513
Non-specialized Loans	6,646,803	814	166,780	16,513
Specialized Loans	5,746,375	1,771	617,379	-
Other Receivables	-	-	-	-
Medium and Long-term Loans and Other Receivables	20,548,549	8,314	1,863,512	174,903
Non-specialized Loans	17,787,859	3,062	1,497,687	174,903
Specialized Loans	2,760,690	5,252	365,825	-
Other Receivables	-	-	-	-

(*) TL 760,779 Thousand could not be decomposed therefore accruals are not included in the table above.

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for the Year Ended December 31, 2009

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	728,569	14,984,731	15,713,300
Real Estate Loans	4,769	5,347,731	5,352,500
Vehicle Loans	3,751	185,979	189,730
Consumer Loans	717,770	9,367,944	10,085,714
Abroad (**)	2,266	83,077	85,343
Other	13	-	13
Consumer Loans – Indexed to FC	-	78	78
Real Estate Loans	-	78	78
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	2	318	320
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	2	318	320
Other	-	-	-
Individual Credit Cards – TL	835,518	20	835,538
With Installment	144,770	-	144,770
Without Installment	690,748	20	690,768
Individual Credit Cards – FC	788	-	788
With Installment	-	-	-
Without Installment	788	-	788
Personnel Loans – TL	5,160	125,787	130,947
Real Estate Loans	-	691	691
Vehicle Loans	-	-	-
Consumer Loans	5,143	124,416	129,559
Abroad (**)	17	680	697
Other	-	-	-
Personnel Loans – Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	16	16
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	16	16
Other	-	-	-
Personnel Credit Cards – TL	32,923	-	32,923
With Installment	8,950	-	8,950
Without Installment	23,973	-	23,973
Personnel Credit Cards – FC	58	-	58
With Installment	-	-	-
Without Installment	58	-	58
Overdraft Accounts – TL (Real Person)	135,992	-	135,992
Overdraft Accounts – FC (Real Person)	-	-	-
Total	1,739,010	15,110,950	16,849,960

(*) TL 169,089 Thousand of interest income accrual could not be decomposed therefore not included in the table above.

(**) TL 697 Thousand of consumer loans used by the personnel abroad and TL 85,343 Thousand of consumer loans have been shown under "International Loans" of 5-b Table.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.**Notes to the Unconsolidated Financial Statements
for the Year Ended December 31, 2009**

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

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

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans – TL	78,268	1,480,859	1,559,127
Business Loans	222	45,398	45,620
Vehicle Loans	3,876	85,120	88,996
Consumer Loans	63,323	1,259,863	1,323,186
Other	10,847	90,478	101,325
Commercial Installment Loans – Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	5,254	-	5,254
With Installment	12	-	12
Without Installment	5,242	-	5,242
Corporate Credit Cards – FC	14	-	14
With Installment	-	-	-
Without Installment	14	-	14
Overdraft Account-TL (Legal Entity)	5,626	-	5,626
Overdraft Account-FC (Legal Entity)	-	-	-
Total	89,162	1,480,859	1,570,021

(*) Interest income accruals could not be decomposed by type, therefore interest income accruals are not included in the table above.

f) Loans according to type of borrowers:

	Current Period	Prior Period
Public	1,038,517	1,768,507
Private	34,753,196	28,188,902
Interest Income Accruals of Loans	760,779	764,741
Total	36,552,492	30,722,150

g) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	35,545,352	29,825,784
Foreign Loans	246,361	131,625
Interest Income Accruals of Loans	760,779	764,741
Total	36,552,492	30,722,150

h) Loans granted to subsidiaries and investments:

	Current Period	Prior Period
Direct loans granted to subsidiaries and investments	35,001	60,226
Indirect loans granted to subsidiaries and investments	-	-
Total	35,001	60,226

(*) Interest income accruals could not be decomposed by type, therefore accruals of these loans are not included in the table above.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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

i) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	79,800	85,317
Loans and other receivables with doubtful collectibility	208,221	159,679
Uncollectible loans and other receivables	394,813	245,240
Total	682,834	490,236

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

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

	Group III: Loans and receivables with limited collectibility	Group IV: Loans and receivables with doubtful collectibility	Group V: Uncollectible loans and receivables
Current period	4,973	24,124	46,116
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	4,973	24,124	46,116
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	-	-	-

2) Information on the movement of non-performing receivables:

	Group III: Loans and receivables with limited collectibility	Group IV: Loans and receivables with doubtful collectibility	Group V: Uncollectible loans and receivables
Prior Period Ending Balance	89,744	175,801	338,735
Additions (+)	471,362	120,316	104,161
Transfers from other Categories of Loans under Follow-Up (+)	-	315,287	240,221
Transfers to other categories of Loans under Follow-Up (-)	315,287	240,221	-
Collections (-)	163,077	135,494	146,639
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	82,742	235,689	536,478
Specific Provision (-)	79,800	208,221	394,813
Net Balance on Balance Sheet (*)	2,942	27,468	141,665

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

3) Information on foreign currency non-performing loans:

	Group III: Loans and receivables with limited collectibility	Group IV: Loans and receivables with doubtful collectibility	Group V: Uncollectible loans and receivables
Current Period:			
Period Ending Balance	220	4,261	5,113
Specific Provision (-)	220	4,261	5,113
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period Ending Balance	-	3,313	5,220
Specific Provision (-)	-	3,313	5,220
Net Balance on Balance Sheet	-	-	-

4) Gross and net amounts of non-performing receivables according to user groups:

	Group III: Loans and receivables with limited collectibility	Group IV: Loans and receivables with doubtful collectibility	Group V: Uncollectible loans and receivables
Current Period (Net)	2,942	27,468	141,665
Loans to Real Persons and Legal Entities (Gross)	82,742	190,877	536,478
Specific Provisions (-)	79,800	163,409	394,813
Loans to Real Persons and Legal Entities (Net)	2,942	27,468	141,665
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	44,812	-
Specific Provisions (-)	-	44,812	-
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)	-	-	-

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

Execution proceedings are carried out for the collection of receivables from loan services of the Bank's. During this process, tangible guarantees constituting guarantees of receivables of the Bank and assets of the debtor(s) are realized while receivables of the Bank's are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels, and authorizations transferred to the Branch/Regional Offices. When the debtor offers exceed authorizations transferred to the Branch/Regional Offices or includes matters outside the scope of current legislation agreements and the Branch/Regional Offices submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

l) Explanations on write-off policy:

The Bank writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

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

m) Other explanations and disclosures:

Current Period	Commercial (**)	SBL	Consumer(*)	Agricultural (*)	Total
Non-Overdue or Non-Impaired Loans	5,402,731	2,819,836	18,148,580	9,875,401	36,246,548
Overdue but Non-Impaired Loans	101,846	-	57,731	146,367	305,944
Impaired Loans	101,037	180,606	219,472	353,794	854,909
Total	5,605,614	3,000,442	18,425,783	10,375,562	37,407,401
Specific Provisions of Impaired Loans(-)	101,037	180,606	219,472	181,719	682,834
Net Loan Amount	5,504,577	2,819,836	18,206,311	10,193,843	36,724,567

(*) TL 1,185,045 Thousand consumer, TL 1,788,499 Thousand agricultural, and TL 180 Thousand commercial loans originated from funds whose risk does not belong to the Bank, are shown under the Non-Overdue or Non-Impaired Loans.

(**) Because the overdue but non-impaired commercial and SBL loans could not be decomposed, the whole amount has been shown under the Commercial column.

Prior Period	Commercial (**)	SBL	Consumer(*)	Agricultural (*)	Total
Non-Overdue or Non-Impaired Loans	4,997,445	2,523,105	14,652,659	7,826,466	29,999,675
Overdue but Non-Impaired Loans	133,000	-	48,925	540,550	722,475
Impaired Loans	82,028	118,137	134,331	269,784	604,280
Total	5,212,473	2,641,242	14,835,915	8,636,800	31,326,430
Specific Provisions of Impaired Loans(-)	82,028	118,137	134,331	155,740	490,236
Net Loan Amount	5,130,445	2,523,105	14,701,584	8,481,060	30,836,194

(*) TL 1,198,462 Thousand consumer and TL 1,504,939 Thousand agricultural loans originated from funds whose risk does not belong to the Bank, are shown under the Non-Overdue or Non-Impaired Loans.

(**) Because the overdue but non-impaired commercial and SBL loans could not be decomposed, the whole amount has been shown under the Commercial column.

The improvement of the application system to decompose the guarantee information of the loans is continuing. Since these improvements have not been completed as of December 31, 2009, the guarantees about non-overdue and non-impaired loans and other receivables and loans under follow-up could not be disclosed.

With respect to the classes of loans, the aging analysis of the loans that have matured but have not been subject to the impairment is as follows:

Current Year	Below 30 Days	31- 60 Days	61- 90 Days	Over 91 Days	Total
Loans and Receivables(*)					
Commercial Loans	61,869	22,732	17,245	-	101,846
Consumer Loans	37,772	14,159	5,800	-	57,731
Agricultural Loans	92,361	49,564	4,442	-	146,367
Total	192,002	86,455	27,487	-	305,944

(*) The amounts at the table are the total of the overdue installments for the loans with installments, overdue principals for other loans and the remaining principal amounts of those loans which is equal to TL 1,638,431 Thousand.

Prior Year	Below 30 Days	31- 60 Days	61- 90 Days	Over 91 Days	Total
Loans and Receivables(*)					
Commercial Loans	82,193	37,377	13,430	-	133,000
Consumer Loans	33,900	10,493	4,532	-	48,925
Agricultural Loans (**)	119,168	73,099	42,213	306,070	540,550
Total	235,261	120,969	60,175	306,070	722,475

(*) The amounts at the table are the total of the overdue installments for the loans with installments, overdue principals for other loans and the remaining principal amounts of those loans which are equal to TL 1,664,864 Thousand.

(**) TL 306,070 Thousand included at the "Over 91 Days" column of the agricultural loans is composed of deferred agricultural loan receivables under the scope of 2008/13881 and 2008/14074 numbered Council of Ministers Agreement.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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

6. Information on held-to-maturity investments:

a) Information on comparative net values of held-to-maturity investments subject to repo transactions and given as a collateral/ blocked:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	8,972,397	-	6,283,263	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8,972,397	-	6,283,263	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	4,980,076	655,865	4,976,632	654,405
Other	-	-	-	-
Total	4,980,076	655,865	4,976,632	654,405

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

	Current Period	Prior Period
Government Bonds	44,838,854	48,476,605
Treasury Bills	-	306,714
Other Public Sector Debt Securities	-	-
Total	44,838,854	48,783,319

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	44,843,796	48,787,200
Quoted in a Stock Exchange	38,954,254	36,972,047
Not Quoted in a Stock Exchange	5,889,542	11,815,153
Provision for Impairment (-)	-	-
Total	44,843,796	48,787,200

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	(64,785)	853,280
Purchases During the Year	8,799,714	39,720,817
Disposals through Sales and Redemptions	(12,678,333)	(5,642,324)
Provision for Impairment (-)	-	-
Period End Balance	44,843,796	48,787,200

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

Within the year 2008, the Bank has reclassified securities previously classified in available for sale portfolio with nominal values of TL 23,630,114,815, EURO 717,616,000 and USD 1,483,317,000 to held-to-maturity portfolio with fair values of TL 22,971,668,657, EURO 702,950,036 and USD 1,562,741,917 respectively which have been taken into consideration as book values after reclassification. The Bank has also reclassified securities previously classified in financial assets at fair value through profit and loss portfolio with nominal values of EURO 37,951,000 and USD 45,501,000 to held-to-maturity portfolio with fair values of EURO 37,178,248 and USD 62,311,347 respectively which have been taken into consideration as book values after reclassification. The reclassifications are performed in accordance with TAS and due to the change in retention purpose of these securities.

The reclassifications are presented in "Prior Period" column and "Purchases During the Year" row in the movement table above. Revaluation differences of reclassified available for sale securities before deferred tax are TL 68,984,332, EURO (23,067,331) and USD (15,207,271) respectively and are recorded under shareholders' equity. These balances will be amortised until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of balance sheet date, remaining positive revaluation difference, under shareholders' equity, is TL 28,782,715, remaining negative revaluation differences which are under shareholders' equity are EURO 18,512,026 and USD 14,738,264 respectively.

As of balance sheet date, total fair values of reclassified held for trading securities to held-to-maturity securities are EURO 42,013,205 and USD 68,109,177 respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TL 20,153,723 would have been recorded. As of December 31, 2009, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TL (13,590,708).

7. Information about associates (net):

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

The Bank does not consolidate its associates excluding Axa Sigorta A.Ş., in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006: "If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation considering the materiality principle".

1) Information about unconsolidated associates:

Description	Address(City/Country)	The Bank's share percentage, if different, voting percentage (%)	The Bank's Risk Group Share Percentage (%)
1 Arap Türk Bankası A.Ş.	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 Marketable Securities	Current Period	Prior Period	Fair Value
						Profit/Loss	Profit/Loss	
1	965,839	282,213	306,437	26,817	35,632	24,985	2,710	-
2	18,207	14,400	6,640	912	-	1,067	1,533	-
3	29,833	22,673	1,879	2,499	9	9,103	6,693	-
4	8,061	8,047	1	943	1	747	1,030	-

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

(*) Current period information of associates has been provided from unaudited financial statements as of December 31, 2009. Current period information of Bankalararası Kart Merkezi A.Ş. has been provided from audited financial statements as of December 31, 2009. Prior period information of associates has been provided from unaudited financial statements as of December 31, 2008. Prior period information of Bankalararası Kart Merkezi A.Ş. has been provided from audited financial statements as of December 31, 2008.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

b)1) Explanation regarding consolidated associates:

The Bank consolidates Axa Sigorta A.Ş. since the Bank's voting percentage is higher than required percentage defined with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006.

Description	Address(City/Country)	The Bank's share percentage, if different, voting percentage (%)		The Bank's Risk Group Share Percentage (%)	
1 Axa Sigorta A.Ş.	Istanbul/TURKEY	12.50		80.35	

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	1,620,106	541,617	35,923	-	126,643	92,868	112,643	-

(*) Current period information of Axa Sigorta A.Ş. has been provided from unaudited financial statements as of December 31, 2009. Prior period information has been provided from Axa Sigorta A.Ş. audited financial statements as of December 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	-

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 in stock exchange:

None (December 31, 2008: None).

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 numbered 26340 on November 8, 2006: "If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation considering the materiality principle", consolidated financial statements are not prepared.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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

1) Information about unconsolidated subsidiaries:

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

(*) The establishment phase of Ziraat Hayat Emeklilik A.Ş. and Ziraat Sigorta A.Ş. whose establishment processes started based on the decision of Board of Directors and whose articles of association was published at the Trade Registry Gazette dated May 15, 2009, has been completed. The capital of the entities is TL 20,000 Thousand and whole of the capitals have been paid. Both of the entities have started their operational activities as of January 1, 2010.

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	20,082	19,908	152	-	415	(92)	-	-
2	19,669	19,296	297	-	304	(704)	-	-
3	308,525	96,161	180,979	700	-	13,086	15,798	-
4	72,293	55,074	19,419	4,818	1,433,821	12,959	8,233	-
5	7,157	6,521	86	1,062	3,167	1,783	1,914	-
6	14,083	6,430	4,190	335	23	2,888	4,370	-
7	6,975	3,889	199	317	86	320	322	-
8	1,028,517	329,795	537,225	28,566	9,120	6,124	8,871	298,834
9	170,303	74,474	69,760	11,111	834	881	1,803	44,460
10	38,685	25,523	13,900	3,667	109	1,193	673	29,114
11	109,381	55,442	44,369	5,563	369	45	(430)	53,111
12	78,649	37,781	34,314	3,229	1,209	1,988	222	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 December 31, 2009, the prior period profit/loss balances of Ziraat Finansal Kiralama A.Ş., Ziraat Bank International A.G., Kazakistan Ziraat Int. Bank, and Ziraat Bank Ad Skopje have been provided from audited financial statements as of December 31, 2008. For other subsidiaries, prior year profit/loss figures have been obtained from unaudited financial statements as of December 31, 2008.

b) Information about consolidated subsidiaries

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.

Since the Bank did 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 disclosures of this section are not prepared.

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

c) Subsidiaries which are quoted to a stock exchange:

None (December 31, 2008: None).

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

Entities under Common Control (Joint Ventures) (1)	Parent Bank's		Current Assets	Non- Current Assets	Long Term Liabilities	Income	Expense
	Share (2)	Group's Share					
Türkmen Turkish Joint Stock Commercial Bank	2,861	2,861	35,439	3,368	2,680	4,401	3,985
Uzbekistan- Turkish Bank	6,415	6,415	89,653	3,833	567	6,146	4,275
Azer Türk Bank ASC	10,134	11,015	60,890	45,740	726	19,920	16,504
Total	19,410	20,291	185,982	52,941	3,973	30,467	24,764

(1) Information on entities under common control is provided from the unaudited financial statements as of December 31, 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 joint control is not subject to consolidation and method of accounting of entity under joint control in the Bank's unconsolidated financial statements:

The Bank did not consolidate its entities under common control in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006: "If total assets of an associate, subsidiary or an entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or an entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation under the consideration of the materiality principle."

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

10. Information on finance lease receivables (net):

None (December 31, 2007: None).

11. Information on derivative financial assets for hedging purposes:

None (December 31, 2007: None).

12. Information on tangible fixed assets:

	Land and Buildings	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Prior Period End:					
Cost	1,341,125	59,101	21,099	391,330	1,812,655
Accumulated Depreciation (-)	573,372	35,092	21,099	368,350	997,913
Net Book Value	767,753	24,009	-	22,980	814,742
Current Period End:					
Net Book Value as of January 1, 2008	767,753	24,009	-	22,980	814,742
Change during the period (Net)	5,799	(6,039)	7,294	26,718	33,772
Depreciation Charge-net (-)	15,340	7,719	(607)	4,747	27,199
Impairment Loss	(5,301)	-	-	-	(5,301)
Foreign Currency Differences from Foreign Sub. (-)	-	-	-	-	-
Period End Cost	1,341,623	53,062	28,393	418,048	1,841,126
Period End Accumulated Depreciation (-)	588,712	42,811	20,492	373,097	1,025,112
Period End Net Book Value	752,911	10,251	7,901	44,951	816,014

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

13. Information on intangible assets:

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Leasehold Improvements	-	-	-	-	-	-
Establishment Costs	3,481	1,593	1,888	3,112	1,010	2,102
Goodwill	-	-	-	-	-	-
Intangible Rights	23,740	7,990	15,750	19,244	10,052	9,192
Total	27,221	9,583	17,638	22,356	11,062	11,294

14. Information on investment property:

None (December 31, 2008: None).

15. Information on deferred tax assets, if any:

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 in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

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.

Calculated deferred tax assets and deferred tax liabilities are netted off in the financial statements.

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions are shown below:

	Current Period	Prior Period
Deferred Tax Assets	351,874	173,527
Deferred Tax Liabilities	7,055	3,065
Net Deferred Tax Assets	344,819	170,462
Net Deferred Tax Income/(Expense)	279,274	28,288
	Current Period	Prior Period
Retirement Pay Provision	85,800	81,420
Short Term Employee Benefits	22,720	19,870
Other Provisions	21,592	12,049
Fixed Assets	-	(2,158)
Valuation of Financial Assets	212,652	57,458
Other	2,055	1,823
Net Deferred Tax	344,819	170,462
	Current Period	Prior Period
As of January 1	170,462	104,407
Effect of Change in the Effective Tax Rate	-	-
Deferred Tax Income/(Expense)	279,274	28,288
Deferred Tax Expenses (Net)	279,274	28,288
Deferred Tax Recognized Under Shareholders' Equity	(104,917)	37,767
Deferred Tax Assets	344,819	170,462

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

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

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Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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.

II. EXPLANATIONS AND NOTES TO LIABILITIES

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

1) For deposit banks:

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	4,212,153	-	9,336,800	34,035,101	1,837,397	323,397	435,010	-	50,179,858
Foreign Currency Deposits	2,952,445	-	4,720,555	5,751,125	1,221,403	233,488	3,536,112	-	18,415,128
Residents in Turkey	2,872,011	-	4,544,395	5,394,360	1,032,605	179,131	3,220,678	-	17,243,180
Residents Abroad	80,434	-	176,160	356,765	188,798	54,357	315,434	-	1,171,948
Public Sector Deposits	5,647,835	-	1,064,436	4,083,692	188,930	928	3,374	-	10,989,195
Commercial Inst. Deposits	1,786,631	-	2,432,373	5,374,605	291,099	304,426	189,188	-	10,378,322
Other Inst. Deposits	755,132	-	1,125,729	5,065,187	955,041	58,893	10,620	-	7,970,602
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	48,284	-	546,791	1,287	-	-	-	-	596,362
CBRT	1,489	-	1,047	-	-	-	-	-	2,536
Domestic Banks	13,894	-	540,824	-	-	-	-	-	554,718
Foreign Banks	32,901	-	4,920	1,287	-	-	-	-	39,108
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	15,402,480	-	19,226,684	54,310,997	4,493,870	921,132	4,174,304	-	98,529,467

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

1.b) Information on Saving Deposits

1) Amounts exceeding the deposit insurance limit:

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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	27,565,729	25,931,528	22,427,342	19,514,005
Foreign Currency Saving Deposits	6,778,514	6,428,120	6,622,555	5,312,328
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance(*)	245,795	181,497	26,484	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, TL 6,739 Thousand, TL 771 Thousand, and TL 4,954 Thousand of legal entity's deposits of Sofia, Athens and Komotini respectively, cannot be decomposed therefore included in the table above (December 31, 2008: Sofia – TL 15,094 Thousand; Athens and Komotini – TL 1,267 Thousand).

Based on the Council of Minister's decree dated December 29, 2003 and numbered 2003/6668, TL 3,946 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 Bank. As total of capital amount and interest expense accruals of saving deposits up to TL 50 Thousand attributable to a real person is covered by the insurance, TL 358,708 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.

3) Amounts which are not covered by deposit insurance:

a) Saving deposits not covered by the deposit insurance fund:

	Current Period	Prior Period
Deposits and Other Accounts in Branches Abroad	4,392	4,689
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	1,484	744
Deposits Obtained through Illegal Acts Defined in the 282nd 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	-	-

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

2. Information on derivative financial liabilities held for trading:

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

Financial Liabilities Held-for-Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	108	-	1,026	104
Swap Transactions	-	178	-	2,889
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	108	178	1,026	2,993

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	15,316	5,283	23,764	3,937
Foreign Banks, Institutions and Funds	-	564	-	656
Total	15,316	5,847	23,764	4,593

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	15,285	5,237	23,729	3,475
Medium and Long-Term	31	610	35	1,118
Total	15,316	5,847	23,764	4,593

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:

79.11% of the Bank's liabilities consist of deposits. Deposits are having a diversified base and have steady structures. The Bank's liabilities are not subject to a significant concentration risk.

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

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

5. Information on finance lease payables (net):

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

Information on Finance Lease Payables:

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

6. Information on derivative financial liabilities for hedging purposes:

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

7. Explanations on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions	428,469	247,013
Allocated for Group- I Loans and Receivables	288,459	206,609
Allocated for Group- II Loans and Receivables	56,909	4,120
Allocated for Non-cash Loans	20,800	12,450
Other	62,301	23,834

The Bank has given up the application of temporary 1st clause of Regulation for Provisions related with general provisions since loans extended in the related period are closed 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 TL 3,173 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(*)	611,962	607,508

(*) Based on the decision of the Bank's Assets and Liabilities Committee, TL 604,309 Thousand (December 31, 2008: TL 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.

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

TL 732,432 Thousand of other provision amount consists of TL 3,173 Thousand for unindemnified non-cash loans, TL 7,600 Thousand for cash transfers made by the clerks, TL 604,309 Thousand for the decision made by the Assets and Liabilities Committee, TL 87,452 Thousand for remuneration liabilities, TL 14,818 Thousand for priorly unconfirmed current account recordings, TL 9,250 Thousand for possible legal claims and TL 5,830 Thousand for other provisions.

3) Employee pension right liabilities for the Bank personnel:

The Bank's employees are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees Pension Fund which was established by 20th provisional article of Social Security Agency (SSK) Act of numbered 506. In accordance with 23rd provisional clause of the Banking Act numbered 5411, the pension fund is expected to be transferred to the Social Security Agency within three years following the declaration of the Banking Act numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act numbered 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court as of March 31, 2007.

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

In accordance with the Act numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 26870 on May 8, 2008, bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

The technical balance sheet report as of December 31, 2009 which is prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated May 8, 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded that 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
As of January 1	407,100	392,000
Payments in the period	(44,200)	(40,442)
Charge for the period (1)	66,100	55,542
Total	429,000	407,100

(1) Charge for the period shows net balance of retirement pay provision expense equal to TL 69,200 Thousand (Prior Period: TL 66,842 Thousand) and reversals equal to TL 3,100 Thousand (Prior Period: TL 11,300 Thousand).

As of December 31, 2009 unpaid vacation liability amounted to TL 113,600 Thousand (December 31, 2008: TL 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 December 31, 2009, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 230,992 Thousand (December 31, 2008: TL 193,976 Thousand).

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

2) Information on current tax payable:

	Current Period	Prior Period
Corporate Tax Payable	230,992	193,976
Taxation on Income From Securities	95,406	173,538
Property Tax	495	302
Banking Insurance Transactions Tax (BITT)	26,624	25,538
Foreign Exchange Transactions Tax	3	3
Value Added Tax Payable	1,021	781
Other	33,067	17,696
Total	387,608	411,834

3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employee	16	18
Social Security Premiums – Employer	23	27
Bank Social Aid Pension Fund Premium – Employee	68	44
Bank Social Aid Pension Fund Premium – Employer	122	74
Pension Fund Membership Fees and Provisions – Employee	5	4
Pension Fund Membership Fees and Provisions – Employer	8	7
Unemployment Insurance – Employee	142	106
Unemployment Insurance – Employer	282	211
Other	11	29
Total	677	520

b) Information on deferred tax liabilities, if any:

The Bank's deferred tax liability amounts to TL 7,055 Thousand. However, this amount is netted off against the deferred tax asset and subsequently TL 344,819 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.

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

a) Information on the subordinated loans the Bank used:

None.

11. Information on shareholders' equity:

a) Presentation on paid-in capital:

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

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

The Bank does not have a registered share capital system.

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

There is no share capital increases and increased capital shares.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

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

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

g) Information on preferred shares:

The Bank has no preferred shares.

h) Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates and Entities under Common Control (1)	-	19,521	-	44,419
Revaluation Difference	-	19,521	-	44,419
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	462,925	8,161	113,344	(81,957)
Revaluation Difference	577,650	8,161	123,966	(81,957)
Deferred Tax Effect	(114,725)	-	(10,622)	-
Foreign Exchange Difference	-	-	-	-
Total	462,925	27,682	113,344	(37,538)

(1) From the subsidiaries domiciled and operating abroad for Ziraat Bank Moscow and Kazakhstan Ziraat International Bank, independent valuation work is applied as of December 31, 2009 and revaluation differences determined on the basis of the valuation are added into the costs of the equity participations followed under the assets while they are realized at "Marketable Securities Value Increase Fund" under shareholders' equity at liabilities.

12. Information on minority interests:

In accordance with the BRSA's Communiqué on the "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006, since the Bank only consolidates its associate Axa Sigorta A.Ş. using equity method of accounting, there is no minority interest in the unconsolidated financial statements.

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	2,371,778	2,311,720
Asset Purchase Commitments	390,634	169,961
Commitments for Credit Card Expenditure Limits	1,929,243	1,427,784
Loan Granting Commitments	256,804	111,031
Other Irrevocable Commitments	284,846	207,084
Subsidiaries and Associates Capital Contribution Commitments	3,638	250
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	1,861	2,487
Total	5,238,804	4,230,317

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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	4,809,499	3,567,826
Bank Acceptance	33,753	16,305
Letter of Credits	670,165	707,899
Total	5,513,417	4,292,030

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

	Current Period	Prior Period
Letter of Temporary Guarantees	84,804	65,429
Letter of Certain Guarantees	2,375,668	1,738,076
Letters of Advance Guarantees	1,588,973	1,018,884
Letters of Guarantees given to Customs Offices	113,807	58,946
Other Letters of Guarantees	646,247	686,491
Total	4,809,499	3,567,826

c) 1) Total non-cash loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	621,622	660,601
With Original Maturity of One Year or Less	47,888	87,114
With Original Maturity of More than One Year	573,734	573,487
Other Non-Cash Loans	4,891,795	3,631,429
Total	5,513,417	4,292,030

c) 2) Non-cash loans risk concentration based on sectors:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,641	1.59	4,066	0.11	24,468	1.88	3,815	0.12
Farming and Raising Livestock	28,782	1.54	3,689	0.10	23,849	1.83	3,427	0.11
Forestry	-	-	-	-	-	-	-	-
Fishery	859	0.05	377	0.01	619	0.05	388	0.01
Industry	576,846	30.96	2,340,129	64.12	385,638	29.65	1,542,783	51.58
Mining	163,385	8.77	316,642	8.68	93,324	7.17	89,493	2.99
Production	340,797	18.29	1,985,091	54.39	275,696	21.19	1,396,867	46.70
Electricity, Gas and Water	72,664	3.90	38,396	1.05	16,618	1.29	56,423	1.89
Construction	122,583	6.58	69,472	1.90	100,029	7.69	51,295	1.71
Service	1,047,415	56.19	617,017	16.90	721,677	55.48	616,934	20.63
Wholesale and Retail Trade	160,702	8.62	40,842	1.12	111,778	8.59	7,425	0.25
Hotel and Food Services	5,975	0.32	307	0.01	4,833	0.37	82	-
Transportation and Communication	286,915	15.39	37,265	1.02	166,824	12.84	25,347	0.85
Financial Institutions	420,948	22.59	205,537	5.63	330,198	25.38	246,995	8.26
Real Estate and Leasing Services	586	0.03	4	-	185	0.01	2	-
Self-employment Services	2,691	0.14	-	-	1,696	0.13	-	-
Educational Services	3,639	0.20	21,311	0.58	2,382	0.18	31,499	1.05
Health and Social Services	165,959	8.90	311,751	8.54	103,781	7.98	305,584	10.22
Other	87,222	4.68	619,026	16.97	68,958	5.30	776,433	25.96
Total	1,863,707	100.00	3,649,710	100.00	1,300,770	100.00	2,991,260	100.00

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

c) 3) Non-cash loans classified in Group I and II:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash loans	1,832,810	3,648,828	30,897	882
Letters of Guarantee	1,832,810	2,945,017	30,897	775
Bill Guarantees and Acceptances	-	33,646	-	107
Letters of Credit	-	670,165	-	-
Endorsements	-	-	-	-
Purchase Guarantees on Marketable Security Underwritings	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Contingencies	-	-	-	-

2. Derivative financial instruments:

	Current Period	Prior Period
Types of trading transactions		
Foreign currency related derivative transactions (I)	205,380	259,834
Forward Foreign Currency Buy/Sell Transactions	71,781	144,921
Currency Buy/Sell Swap	133,599	114,913
Currency Futures	-	-
Currency Put/Call Options	-	-
Interest related derivative transactions (II)	-	-
Interest Rate Contracts	-	-
Interest Rate Buy/Sell Swap	-	-
Interest Rate Put/Call Options	-	-
Interest Rate Buy/Sell Futures	-	-
Other trading derivative transactions (III)	-	-
A. Total trading derivative transactions (I+II+III)	205,380	259,834
Types of derivative transactions for hedging		
Fair Value Fluctuations Hedging	-	-
Cash flow Risk Hedging	-	-
FC Investment in Associates Risk Hedging	-	-
B. Total derivative transactions for hedging	-	-
Total Derivative Transactions (A+B)	205,380	259,834

The Bank has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption however; it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

3. Information on contingent liabilities and assets:

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Bank and otherwise, provision is provided based on the estimations.

The Bank's liability resulting from the cheques given to its customers amounts to TL 2,371,778 Thousand (December 31, 2008: TL 2,311,720 Thousand) and this amount is recognized under the off-balance sheet commitment accounts. If cheques that are paid to beneficiaries qualify as bad cheques, the Bank may have an obligation to pay up to TL 500 for the portion of bad cheques amount according to the numbered 2003/1 "Declaration of Ordering of Payments of Check and the Act of about Protection of Check Bearers" that was published on the April 9, 2003 dated and 25074 numbered.

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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 TL 100 Thousand amount to TL 211,355 Thousand. Full provision has been provided in the accompanying financial statements for law suits ended against the Bank but not finalized yet, amounting to TL 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 TL 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.

4. Services supplied on behalf of others:

The Bank acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

IV. EXPLANATIONS RELATED TO INCOME STATEMENT

1. a) Information on interest income from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (*)	5,572,365	67,808	4,467,527	49,392
Short Term Loans	2,080,100	49,545	1,820,724	40,474
Medium and Long Term Loans	3,391,101	18,263	2,570,553	8,918
Interest on Non-Performing Loans	101,164	-	76,250	-
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	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	295,813	-	421,323	11
Domestic Banks	592	261	15,262	3,243
Foreign Banks	711	19,087	9,146	73,555
Head Office and Branches	-	-	-	-
Total	297,116	19,348	445,731	76,809

c) Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets held for trading	89,179	2,378	109,117	5,071
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets available-for-sale	1,566,549	271,759	3,403,129	437,206
Investments held-to-maturity	6,008,115	291,599	4,128,576	108,072
Total	7,663,843	565,736	7,640,822	550,349

d) Interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest income from subsidiaries and associates	1,653	4,637

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

2.a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks(*)	2,211	361	1,336	159
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	2,211	347	1,336	124
Foreign Banks	-	14	-	35
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	2,211	361	1,336	159

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

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

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	1,738	367

c) Information on interest given on securities issued:

None.

d) 1) Maturity structure of interest expense on deposits:

Account Name	Demand Deposits		Time Deposits				Cumulative Deposits	Total
	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL								
Interbank Deposits	-	6,928	-	-	-	-	-	6,928
Saving Deposits	46	935,628	3,702,344	204,557	39,610	53,106	-	4,935,291
Public Deposits	1,324	125,568	466,252	14,149	7,056	338	-	614,687
Commercial Deposits	549	163,109	441,231	29,868	45,374	14,422	-	694,553
Other Deposits	4	84,421	534,883	73,273	8,527	5,874	-	706,982
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	1,923	1,315,654	5,144,710	321,847	100,567	73,740	-	6,958,441
FC								
Foreign Currency Deposits	8,461	92,344	132,540	33,996	5,160	98,753	-	371,254
Interbank Deposits	511	-	-	-	-	-	-	511
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	8,972	92,344	132,540	33,996	5,160	98,753	-	371,765
Grand Total	10,895	1,407,998	5,277,250	355,843	105,727	172,493	-	7,330,206

3. Information on dividend income:

	Current Period	Prior Period
Financial assets held for trading	-	-
Financial assets at fair value through profit and loss	-	-
Financial assets available-for-sale	2,501	8,434
Other (*)	24,484	18,017
Total	26,985	26,451

(*) Shows the Bank's dividend income from equity investments, subsidiaries, associates and entities under common control.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

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

	Current Period	Prior Period
Profit	316,982	609,980
Profit from the Capital Market Transactions	16,148	12,310
Profit on Derivative Financial Instruments	5,673	64,566
Foreign Exchange Gains	295,161	533,104
Loss (-)	255,530	663,051
Loss from the Capital Market Transactions	-	203
Loss on Derivative Financial Instruments	4,725	124,239
Foreign Exchange Loss	250,805	538,609

5. Information on other operating income:

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

There are no significant matters covering the recent developments which have significant effect on the Bank's income. Main component of the Bank's other operating income consists of reversals from prior period provisions amounting to TL 223,733 Thousand.

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

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables (2)	342,187	244,842
Group III Loans and Receivables	74,623	81,305
Group IV Loans and Receivables	171,352	125,367
Group V Loans and Receivables	96,212	38,170
General Provision Expenses (1)	145,767	102,630
Provision Expenses for the Possible Losses (1)	90,943	175,843
Marketable Securities Impairment Expense	185	3,073
Financial Assets at Fair Value through Profit and Loss	-	1,410
Financial Assets Available for Sale	185	1,663
Impairment Losses from Associates, Subsidiaries, Joint Ventures and Marketable Securities Held to Maturity	420	371
Associates	-	28
Subsidiaries	420	343
Entities under Common Control (Joint Ventures)	-	-
Investment Securities Held to Maturity	-	-
Other (3)	52,682	19,269
Total	632,184	546,028

(1) The balance represents the expenses related to the current period. The reversals within the period amounting to TL 50,925 Thousand are presented in other operating income (December 31, 2008: TL 3,009 Thousand).

(2) The balances represents include the expenses related to the current period. The reversals within the period amounting to TL 151,023 Thousand are presented in other operating income (December 31, 2008: TL 74,284 Thousand).

(3) The TL 14,899 Thousand of the relevant balance is the generic provision expense set for the prior periods' current account deficits of the branches, TL 37,300 Thousand is the generic provision expense set for the remuneration liabilities subject to law suit.

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7.a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses(1)	1,046,194	915,128
Reserve for Employee Termination Benefits(1)	69,200	66,842
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	1,329	4,078
Depreciation Expenses of Tangible Fixed Assets	46,951	40,916
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	3,347	2,568
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	100	27
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	367,378	307,671
Operational Leasing Expenses	35,170	28,011
Maintenance Expenses	50,529	45,787
Advertisement Expenses	22,237	19,120
Other Expenses	259,442	214,753
Loss on Sales of Assets	807	7,213
Other (2)	359,753	380,087
Total	1,895,059	1,724,530

(1) TL 44,200 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 provision for employee termination benefits row (Prior period: TL 40,442 Thousand).

(2) TL 176,773 Thousand of the relevant balance is Savings Deposit Insurance Fund expense accrual, TL 115,201 Thousand is taxes, fees and tolls expenses.

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

The Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	6,068,776	4,102,277
Net Fees and Commissions Income	436,997	572,031
Dividend Income	26,985	26,451
Trading Income/Expense (Net)	61,452	(53,071)
Other Operating Income	349,768	338,370
Provision for Loan or Other Receivables Losses (-)	632,184	546,028
Other Operating Expenses (-)	1,895,059	1,724,530
Income(Loss) From Continuing Operations	4,416,735	2,715,500

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

As of December 31, 2009, the Bank's income tax provision amounting to TL (905,780) Thousand (December 31, 2008: TL (581,241) Thousand) consists of TL (1,185,054) Thousand (December 31, 2008: TL (609,529) Thousand) of current tax charge and TL 279,274 Thousand (December 31, 2008: TL 28,288 Thousand) of deferred tax income.

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

The Bank's net operating income after tax amounts to TL 3,510,955 Thousand (December 31, 2008: TL 2,134,259 Thousand).

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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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 (December 31, 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 amounting to at least 20% of these items are shown below:

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

V. EXPLANATIONS RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. In accordance with the Turkish Accounting Standards, the disclosures on shareholders' equity are made accordingly in the order of financial statement items in this section:

a) Explanations on inflation adjustment differences for equity items:

As per the BRSA's Circular numbered 5 announced on April 28, 2005 it is stated that the indicators of hyperinflationary period are eliminated to a large extent, inflation accounting applied in the banking system has been ceased as of January 1, 2005 in accordance with the BRSA decree numbered 1623 on April 21, 2005.

b) Explanations on profit distribution:

On the basis of the decision agreed on the Board of Meeting held on April 14, 2009, from the net operating income of 2008, TL 750,000 Thousand of net dividend which had been accrued in favor of the Undersecretariat of Treasury of the Turkish Republic and TL 2,919 Thousand of excess amount which had been left from the distribution to personnel has been transferred to the accounts of the Undersecretariat of Treasury. The TL 984,169 Thousand of the income is retained.

Bank is planning to distribute its 2009 profit based on the articles of association. However, as of the report date, there is no decision taken regarding the profit distribution.

c) Explanations on exchange differences:

Subsidiaries and entities under common control domiciled and operating abroad were previously followed with acquisition costs. The exchange differences related to those investments are reversed from shareholders' equity with the determination of fair values of those investments. Foreign currency differences arose from translation of foreign branches are presented as other capital reserves under equity.

d) Explanations on Available For Sale Financial Assets:

Available for sale financial assets are not included in the current income statement, until their collections, disposals, sales or losses are realized and those assets are recognized under the "Marketable Securities Revaluation Fund" under equity. In accordance with TAS 39 and due to the change in the Bank's intention to hold the previously classified as available for sale securities to maturity the Bank has reclassified the securities under available for sale portfolio to held to maturity portfolio. The valuation differences of these securities is presented under shareholders' equity as a "Marketable Securities Valuation Differences" and transferred to profit/loss with subject to redemption with proportional to the maturity of security.

Subsidiaries and jointly controlled entities domiciled and operating abroad are followed by their fair values. For such subsidiaries and entities under common control, the fair value is determined with revaluation report prepared by independent valuation firm and revaluation differences are recognized under "Marketable Securities Revaluation Fund" under equity.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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e) Profit Reserves:

As of the balance sheet date, legal reserves amount to TL 1,758,096 Thousand, extraordinary reserves amount to TL 1,074,290 Thousand and other profit reserves amount to TL 304,134 Thousand.

VI. EXPLANATIONS RELATED TO CASH FLOW STATEMENT

1. In accordance with the Turkish Accounting Standards, the disclosures on cash flow statement are made accordingly in the order of financial statement items in this section:

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

2. The effects of "other" items stated in the cash flow statement and the "changes in foreign currency exchange rates on cash and cash equivalents":

"Operating Profit before Changes in Operating Assets and Liabilities" amounting to TL 3,699,857 Thousand is composed mainly from interest received from loans and securities amounting to TL 14,128,604 Thousand and interest paid to deposit and money market operations which is amounting to TL 8,282,976 Thousand. Other earnings consists primarily net fee, commission income and other operation losses.

The effect of the change in the foreign exchange rate on the cash and cash equivalents is stated, approximately, TL (184,071) Thousand as of December 31, 2009 (December 31, 2008: TL 1,243,705 Thousand).

The cash in TL, the cash in foreign currencies, Central Bank of the Republic of Turkey's accounts, cash in transit, bank cheques, money market operations and bank deposits having maturity up to three months are defined as cash and cash equivalent assets.

Period opening and end cash and cash equivalents balance:

Period Opening	31.12.2008	31.12.2007
Cash in TL and in Foreign Currency	702,276	753,830
Central Bank of the Republic of Turkey and Other Banks	12,186,525	7,258,490
Money Market Operations	-	2,611,226
Total Cash and Cash Equivalents	12,888,801	10,623,546
Period Opening	31.12.2009	31.12.2008
Cash in TL and in Foreign Currency	1,029,744	702,276
Central Bank of the Republic of Turkey and Other Banks	13,458,791	12,186,525
Money Market Operations	-	-
Total Cash and Cash Equivalents	14,488,535	12,888,801

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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VII. EXPLANATION RELATED TO THE RISK GROUP OF THE BANK

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

a) Current Period:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	793,049	293,439	-	-	-	-
Closing Balance	811,676	305,249	-	-	-	-
Interest and Commissions Income	1,653	-	-	-	-	-

* 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.

*** The TL 61,523 Thousand placement amount, which has made to the foreign branches that are part of the risk group, is included at the cash loan amount.

a) Prior Period:

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Opening Balance	445,341	270,078	-	-	-	-
Closing Balance	793,049	293,439	-	-	-	-
Interest and Commissions Income	4,637	-	-	-	-	-

* 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.

*** The TL 71,451 Thousand placement amount, which has made to the foreign branches that are part of the risk group, is included at the cash loan amount.

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Opening Balance	103,835	53,601	-	-	-	-
Closing Balance	100,952	103,835	-	-	-	-
Interest Expense on Deposits	1,738	367	-	-	-	-

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Notes to the Unconsolidated Financial Statements for the Year Ended December 31, 2009

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

Risk Group of the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
The Fair Value Differences Through						
Profit and Loss	-	-	-	-	-	-
Opening Balance	28,894	-	-	-	-	-
Closing Balance	6,354	28,894	-	-	-	-
Total Profit/Loss	(37)	793	-	-	-	-
Risk Protection Oriented Processes	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

3) Information about fees paid to Bank 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	7,831	6,100
Dividend and Additional Payments	696	580
Total	8,527	6,680

VIII. EXPLANATIONS ON THE BANK'S DOMESTIC BRANCHES, AGENCIES AND BRANCHES ABROAD AND OFF-SHORE BRANCHES

The following information is explained on the Bank's domestic branches, agencies/branches abroad:

	Number of Branches	Number of employees		Total Asset	Capital
Domestic Branches (*)	1,305	18,198			
Agencies Abroad	1	1	Country		
	1	1	1- Pakistan		
			2- Iran		
Foreign Branches (**)	1	5	1- USA	1,788,345	175,610
	1	3	2- England	534,484	79,556
	1	2	3- Bulgaria	46,599	30,431
	1	3	4- Georgia	19,635	13,427
	1	2	5- Iraq	11,123	10,465
	2	5	6- Greece	82,199	38,606
	5	37	7- T.R. of Northern Cyprus	430,290	13,994
Off-shore Branches	-	-	-	-	-

(*) Includes the employees of the domestic branches, excluding the employees of head office and districts' head offices.

(**) Excluding the local employees of the foreign branches.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.
Notes to the Unconsolidated Financial Statements
for the Year Ended December 31, 2009

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

SECTION VI: OTHER EXPLANATIONS

I. OTHER EXPLANATIONS ON THE ACTIVITY OF THE BANK

There are no other important matters, material disclosures or footnotes related to the operations of the Bank that have not been stated in the above sections.

SECTION VII: EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and footnotes of the Bank disclosed herein were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and Independent Auditors' Report dated March 1, 2010 is presented preceding the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Ziraat Bank's Financial Standing, Profitability and Solvency

2009 was a stellar year for Ziraat Bank which achieved healthy growth, increased market share and high profitability. The Bank remained the leader of the banking industry in total assets, deposits and net profit. The rate of increase in total assets, loans and deposits outdid the average rate of increase in the overall industry, bringing the Bank increased market share. Ziraat Bank's net profit rose to TL 3.5 billion with a remarkable growth of 65% by virtue of successful performance and effective cost management. With these results, Ziraat Bank was Turkey's most profitable Bank for the sixth consecutive year.

As a result of balanced growth in total deposits and lending, Ziraat Bank maintained a solid balance sheet composition, thereby strengthening its balance sheet structure.

ASSETS STRUCTURE

Ziraat Bank sustained its leadership in the sector in total assets, which grew 19% year-on and reached TL 124.5 billion. Total lending also grew 19% to arrive at TL 36.7 billion. Continuing to extend support to the national economy even through the more severe times of the global crisis, Ziraat Bank highly outdid the sector with the rate of increase it captured in loans. The Bank became the leader of the banking sector in Turkish lira loans on the back of 17% growth achieved. Broken down, retail loans expanded 26%, while agricultural loans were up 21% and commercial loans 9%. Preserving its leadership by a large margin in agricultural loans, Ziraat Bank had a breakthrough in retail loans and rose to leading position also in this segment in 2009. The Bank continued to lead the sector with a share of 26% in general-purpose loans. Loans got 29.5% share in total assets, while the ratio of NPL to total loans stood at 2.3. Excluding loans arising from funds and other receivables for which the Bank does not set aside any provisions, this ratio goes down to 1.9%, which is well below the sector's average of 5%. The NPL ratio to total loans that remains well below the sector's average and the sound growth of market share attained in loans serve as an indicator of the gradually bettering quality of the assets structure.

Total Assets
TL million



Total Loans
TL million



Commercial Loans
TL million



Retail Loans
TL million



Agricultural Loans
TL million



Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Ziraat Bank's Financial Standing, Profitability and Solvency

LIABILITIES STRUCTURE

Deposits make up a vital source for the Bank.

Ziraat Bank attained a strong expansion in collecting deposits, drawing on the advantage of possessing the widest branch network in the sector and on the trust of its customers. At 17%, the year-on increase in deposits in 2009 outperformed that in the sector, and deposits accounted for 79% of the Bank's total liabilities. Having increased its total deposits to TL 99 billion by the end of 2009, Ziraat Bank further strengthened its funding structure with the expansion in deposits. Savings deposits make up the largest part of deposits with a share of 51%. The broad base secured in deposits represents a positive aspect with respect to the financing of the Bank's assets.

Total Deposits
TL million



Net profit

Posting TL 3.5 billion in net profit, Ziraat Bank became the most profitable bank in 2009. The 65% growth in net profit is well above the sector's average. The Bank was also able to increase its net interest income by 48% in 2009, which make up its primary operating income. Ziraat Bank preserved its solid capital structure, high liquidity level and funding capability also in 2009. 20.1% at year-end 2008, capital adequacy ratio climbed up to 23.2%.

Net Profit
TL million



Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Ratios

Ratios relating to financial strength, profitability and solvency are given below:

CAPITAL	2009 (%)	2008 (%)
Capital Adequacy Ratio	23.2	20.1
Shareholders' Equity/Total Assets	8.3	7.1
Shareholders' Equity/(Total Assets+Non-cash Loans)	8.0	6.8
Shareholders' Equity/(Deposits+Non-Deposit Resources)	9.3	7.8
ASSET QUALITY		
Total Loans/Total Assets	29.5	29.5
NPL (Gross)/Cash Loans	2.3	1.9
NPL (Gross)/(Non-cash Loans+Cash Loans)	2.0	1.7
FC Assets/FC Liabilities	99.7	100.1
LIQUIDITY		
Liquid Assets/Total Assets	11.7	12.5
Liquid Assets/(Deposits+Non-Deposit Resources)	13.2	13.9
PROFITABILITY		
Net Profit (Loss)/Average Total Assets	3.1	2.4
Net Profit (Loss)/Average Shareholders' Equity	40.4	31.7
Net Profit (Loss)/Average Paid-in Capital	140.4	85.4
COST-INCOME STRUCTURE		
Interest Income/Interest Expenses	174.6	144.3
Non-Interest Income/Non-Interest Expenses	36.9	41.1
Total Income/Total Expenses	141.1	123.4
Interest Income/Total Income	93.6	93.3
Non-Interest Income/Total Income	6.4	6.7
Interest Expenses/Total Expenses	75.6	79.7
Non-Interest Expenses/Total Expenses	24.4	20.3

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Risk Management Policies Adhered to According to Types of Risk

Risk management activities at the Bank are conducted under the Risk Management Guidelines approved by the Board of Directors decision no. 377, dated 27 November 2007. The fundamental approach to risk management is to achieve the best possible practices in risk management functions by inculcating a culture of risk-awareness throughout the Bank and by continuously improving both the system and the Bank's human resources.

Risk management activities cover the primary headings of credit risk, market risk, operational risk, and balance sheet risks. Policy and implementation principles concerning the management of these risks are carried out in accordance with regulations on the basis of each type of risk, which are approved by the Board of Directors. Maximum attention is given to ensuring that the risk management activities that take place are conducted with the coordinated participation of all units that are involved in every activity associated with each category of risk.

Risk management policy is concerned with the execution of measurement, monitoring, stress testing and scenario analyses of credit risk, operational risk, market and balance sheet risks which are aligned with the volume, nature and complexity of the Bank's activities, and reporting the results therefrom. New products are considered within the frame of risk management activities.

Results of risk analyses and risk indicators are reported in varying scope and extent to the Board of Directors, Audit Committee, executive units and internal system units at semi-annual, monthly, weekly and daily intervals.

The Bank places utmost importance on acquiring expertise in the field of risk management. In this vein, career professional staff description was introduced under the title Risk Analyst Group who will work and receive training in this field. Risk management staff are encouraged to earn GARP (Global Association of Risk Professionals) FRM (Financial Risk Manager) certification and the number of certified employees grows by the year.

Credit Risk

While the existing credit risk base amount is monitored within the frame of credit risk management, credit risk is measured employing Basel II Standardized Method, and measurements are supported by scenario analyses. Furthermore, in order to enable employing Advanced Measurement Methods in calculating credit risk base amount, collaboration is made and projects are carried out with relevant units to develop rating/scoring models focusing on different credit portfolios.

Operational Risk

The Bank acknowledges that operational risk management is a process encompassing all activities and personnel. When fulfilling their duties, authorities and responsibilities, it is essential that the Bank personnel are aware of operational risks and consider their ramifications, take necessary precautions for mitigation and/or prevention of these risks or come up with proposals to this end, and carry out their activities with an awareness of control. The Bank's operations are evaluated with respect to operational risks arising from the personnel, processes, system and external factors.

Operational risk calculations use the lines of business and types of losses identified in the operational risk loss database under Basel II. Operational risk loss data that occur throughout the Bank are monitored as and when they are recognized in the accounts. Operational risk base amount to be included in the Bank's legal capital adequacy ratio is calculated and reported using the Basic Indicator Approach. In addition, work is in progress to employ Advanced Measurement Methods for calculating operational risk. Operational Risk Maps are developed to establish the operational risk levels of branches and headquarters units. Self-assessments are performed with the aim of on-site determination of risks by competent personnel in meetings held at Regional Offices.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.

Risk Management Policies Adhered to According to Types of Risk

Market and Balance Sheet Risks

With a view to revealing the market and balance sheet risks that the Bank may be exposed to, risk measuring and monitoring are carried out, whose results are taken into consideration in the Bank's strategic decision-making process.

In market risk control, the Bank's accounts and positions exposed to market risk and the developments that affect the values thereof are monitored at least on a daily basis, as well as analyzing the impact of ordinary or extraordinary downward and upward moves in markets upon the Bank's accounts and positions exposed to market risk.

In liquidity risk control, maturity mismatches between funds and placements are monitored, as well as their concentration levels, while also following-up cash and cash-equivalent primary liquid reserve levels and free capital levels that will allow the Bank to pursue its normal day-to-day activities.

In structural interest rate risk control, analyses and monitoring are carried out for maturity mismatches between fixed and variable interest rate funds and utilizations, behavioral, as well as contractual maturities of assets and liabilities, and the effects of probable downward and upward, ordinary and extraordinary interest rate changes on the interest rate and on the current value of assets and liabilities.

With a view to being able to evaluate in advance the impact of adverse developments that will take place in the parameters affecting the Bank's financial strength on the activities and market and balance sheet risks, stress tests are conducted and their results are used in the Bank's strategic decision-making process.

For the purpose of preventing the Bank's financial strength from being significantly affected by increased volatility in the markets and potential mismatches in cash inflows and outflows in the performance of its day-to-day activities, risk levels are restricted with limits.

In this frame, the Bank calculates and reports market risk base amount to be included in the legal capital adequacy ratio using standardized method. Furthermore, RMD-based internal method employed in addition to the standardized method for measuring market risk has been assessed, and endorsed for fitness, within the frame of international best practices by an independent consultancy firm.

For liquidity risk measurement, Liquidity Gap, Structural Liquidity Gap, and Average Maturity analyses are conducted, while Repricing Gap, Duration, and Net Present Value of Banking Book Change for Standardized Interest Rate Shock analyses are performed for structural interest rate risk measurement.

Within the frame of Risk Management activities, global and national developments are tracked via time-series, and efforts are taken on to estimate economic and financial indicators used in risk management on the basis of econometric models.

As part of the Internal Capital Adequacy Assessment Process, "Economic Capital" projections are made, which cover basic risks.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. Credit Ratings

Rating Agency	Type	Rating	Date
Fitch	Foreign Currency Counterparty Long-Term/Short-Term	BB+ / B	11 December 2009 (upgraded)
	Local Currency Counterparty Long-Term/Short-Term	BB+ / B	11 December 2009 (upgraded)
	Outlook	Stable	1 November 2007
	Individual	C/D	30 January 2007 (upgraded)
	National Long-Term	AA+ (TUR) (Stable)	14 December 2007 (upgraded)
	Support Rating	3 / BB+	11 December 2009 (upgraded)
	Moody's	Foreign Currency Deposits	B1 / NP
Outlook		Positive	23 September 2009
Local Currency Deposits		Baa3/P-3	9 November 2009
Outlook		Stable	24 April 2007
Financial Strength		D+	26 August 2008 (upgraded)
Outlook		Stable	26 August 2008
JCR Eurasia	Foreign Currency Long-Term / Short-Term	BB / B	6 June 2009 (new rating)
	Local Currency Long-Term / Short-Term	BBB- / A-3	
	Outlook		
	Long-Term / Short-Term	Positive / Stable	
	National Local Rating		
	Long-Term / Short-Term	AAA(Trk) / A-1+ (Trk)	
	Outlook	Stable	
	Sponsored Support	2	
	Stand-alone	AB	

Türkiye Cumhuriyeti Ziraat Bankası A.Ş.**31 December 2005 - 31 December 2009 Summary Balance Sheet and Income Statement**

(TL million)	2005	2006	2007	2008	2009
ASSETS					
Liquid Assets	10,306	9,150	11,167	13,086	14,604
Securities Portfolio	38,835	43,890	46,577	58,522	70,988
Loans	13,691	17,371	21,604	30,836	36,725
Associates and Subsidiaries	320	367	374	661	715
Fixed Assets	710	683	649	815	816
Other Assets	540	443	571	492	681
TOTAL	64,402	71,904	80,942	104,412	124,529
LIABILITIES					
Deposits	52,132	59,653	68,250	83,883	98,529
Money Markets	503	968	196	7,268	9,144
Funds	4,113	2,908	2,769	2,914	3,245
Provisions	664	891	1,102	1,428	1,704
Other Liabilities	1,150	905	1,407	1,558	1,552
Shareholders' Equity	5,840	6,579	7,218	7,361	10,354
TOTAL	64,402	71,904	80,942	104,412	124,529
PROFIT/LOSS					
Interest Income	7,924	9,436	11,329	13,368	14,203
Interest Expense	5,066	6,034	7,528	9,266	8,134
Net Interest Income	2,858	3,402	3,802	4,102	6,069
Fees and Commissions Income (net)	500	626	564	572	437
Dividend Income	28	17	26	26	27
Capital Market Trading Profit	186	104	72	-47	17
FX Gains (net)	80	1	70	-5	44
Other Operating Income	522	237	177	338	350
Total Operating Income	4,174	4,387	4,710	4,986	6,944
Provisions for Loans and Other Receivables	227	252	252	546	632
Other Operating Expenses	1,265	1,415	1,495	1,725	1,895
Operating Profit	2,682	2,720	2,963	2,715	4,417
Net Monetary Position Gain/Loss	0	0	0	0	0
Pretax Profit	2,682	2,720	2,963	2,715	4,417
Tax Provision	836	620	612	581	906
Net Profit/Loss for the Period	1,846	2,100	2,351	2,134	3,511

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate
Independent Auditor's Report, Consolidated Financial Statements
and Notes for the Period January 1 - December 31, 2009

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate Independent Auditor's Report for the Period January 1 - December 31, 2009

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

We have audited the accompanying consolidated balance sheet of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its financial associate (the "Group") as at December 31, 2009, and the related consolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Parent Bank Management's Responsibility for the Financial Statements

The Board of Directors of the Parent Bank is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the regulation on "Procedures And Principles Regarding Bank's Accounting Practices And Documentation" published in the Official Gazette dated November 1, 2006 and numbered 26333 and the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette numbered 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2009 and the results of its consolidated operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per Articles 37 and 38 of the Banking Act No: 5411 and 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, March 26, 2010

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 consolidated 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.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

The Consolidated Financial Report for the Year Ended December 31, 2009

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

The consolidated year end financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN RELATED PERIODS
- NOTES TO THE FINANCIAL POSITION OF THE GROUP
- EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

Within the scope of this yearly financial report, subsidiaries, associates and entities under joint control whose financial statements have been consolidated are as below:

Associate: Axa Sigorta A.Ş.

Unless otherwise indicated, these consolidated year end financial statements and explanatory footnotes and disclosures are prepared in Thousand of the Turkish Lira in accordance with the Communiqué on "Banks' Accounting Practice and Preservation of Documents", Turkish Accounting Standards, Turkish Financial Reporting Standards and related communiqués and interpretations including the Bank's records, have been independently audited and presented as attached.



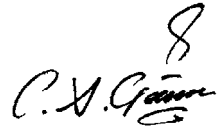
Mehmet MUMCUOĞLU
Deputy Chairman of
the Board of Directors



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



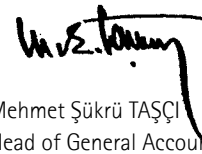
Hikmet Aydın SİMIT
Member of the Board of Directors
(Member of the Audit Committee)



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 Reporting Manager
Telephone Number : 0312 584 70 97
Fax Number : 0312 584 71 61

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

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Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

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Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

SECTION I: GENERAL INFORMATION

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

The foundation of Türkiye Cumhuriyeti Ziraat Bankası A.Ş. ("Parent Bank") is based on Government Funds established in 1863. In 1883, Government Funds were replaced with Benefit Funds. The Parent 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 Parent Bank, which was given the authority to perform all the banking activities, has its head office located in Ankara and all shares of the Parent Bank belong to the Undersecretariat of Treasury of the Turkish Republic.

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

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

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

Name	Administrative Function
Members of the Board of Directors	
Mehmet MUMCUOĞLU	Deputy Chairman of the Board of Directors
Can Akın ÇAĞLAR	General Manager and Board Member
Ahmet CANDAN	Member
Burhanettin AKTAŞ	Member
Hikmet Aydın SİMİT	Member
Mehmet Emin ÖZCAN	Member
Oğuz KAYHAN	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	
Ercüment GÜLER	Resource Management
Ali Rıza AKBAŞ	Commercial Banking
Hüsamettin GÜLHAN	Agricultural Banking
Dr. Soner ÇANKO	Retail Banking
Ertuğrul İSPAHA	Loans and Overdue Loans
Cem ÖZŞEN	Fund Management
İsmail Erdal MAZLUM	General Accounting and Finance
Bülent YALIM	Banking Operations
Elif Zeynep ERÜL	Corporate Communication
Seyfettin SAĞLAM	Human Resources
Mustafa ŞAHİN	Support Services
Chairman of the Internal Audit	
Ali ARAS	Chairman of the Internal Audit
Group Heads	
Yusuf BİLMEZ	Internal Control
M. Ayhan ALTINTAŞ	Risk Management

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE PARENT 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 Parent Bank is the Undersecretariat of Treasury of the Turkish Republic.

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

The purpose of activity of the Parent Bank is stated in articles of association as to perform all kinds of banking activities including acceptance of deposits. For this purpose, the Parent 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 December 31, 2009, Parent Bank carries its activities with a grand total of 1,317 branches; 1,305 domestic branches including 1,203 branches, 29 bureaus, 70 private operation centers, 1 charge bureau, 2 mobile branches and abroad branches each in United States (New York), England (London), Bulgaria (Sofia), Georgia (Tbilisi) and Iraq (Baghdad), 2 branches in Greece (Athens, Komotini), 4 branches (Nicosia, Kyrenia, Morfou, Famagusta) and 1 bureau (Paşaköy) in Turkish Republic of Northern Cyprus. Also, Parent Bank has 1 representative office in Pakistan (Karachi) and Iran (Tehran). As of January 4, 2010, new sub branches have been opened at Bulgaria (Filibe/Plovdiv) and Turkish Republic of Northern Cyprus (Nicosia). Moreover, preparations for opening a branch in Saudi Arabia (Jeddah) are still continuing.

The Parent 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 Parent 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 Ziraat 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.

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

SECTION II: CONSOLIDATED FINANCIAL STATEMENTS OF THE BANK

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate Consolidated Balance Sheet (Financial Position Table)

		THOUSANDS OF TL					
		AUDITED CURRENT PERIOD (31/12/2009)			AUDITED PRIOR PERIOD (31/12/2008)		
ASSETS	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY	(1)	7,368,394	1,805,868	9,174,262	7,792,291	1,583,306	9,375,597
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(2)	445,106	49,138	494,244	640,943	22,636	663,579
2.1 Financial Assets Held for Trading		445,106	49,138	494,244	640,943	22,636	663,579
2.1.1 Public Sector Debt Securities		444,972	48,226	493,198	639,938	21,530	661,468
2.1.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.1.3 Derivative Instruments Held for Trading		133	912	1,045	1,004	1,106	2,110
2.1.4 Other Marketable Securities		1	-	1	1	-	1
2.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Securities Representing a Share in Capital		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Marketable Securities		-	-	-	-	-	-
III. BANKS	(3)	6,695	5,422,914	5,429,609	9,237	3,701,113	3,710,350
IV. MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	-	-	-
4.3 Receivables From Reverse Repurchase Agreements		-	-	-	-	-	-
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	20,885,249	4,764,572	25,649,821	3,970,104	5,100,940	9,071,044
5.1 Securities Representing a Share in Capital		24,028	6	24,034	21,391	6	21,397
5.2 Public Sector Debt Securities		20,826,981	3,206,994	24,033,975	3,637,410	3,582,741	7,220,151
5.3 Other Marketable Securities		34,240	1,557,572	1,591,812	311,303	1,518,193	1,829,496
VI. LOANS AND RECEIVABLES	(5)	34,667,230	2,057,337	36,724,567	29,589,641	1,246,553	30,836,194
6.1 Loans		34,495,155	2,057,337	36,552,492	29,475,597	1,246,553	30,722,150
6.1.1 Loans Granted to Risk Group of The Bank		-	35,001	35,001	18,715	41,511	60,226
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Other		34,495,155	2,022,336	36,517,491	29,456,882	1,205,042	30,661,924
6.2 Loans Under Follow-up		845,315	9,594	854,909	595,747	8,533	604,280
6.3 Specific Provisions (-)		673,240	9,594	682,834	481,703	8,533	490,236
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENTS HELD TO MATURITY (Net)	(6)	40,120,714	4,723,082	44,843,796	44,001,121	4,786,079	48,787,200
8.1 Public Sector Debt Securities		40,116,200	4,722,654	44,838,854	43,997,649	4,785,670	48,783,319
8.2 Other Marketable Securities		4,514	428	4,942	3,472	409	3,881
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	154,244	-	154,244	134,954	-	134,954
9.1 Accounted with Equity Method		106,428	-	106,428	87,702	-	87,702
9.2 Unconsolidated Associates		47,816	-	47,816	47,252	-	47,252
9.2.1 Financial Associates		43,516	-	43,516	43,426	-	43,426
9.2.2 Non-financial Associates		4,300	-	4,300	3,826	-	3,826
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	112,041	455,182	567,223	65,112	449,879	514,991
10.1 Unconsolidated Financial Subsidiaries		107,662	455,182	562,844	60,313	449,879	510,192
10.2 Unconsolidated Non-financial Subsidiaries		4,379	-	4,379	4,799	-	4,799
XI. ENTITIES UNDER JOINT CONTROL (Net)	(9)	-	25,966	25,966	-	24,982	24,982
11.1 Accounted with Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Entities Under Common Control		-	25,966	25,966	-	24,982	24,982
11.2.1 Financial Entities Under Common Control		-	25,966	25,966	-	24,982	24,982
11.2.2 Non Financial Entities Under Common Control		-	-	-	-	-	-
XII. RECEIVABLES FROM LEASING TRANSACTIONS (Net)	(10)	-	-	-	-	-	-
12.1 Finance Lease Receivables		-	-	-	-	-	-
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair Value Hedges		-	-	-	-	-	-
13.2 Cash Flow Hedges		-	-	-	-	-	-
13.3 Hedges for investments made in foreign countries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	811,492	4,522	816,014	812,577	2,165	814,742
XV. INTANGIBLE ASSETS (Net)	(13)	15,664	1,974	17,638	8,952	2,342	11,294
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		15,664	1,974	17,638	8,952	2,342	11,294
XVI. REAL ESTATES FOR INVESTMENT PURPOSE (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	347,201	-	347,201	170,888	-	170,888
17.1 Current Tax Asset		2,382	-	2,382	426	-	426
17.2 Deferred Tax Asset		344,819	-	344,819	170,462	-	170,462
XVIII. ASSETS HELD FOR SALE AND ASSETS HELD FROM DISCONTINUED OPERATIONS (Net)	(16)	8,224	-	8,224	4,143	-	4,143
18.1 Held for Sale		8,224	-	8,224	4,143	-	4,143
18.2 Held from Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	284,830	23,174	308,004	282,525	23,568	306,093
TOTAL ASSETS		105,227,084	19,333,729	124,560,813	87,482,488	16,943,563	104,426,051

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Consolidated Balance Sheet (Financial Position Table)

		THOUSANDS OF TL					
		AUDITED			AUDITED		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2009)			(31/12/2008)		
LIABILITIES AND EQUITY	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	79,526,120	19,003,347	98,529,467	67,317,998	16,565,437	83,883,435
1.1 Deposits Held By the Risk Group of the Bank		77,077	23,875	100,952	54,751	49,084	103,835
1.2 Other		79,449,043	18,979,472	98,428,515	67,263,247	16,516,353	83,779,600
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	108	178	286	1,026	2,993	4,019
III. FUNDS BORROWED	(3)	15,316	5,847	21,163	23,764	4,593	28,357
IV. MONEY MARKET BALANCES		9,144,070	-	9,144,070	7,267,869	-	7,267,869
4.1 Interbank Money Market Borrowings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Takasbank Borrowings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		9,144,070	-	9,144,070	7,267,869	-	7,267,869
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset-backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		3,245,391	-	3,245,391	2,914,102	-	2,914,102
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		3,245,391	-	3,245,391	2,914,102	-	2,914,102
VII. SUNDRY CREDITORS		382,239	145,386	527,625	335,891	145,074	480,965
VIII. OTHER LIABILITIES	(4)	415,473	199,143	614,616	383,207	246,618	629,825
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. PAYABLES FROM LEASING TRANSACTIONS (Net)	(5)	-	1	1	1,705	240	1,945
10.1 Finance Lease Payables		-	2	2	1,705	247	1,952
10.2 Operating Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Finance Lease Expenses (-)		-	1	1	-	7	7
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING	(6)	-	-	-	-	-	-
11.1 Fair Value Hedges		-	-	-	-	-	-
11.2 Cash Flow Hedges		-	-	-	-	-	-
11.3 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
XII. PROVISIONS	(7)	1,698,554	4,947	1,703,501	1,427,614	775	1,428,389
12.1 General Provisions		428,436	33	428,469	246,943	70	247,013
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Employee Benefits Provisions		542,600	-	542,600	506,450	-	506,450
12.4 Insurance Technical Reserves (Net)		-	-	-	-	-	-
12.5 Other Provisions		727,518	4,914	732,432	674,221	705	674,926
XIII. TAX LIABILITY	(8)	388,107	178	388,285	411,869	485	412,354
13.1 Current Tax Liability		388,107	178	388,285	411,869	485	412,354
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. LIABILITIES FOR ASSETS HELD FOR SALE AND HELD FROM DISCONTINUED OPERATIONS (Net)	(9)	-	-	-	-	-	-
14.1 Held for Sale		-	-	-	-	-	-
14.2 Held from Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(11)	10,358,726	27,682	10,386,408	7,412,329	(37,538)	7,374,791
16.1 Paid-in Capital		2,500,000	-	2,500,000	2,500,000	-	2,500,000
16.2 Capital Reserves		1,012,257	27,682	1,039,939	659,625	(37,538)	622,087
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Differences		466,616	27,682	494,298	113,344	(37,538)	75,806
16.2.4 Tangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.5 Intangible Assets Revaluation Reserves		-	-	-	-	-	-
16.2.6 Revaluation Reserves of Real Estates for Investment Purpose		-	-	-	-	-	-
16.2.7 Bonus Shares of Subsidiaries, Associates and Entities under Common Control		2,158	-	2,158	2,158	-	2,158
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Value Increase on Assets Held for Sale		-	-	-	-	-	-
16.2.10 Other Capital Reserves		543,483	-	543,483	544,123	-	544,123
16.3 Profit Reserves		3,136,520	-	3,136,520	1,934,486	-	1,934,486
16.3.1 Legal Reserves		1,758,096	-	1,758,096	1,568,647	-	1,568,647
16.3.2 Statutory Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		1,074,290	-	1,074,290	90,121	-	90,121
16.3.4 Other Profit Reserves		304,134	-	304,134	275,718	-	275,718
16.4 Profit or Loss		3,709,949	-	3,709,949	2,318,218	-	2,318,218
16.4.1 Prior Years Profit/Loss		183,959	-	183,959	170,895	-	170,895
16.4.2 Net Period Profit/Loss		3,525,990	-	3,525,990	2,147,323	-	2,147,323
16.5 Minority Interests	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		105,174,104	19,386,709	124,560,813	87,497,374	16,928,677	104,426,051

The accompanying notes form an integrated part of these unconsolidated financial statements.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Consolidated Off Balance Sheet Accounts

		THOUSANDS OF TL					
		AUDITED			AUDITED		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2009)			(31/12/2008)		
Note		TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)	16,043,131	8,500,812	24,543,943	10,429,585	7,257,933	17,687,518
I.	GUARANTEES AND SURETYSHIPS	1,863,707	3,649,710	5,513,417	1,300,770	2,991,260	4,292,030
1.1.	Letters of Guarantee	1,863,707	2,945,792	4,809,499	1,300,770	2,267,056	3,567,826
1.1.1.	Guarantees Subject to Public Procurement Law	201,484	2,671,287	2,872,771	156,929	1,918,335	2,075,264
1.1.2.	Guarantees Given for Foreign Trade Operations	1,176,679	-	1,176,679	747,124	-	747,124
1.1.3.	Other Letters of Guarantee	485,544	274,505	760,049	396,717	348,721	745,438
1.2.	Bank Acceptances	-	33,753	33,753	-	16,305	16,305
1.2.1.	Import Letter of Acceptances	-	5,004	5,004	-	13,446	13,446
1.2.2.	Other Bank Acceptances	-	28,749	28,749	-	2,859	2,859
1.3.	Letters of Credit	-	670,165	670,165	-	707,899	707,899
1.3.1.	Documentary Letters of Credit	-	670,165	670,165	-	707,899	707,899
1.3.2.	Other Letters of Credit	-	-	-	-	-	-
1.4.	Guaranteed Prefinancings	-	-	-	-	-	-
1.5.	Endorsements	-	-	-	-	-	-
1.5.1.	Endorsements to Central Bank of Republic of Turkey	-	-	-	-	-	-
1.5.2.	Other Endorsements	-	-	-	-	-	-
1.6.	Purchase Guarantees on Marketable Security Issuance	-	-	-	-	-	-
1.7.	Factoring Guarantees	-	-	-	-	-	-
1.8.	Other Guarantees	-	-	-	-	-	-
1.9.	Other Suretyships	-	-	-	-	-	-
II.	COMMITMENTS	14,144,051	4,681,095	18,825,146	9,056,597	4,079,057	13,135,654
2.1.	Irrevocable Commitments	4,745,082	493,722	5,238,804	3,923,568	306,749	4,230,317
2.1.1.	Asset Purchase Commitments	155,778	234,856	390,634	42,783	127,178	169,961
2.1.2.	Deposit Purchase and Sale Commitments	-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Subsidiaries and Associates	2,250	1,388	3,638	250	-	250
2.1.4.	Loan Granting Commitments	256,804	-	256,804	111,031	-	111,031
2.1.5.	Securities Issue Brokerage Commitments	-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposits	-	-	-	-	-	-
2.1.7.	Commitments for Cheques	2,371,778	-	2,371,778	2,311,720	-	2,311,720
2.1.8.	Tax and Fund Dues from Export Commitments	-	-	-	-	-	-
2.1.9.	Credit Card Expenditure Limit Commitments	1,929,243	-	1,929,243	1,427,784	-	1,427,784
2.1.10.	Commitments for Credit Cards and Banking Services Promotions	1,861	-	1,861	2,487	-	2,487
2.1.11.	Receivables from Short Sale Commitments	-	-	-	-	-	-
2.1.12.	Payables for Short Sale Commitments	-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments	27,368	257,478	284,846	27,513	179,571	207,084
2.2.	Revocable Commitments	9,398,969	4,187,373	13,586,342	5,133,029	3,772,308	8,905,337
2.2.1.	Revocable Loan Granting Commitments	9,398,617	4,187,373	13,585,990	5,132,677	3,772,308	8,904,985
2.2.2.	Other Revocable Commitments	352	-	352	352	-	352
III.	DERIVATIVE FINANCIAL INSTRUMENTS	35,373	170,007	205,380	72,218	187,616	259,834
3.1.	Derivative Financial Instruments for Hedging Purposes	-	-	-	-	-	-
3.1.1.	Fair Value Hedges	-	-	-	-	-	-
3.1.2.	Cash Flow Hedges	-	-	-	-	-	-
3.1.3.	Hedges for Investments made in Foreign Countries	-	-	-	-	-	-
3.2.	Transactions for Trading	35,373	170,007	205,380	72,218	187,616	259,834
3.2.1.	Forward Foreign Currency Buy/Sell Transactions	35,373	36,408	71,781	72,218	72,703	144,921
3.2.1.1.	Forward Foreign Currency Transactions-Buy	17,695	18,209	35,904	36,142	36,300	72,442
3.2.1.2.	Forward Foreign Currency Transactions-Sell	17,678	18,199	35,877	36,076	36,403	72,479
3.2.2.	Currency and Interest Rate Swaps	-	133,599	133,599	-	114,913	114,913
3.2.2.1.	Currency Swap-Buy	-	67,043	67,043	-	56,163	56,163
3.2.2.2.	Currency Swap-Sell	-	66,556	66,556	-	58,750	58,750
3.2.2.3.	Interest Rate Swap-Buy	-	-	-	-	-	-
3.2.2.4.	Interest Rate Swap-Sell	-	-	-	-	-	-
3.2.3.	Currency, Interest Rate and Marketable Securities Options	-	-	-	-	-	-
3.2.3.1.	Currency Call Options	-	-	-	-	-	-
3.2.3.2.	Currency Put Options	-	-	-	-	-	-
3.2.3.3.	Interest Rate Call Options	-	-	-	-	-	-
3.2.3.4.	Interest Rate Put Options	-	-	-	-	-	-
3.2.3.5.	Marketable Securities Call Options	-	-	-	-	-	-
3.2.3.6.	Marketable Securities Put Options	-	-	-	-	-	-
3.2.4.	Currency Futures	-	-	-	-	-	-
3.2.4.1.	Currency Futures-Buy	-	-	-	-	-	-
3.2.4.2.	Currency Futures-Sell	-	-	-	-	-	-
3.2.5.	Interest Rate Buy/Sell Futures	-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sell	-	-	-	-	-	-
3.2.6.	Other	-	-	-	-	-	-

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate Consolidated Off Balance Sheet Accounts

		THOUSANDS OF TL					
		AUDITED			AUDITED		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2009)			(31/12/2008)		
Note		TL	FC	TOTAL	TL	FC	TOTAL
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	95,455,909	2,052,933	97,508,842	76,504,098	1,916,400	78,420,498
IV.	CUSTODIES	8,108,322	647,052	8,755,374	7,930,898	872,066	8,802,964
4.1.	Assets Under Management	-	-	-	-	-	-
4.2.	Marketable Securities in Custody	3,964,563	539,030	4,503,593	4,760,333	537,373	5,297,706
4.3.	Cheques Received for Collection	593,924	12,007	605,931	555,466	17,808	573,274
4.4.	Commercial Notes Received	1,103,817	53,386	1,157,203	2,086,407	58,806	2,145,213
4.5.	Other Assets for Collection	16,952	-	16,952	5,896	-	5,896
4.6.	Assets Received for Public Offering	2,210,442	-	2,210,442	307,096	-	307,096
4.7.	Other Items under Custody	216,972	42,629	259,601	213,979	258,079	472,058
4.8.	Custodians	1,652	-	1,652	1,721	-	1,721
V.	PLEDGED ASSETS	87,347,587	1,380,654	88,728,241	68,573,200	1,040,038	69,613,238
5.1.	Marketable Securities	201,018	14,152	215,170	167,120	9,666	176,786
5.2.	Guarantee Notes	9,963,090	638,605	10,601,695	7,636,373	464,480	8,100,853
5.3.	Commodity	1,205,407	12,422	1,217,829	1,253,713	12,396	1,266,109
5.4.	Warranty	-	-	-	-	-	-
5.5.	Immovables	70,158,893	489,701	70,648,594	54,873,427	389,291	55,262,718
5.6.	Other Pledged Assets	5,813,900	219,901	6,033,801	4,636,238	158,210	4,794,448
5.7.	Pledgees	5,279	5,873	11,152	6,329	5,995	12,324
VI.	ACCEPTED BILL GUARANTEES AND SURETIES	-	25,227	25,227	-	4,296	4,296
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		111,499,040	10,553,745	122,052,785	86,933,683	9,174,333	96,108,016

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Consolidated Statement of Income

THOUSANDS OF TL				
		AUDITED	AUDITED	
		CURRENT PERIOD	PRIOR PERIOD	
		(01/01/2009-31/12/2009)	(01/01/2008-31/12/2008)	
INCOME STATEMENT		Note		
I.	INTEREST INCOME	(1)	14,202,443	13,368,109
1.1	Interest Income from Loans		5,640,173	4,516,919
1.2	Interest Income From Reserve Deposits		1,058	26,654
1.3	Interest Income from Banks		316,464	522,540
1.4	Interest Income from Money Market Placements		6,917	101,895
1.5	Interest Income from Marketable Securities		8,229,579	8,191,171
1.5.1	Financial Assets Held for Trading		91,406	114,188
1.5.2	Financial Assets at Fair Value through Profit and Loss		151	-
1.5.3	Financial Assets Available-for-sale		1,838,308	3,840,335
1.5.4	Investments Held-to-Maturity		6,299,714	4,236,648
1.6	Finance Lease Income		-	-
1.7	Other Interest Income		8,252	8,930
II.	INTEREST EXPENSE	(2)	8,133,667	9,265,832
2.1	Interest Expense on Deposits		7,330,206	8,705,878
2.2	Interest on Borrowings		2,572	1,495
2.3	Interest on Money Market Borrowings		769,127	476,926
2.4	Interest on Marketable Securities Issued		-	-
2.5	Other Interest Expense		31,762	81,533
III.	NET INTEREST INCOME/EXPENSES (I - II)		6,068,776	4,102,277
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		436,997	572,031
4.1	Fees and Commissions Received		529,279	654,725
4.1.1	Non-cash Loans		21,238	15,492
4.1.2	Other		508,041	639,233
4.2	Fees and Commissions Paid		92,282	82,694
4.2.1	Non-cash Loans		-	-
4.2.2	Other		92,282	82,694
V.	DIVIDEND INCOME	(3)	23,771	17,381
VI.	TRADING PROFIT/LOSS (Net)	(4)	61,452	(53,071)
6.1	Profit/Loss from Capital Market Operations		16,148	(47,566)
6.2	Profit/losses on Derivative Financial Transactions		948	(5,505)
6.3	Profit/Loss from Foreign Exchanges		44,356	-
VII.	OTHER OPERATING INCOME	(5)	349,768	338,370
VIII.	TOTAL OPERATING INCOME/EXPENSE (III+IV+V+VI+VII)		6,940,764	4,976,988
IX.	PROVISION FOR LOANS OR OTHER RECEIVABLES LOSSES(-)	(6)	632,184	546,028
X.	OTHER OPERATING EXPENSES(-)	(7)	1,895,059	1,724,530
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		4,413,521	2,706,430
XII.	GAINS RECORDED AFTER MERGER		-	-
XIII.	PROFIT/LOSS ON EQUITY METHOD		18,249	22,134
XIV.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XV.	INCOME BEFORE TAXES FROM CONTINUING OPERATIONS (XI+XII+XIII+XIV)	(8)	4,431,770	2,728,564
XVI.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(9)	(905,780)	(581,241)
16.1	Current Tax Provision		(1,185,054)	(609,529)
16.2	Deferred Tax Provision		279,274	28,288
XVII.	NET PROFIT FROM CONTINUING OPERATIONS (XV±XVI)	(10)	3,525,990	2,147,323
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Assets Held for Sale		-	-
18.2	Income from Sale of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-
18.3	Other Income from Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense on Non-current Assets Held for Sale		-	-
19.2	Expenses on Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-
19.3	Other Expenses from Discontinued Operations		-	-
XX.	PROFIT/LOSSES BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(8)	-	-
XXI.	PROVISION FOR TAXES ON INCOME FROM TERMINATED OPERATIONS (±)	(9)	-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET PROFIT/LOSSES FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII.	NET PROFIT/LOSSES (XVII+XXII)	(11)	3,525,990	2,147,323
23.1	Profit/Loss of Group		3,525,990	2,147,323
23.2	Profit/Loss of Minority Interests		-	-
	Earnings/Loss per Share		0.001410	0.000859

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Consolidated Statement of Profit and Loss Items Accounted Under Shareholders' Equity

	THOUSANDS OF TL AUDITED	
	CURRENT PERIOD (01/01/2009-31/12/2009)	PRIOR PERIOD (01/01/2008-31/12/2008)
PROFIT AND LOSS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		
I. FINANCIAL ASSETS AVAILABLE FOR SALE ADDED TO MARKETABLE SECURITIES VALUATION CHANGES ACCOUNT	633,338	(808,045)
II. REVALUATION CHANGES OF PROPERTY AND EQUIPMENT	-	-
III. REVALUATION CHANGES OF INTANGIBLE ASSETS	-	-
IV. EXCHANGE RATE DIFFERENCES FOR FOREIGN CURRENCY OPERATIONS	(882)	(14,425)
V. PROFIT/LOSSES ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (Active part of fair value changes)	-	-
VI. PROFIT/LOSSES ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES FOR INVESTMENTS MADE IN FOREIGN COUNTRIES (Active part of fair value changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENTS	-	-
VIII. OTHER INCOME/EXPENSE ACCOUNTS BOOKED IN SHAREHOLDERS' EQUITY IN ACCORDANCE WITH TAS	(24,898)	45,961
IX. DEFERRED TAX OF VALUATION DIFFERENCES	(105,205)	38,495
X. NET INCOME/EXPENSE ACCOUNTS DIRECTLY BOOKED UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)	502,353	(738,014)
XI. CURRENT PROFIT/LOSSES	(83,861)	618,425
11.1 Net Difference in Fair Value at Securities (Transferred to Profit/Loss)	(55,308)	618,425
11.2 Part of Derivative Financial Assets Held for Cash Flow Hedges, Reclassified and Shown in Income Statement	-	-
11.3 Part of Hedges for Investments Made in Foreign Countries, Reclassified and Shown in Income Statement	-	-
11.4 Other	(28,553)	-
XII. TOTAL PROFIT/LOSSES BOOKED IN CURRENT PERIOD (X±XI)	418,492	(119,589)

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Consolidated Statement of Changes in Shareholders' Equity

Audited

CHANGES IN SHAREHOLDERS EQUITY

	Note	Paid-in Capital	Adjustment to Paid-in Capital	Share Premium	Share Cancell. Profits	Legal Reserves	Statutory Reserves
PRIOR PERIOD							
(31/12/2008)							
I. Beginning Balance		2,500,000	543,482	-	-	1,251,782	-
II. Corrections According to TAS 8		-	-	-	-	-	-
2.1 The Effect of Corrections of Errors		-	-	-	-	-	-
2.2 The Effects of Changes in Accounting Policy		-	-	-	-	-	-
III. New Balance (I + II)		2,500,000	543,482	-	-	1,251,782	-
Changes in Period							
IV. Increase/Decrease Related to Merger		-	-	-	-	-	-
V. Marketable Securities Valuation Differences		-	-	-	-	-	-
VI. Hedging Funds (Active Part)		-	-	-	-	-	-
6.1 Cash-Flow Hedge		-	-	-	-	-	-
6.2 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
VII. Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VIII. Revaluation Differences of Intangible Assets		-	-	-	-	-	-
IX. Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
X. Foreign Exchange Differences		-	70,523	-	-	-	-
XI. Changes Resulted from Disposal of Assets		-	-	-	-	-	-
XII. Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XIII. Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-
XIV. Increase in Capital		-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-
14.2 From Internal Resources		-	-	-	-	-	-
XV. Issuance of Share Certificates		-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-
XVII. Adjustment to Paid-in Capital		-	-	-	-	-	-
XVIII. Other (*)		-	-69,882	-	-	-	-
XIX. Net Profit or Losses		-	-	-	-	-	-
XX. Profit Distribution		-	-	-	-	316,865	-
20.1 Dividend Distributed		-	-	-	-	-	-
20.2 Transfers to Legal Reserves		-	-	-	-	316,865	-
20.3 Other		-	-	-	-	-	-
Closing Balance (III+IV+V +...+XVIII+XIX+XX)		2,500,000	544,123	-	-	1,568,647	-
CURRENT PERIOD							
(31/12/2009)							
I. Beginning Balance (**)		2,500,000	544,123	-	-	1,568,647	-
Changes in Period							
II. Increase/Decrease Related to Merger		-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-
IV. Hedging Funds (Active Part)		-	-	-	-	-	-
4.1 Cash-Flow Hedge		-	-	-	-	-	-
4.2 Hedges for Investments Made in Foreign Countries		-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-
VII. Bonus Shares of Associates, Subsidiaries and Entities under Common Control (Business Partners)		-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	(640)	-	-	-	-
IX. Changes Resulted from Disposal of Assets		-	-	-	-	-	-
X. Changes Resulted from Reclassification of Assets		-	-	-	-	-	-
XI. Effect of Changes in Shareholders' Equity of Associates to the Bank's Shareholders Equity		-	-	-	-	-	-
XII. Increase in Capital		-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-
12.2 From Internal Resources		-	-	-	-	-	-
XIII. Issuance of Share Certificates		-	-	-	-	-	-
XIII. Share Cancellation Profits		-	-	-	-	-	-
XV. Adjustment to Paid-in Capital		-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-
XVII. Net Profit or Losses		-	-	-	-	-	-
XVIII. Profit Distribution		-	-	-	-	189,449	-
18.1 Dividend Distributed		-	-	-	-	-	-
18.2 Transfers to Legal Reserves		-	-	-	-	189,449	-
18.3 Other		-	-	-	-	-	-
Closing Balances (I+II+III+...+XVI+XVII+XVIII)		2,500,000	543,483	-	-	1,758,096	-

(*) Amount equal to TL 69,882 Thousand is not a change in adjustment to paid-in capital, but is foreign currency reserve for foreign investments that is reclassified from profit reserves to capital reserves as a result of change in Uniform Chart of Accounts.

(**) Subsidiaries and entities under common control domiciled and operating abroad are followed by their fair values starting from December 31, 2008. In the current period, the revaluation differences about current values inspected from revaluation report prepared by independent valuation firm are presented in "Marketable Securities Valuation Differences" column.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate
Consolidated Statement of Changes in Shareholders' Equity
Audited

THOUSANDS OF TL									
Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Net Profit/(Loss)	Marketable Sec. Valuation Differences	Rev. Diff. in Tangible and Intang. Assets	Bonus Shares from Investments	Hedging Funds	Rev. Diff. in Tangible Held for Sale/Disc. Operat.	Total Equity
90,121	124,275	-	2,510,889	195,395	-	2,158	-	-	7,218,102
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
90,121	124,275	-	2,510,889	195,395	-	2,158	-	-	7,218,102
-	-	-	-	-	-	-	-	-	-
-	-	-	-	(105,164)	-	-	-	-	(105,164)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	32,988	-	-	(14,425)	-	-	-	-	89,086
-	-	-	-	-	-	-	-	-	-
-	-	-	11,097	-	-	-	-	-	11,097
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	69,882	-	-	-	-	-	-	-	-
-	-	2,147,323	-	-	-	-	-	-	2,147,323
-	48,573	-	(2,351,091)	-	-	-	-	-	(1,985,653)
-	-	-	(1,985,653)	-	-	-	-	-	(1,985,653)
-	48,573	-	(365,438)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
90,121	275,718	2,147,323	170,895	75,806	-	2,158	-	-	7,374,791
90,121	275,718	-	2,318,218	75,806	-	2,158	-	-	7,374,791
-	-	-	-	-	-	-	-	-	-
-	-	-	-	415,683	-	-	-	-	415,683
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	128	-	-	(882)	-	-	-	-	(1,394)
-	-	-	-	-	-	-	-	-	-
-	-	-	-	3,691	-	-	-	-	3,691
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	3,525,990	-	-	-	-	-	-	3,525,990
984,169	28,288	-	(2,134,259)	-	-	-	-	-	(932,353)
-	-	-	(932,353)	-	-	-	-	-	(932,353)
984,169	28,288	-	(1,201,906)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,074,290	304,134	3,525,990	183,959	494,298	-	2,158	-	-	10,386,408

The accompanying notes form an integrated part of these unconsolidated financial statements.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate Consolidated Statement of Cash Flow

	THOUSANDS OF TL	
	AUDITED	AUDITED
	CURRENT PERIOD (01/01/2009-31/12/2009)	PRIOR PERIOD (01/01/2008-31/12/2008)
Note		
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities (+)	3,699,857	1,038,951
1.1.1 Interest Received(+)	14,128,604	13,608,254
1.1.2 Interest Paid(-)	(8,282,976)	(9,119,435)
1.1.3 Dividend Received(+)	22,514	18,320
1.1.4 Fees and Commissions Received(+)	529,253	656,709
1.1.5 Other Income(+)	131,419	274,535
1.1.6 Collections from Previously Written Off Loans and Other Receivables(+)	445,210	341,530
1.1.7 Payments to Personnel and Service Suppliers(-)	(1,084,849)	(915,128)
1.1.8 Taxes Paid(-)	(1,316,665)	(714,588)
1.1.9 Other(+/-)	(872,653)	(3,111,246)
	(2)	
1.2 Changes in Operating Assets and Liabilities	11,094,636	13,978,887
1.2.1 Net Increase/Decrease in Financial Assets Held for Trading(+/-)	157,321	(89,643)
1.2.2 Net Increase/Decrease in Due from Banks and Other Financial Institutions(+/-)	7,469	368,936
1.2.3 Net Increase/Decrease in Loans(+/-)	(6,084,933)	(9,290,000)
1.2.4 Net Increase/Decrease in Other Assets(+/-)	(1,910)	134,563
1.2.5 Net Increase/(Decrease) in Bank Deposits(+/-)	(663,316)	697,248
1.2.6 Net Increase/(Decrease) in Other Deposits(+/-)	15,473,149	14,827,066
1.2.7 Net Increase/(Decrease) in Loans Borrowed(+/-)	(7,132)	20,044
1.2.8 Net Increase/(Decrease) in Matured Payables(+/-)	-	-
1.2.9 Net Increase/(Decrease) in Other Liabilities(+/-)	2,213,988	7,310,673
	(2)	
I. Net Cash Provided from Banking Operations (+/-)	14,794,493	15,017,838
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
II. Net Cash Provided from Investing Activities (+/-)	(12,076,391)	(12,008,379)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Entities under Common Control (-)	(66,393)	(18,744)
2.2 Cash Obtained from Sale of Associates, Subsidiaries and Entities under Common Control (+)	-	-
2.3 Fixed Assets Purchases(-)	(33,408)	(276,879)
2.4 Fixed Assets Sales(+)	-	67,170
2.5 Cash Paid for Purchase of Financial Assets Available for Sale(-)	(15,518,918)	(5,277,240)
2.6 Cash Obtained from Sale of Financial Assets Available for Sale(+)	-	-
2.7 Cash Paid for Purchase of Investment Securities(-)	(9,136,005)	(12,115,996)
2.8 Cash Obtained from Sale of Investment Securities(+)	12,678,333	5,642,324
2.9 Other(+/-)	-	(29,014)
	(2)	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities (+/-)	(934,297)	(1,987,909)
3.1 Cash Obtained from Funds Borrowed and Securities Issued(+)	-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued(-)	-	-
3.3 Marketable Securities Issued(+)	-	-
3.4 Dividends Paid(-)	(932,353)	(1,985,653)
3.5 Payments for Finance Leases(-)	(1,944)	(2,256)
3.6 Other(+/-)	-	-
	(2)	
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	(184,071)	1,243,705
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)	1,599,734	2,265,255
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	12,888,801	10,623,546
	(2)	
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	14,488,535	12,888,801
	(2)	

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate Profit Distribution Table

	THOUSANDS OF TL	
	AUDITED CURRENT PERIOD (31/12/2009)	AUDITED PRIOR PERIOD (31/12/2008)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	4,416,735	2,715,500
1.2 TAXES AND DUTIES PAYABLE	1,185,054	609,529
1.2.1 Corporate tax (Income tax)	1,185,054	609,529
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	3,231,681	2,105,971
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST ROUND LEGAL RESERVES (-)	-	105,299
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	3,231,681	2,000,672
1.6 FIRST ROUND DIVIDEND TO SHAREHOLDERS (-)	-	125,000
1.6.1 To owners of ordinary shares	-	125,000
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	46,566
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND ROUND DIVIDEND TO SHAREHOLDERS (-)	-	760,787
1.9.1 To owners of ordinary shares	-	760,787
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND ROUND LEGAL RESERVES (-)	-	84,150
1.11 STATUTORY RESERVES (-)	-	-
1.12 GENERAL RESERVES	-	984,169
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES	-	-
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	1.29	0.84
3.2 TO OWNERS OF ORDINARY SHARES (%)	129.27	84.24
3.3 TO OWNERS OF PRIVILEGED SHARES	0.00	0.00
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	0.00	0.00
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	0.00	0.35
4.2 TO OWNERS OF ORDINARY SHARES (%)	0.00	35.43
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) The profit distribution table belongs to prior period become definite with the decision of Ordinary General Assembly after the publishing of December 31, 2008 financial statement. It is rearranged in this direction.

(**) The deferred tax asset TL 279,274 Thousand is not subject to profit distribution (December 31, 2008: TL 28,288 Thousand).

(***) Profit distribution is decided by the Ordinary General Assembly. As of the date of the preparation of financial statements, the meeting for Ordinary General Assembly has not been held.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

SECTION III: ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

According to Article 37 of the Banking Act numbered 5411, consulting the associations of institutions and the Turkish Accounting Standards Board, banks should apply uniformity in their accounting systems in line with the principles and procedures established by the Banking Regulation and Supervision Agency (BRSA) based on the international standards; record all their transactions based on their real nature; and timely and correctly prepare their financial reports in a style and format that will meet the requirements of providing information, that is clear, reliable and comparable and suitable for auditing, analysis and interpretation. Besides, as also stated in 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 Parent Bank's consolidated financial statements and notes are prepared in accordance with the Communiqué on "Procedures and Principles Regarding the Accounting Practices and Maintaining Documents" published in the Official Gazette numbered 26333 on November 1, 2006, the Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TFRS) effective by the Turkish Accounting Standards Boards, other regulations, communiques and circulars in respect of accounting and financial reporting, pronouncements and explanations by BRSA, Turkish Commercial Code and Turkish Tax Legislation.

As of December 31, 2009 all consolidated financial statements are presented comparatively with the December 31, 2008 audited balances.

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

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

Main activity of the Parent 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 Parent 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 Parent Bank by means of legislative and administrative decisions. The Parent Bank directs these funds to assets with high return and low risk. These assets include predominantly domestic government bonds and loans. The Parent Bank's liquidity structure covers the financing of all liabilities at due date. Although most of the sources in the Parent 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 Parent Bank adopts high return principle for its long-term placements.

Loans and securities are instruments from which the Parent Bank gets returns above the average returns within its lines of activity. Letter of guarantees, bank loans, commercial letter of credits, repayment commitments for cheques and expense limit commitments for credit cards are the most important risk areas within the off-balance sheet accounts.

Since the Parent Bank's total debt to the market is low among its total liabilities, the Parent Bank can borrow easily from short-term markets, such as; İstanbul 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 Parent Bank is not presumed to be significantly affected from such a case since the Parent 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 profit margin 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 Parent Bank's prevailing counter currency buying rate. At period ends, foreign currency asset and liability balances are valued at the Parent 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 TRNC branches, assets and liabilities of the abroad branches of the Parent Bank are translated into TL with the Parent 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.

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III. INFORMATION ABOUT THE COMPANIES WITHIN THE SCOPE OF CONSOLIDATION

Axa Sigorta A.Ş. ("Firm") has been accounted for under the equity method in the accompanying consolidated financial statements for the period ended December 31, 2009. The associate included in consolidation has been determined on the basis of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette No: 26340 dated November 8, 2006. The Parent Bank and the consolidated associate Axa Sigorta A.Ş. together are named as "Group" within this report.

The associate firm operates in the insurance sector and prepares its financial statements on the basis of Insurance Law numbered 5684 and principles determined by the Undersecretariat of Treasury of the Turkish Republic for insurance and reinsurance firms. Since January 1, 2008, the Firm has been accounting its operations in line with the "Legislation on Financial Reporting of Insurance and Reinsurance, and Pension Firms" published on July 14, 2007 and effective from January 1, 2008, and within the scope of TAS and TRFS released by TASB and other regulations published by Undersecretariat of Treasury of the Turkish Republic on accounting and financial reporting.

The previous commercial name of the firm, Axa Oyak Sigorta A.Ş., was replaced with Axa Sigorta A.Ş. by the decision of General Assembly dated August 12, 2008. The operations of the firm, which is registered in Istanbul, comprise fire, accident, transport, engineering, agriculture and health insurance.

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE INSTRUMENTS

The derivative instruments of the Parent Bank are composed of foreign currency-foreign currency swaps and foreign currency forward agreements. The Parent Bank has no embedded derivative instruments separated from the host contract.

The derivative instruments of the Parent Bank are classified as trading or hedging instruments in accordance with Turkish Accounting Standard on "Financial Instruments: Recognition and Measurement" (TAS 39). The Parent Bank has no derivative instruments for financial hedging purposes as of the balance sheet date. Accordingly, the Parent Bank is not subject to conditions whether derivative instruments meet the determination criteria for classifying as financial 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 valued by internal rate of return method in post reporting periods. Positive valuation differences between amortized and current value are shown in the balance sheet as "Held for Trading Derivative Financial Assets" and negative valuation differences are shown in the balance sheet as "Held for Trading Derivative Financial Liabilities", and they are recognized under "Profit/Loss from Derivative Financial Transactions" in the income statement.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized on an accrual basis using the internal rate of return method in conformity with TAS 39 "Financial Instruments: Recognition and Measurement". In accordance with the Communiqué on "Methods and Principles on Determining the Nature of Loans and Other Receivables and Allocation of Provisions" came into force after being published in the Official Gazette numbered 26333 dated 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.

VI. EXPLANATIONS ON FEES AND COMMISSION INCOME AND EXPENSES

Parent Bank's 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.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial instruments comprise financial assets and liabilities and derivative instruments. They are included in the consolidated balance sheet of the Parent Bank, if the Parent Bank is a legal party to these instruments.

Financial instruments mainly constitute the Parent 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 their acquisition dates.

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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 maturity of 3 months or less following the date of purchase, 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 the fair values. Cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Parent 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.

Government bonds and treasury bills included in held for trading and available for sale portfolios traded in İstanbul 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 Parent Bank originated loans and receivables and those where there is an intention of holding until maturity and the relevant conditions for fulfillment of such intention, including the funding ability, and where there are fixed or determinable payments with fixed maturity. Marketable securities classified as investments held to maturity can be subject of exchange-repurchase tenders or reimbursement transactions within the context of early redemption.

Financial assets available for sale include all securities other than Parent Bank originated 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 or by posting interest income accrual.

The Parent 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 shown with their fair value in financial statements. The difference between fair value and cost is recorded as provision for impairment loss or interest income accrual. Moreover, amortized values 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 Valuation Differences".

The Parent Bank originated 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.

The Parent Bank originated loans and receivables are initially carried at cost. The Parent Bank originated loans are to be measured at amortized cost with internal rate of return. Short-term and long-term loans are grouped as open or guaranteed; FC loans are recognized with fixed price and at period-ends revalued by the counter foreign exchange buying rate of the Parent Bank. Foreign exchange indexed loans are used as TL by the valid counter foreign exchange buying rate of the Parent Bank at usage date. Repayments of these loans are collected as calculated TL value by the valid counter foreign exchange selling rate of Parent Bank at installment date.

The Parent Bank sets specific and general provisions for loans and other receivables in accordance with the regulations stated by the Communiqué published on the Official Gazette numbered 26333 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

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for the period. If the loans for which provisions were set in the previous year are collected, provision for allowances are released and recognized as income under "Other Operating Income" account. Releases of current period provisions are made by the reversal of the amount from the "Provision for Impairment of Loans and Other Receivables" account.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

A financial asset or a group of financial assets is subject to impairment loss only if there is an objective indication that the occurrence of one or more than one event ("loss event") subsequent to the initial recognition of that asset has an effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group.

If revalued amounts of financial assets at fair value through profit/loss is less than the prior revalued amounts, initially, value of prior records regarding the value increase are adjusted according to the recent value and if the impairment loss is more than the prior value increase, difference is reflected to "Value Loss Expenses for Securities". If there is an increase in value, initially recognized impairment loss is reversed.

If financial assets available for sale are subject to permanent impairment, the amount is charged to "Value Loss Expenses for Securities" account in accordance with the related Turkish Accounting Standard.

If subsidiaries, associates, entities under common control and investment securities held to maturity are subject to permanent impairment, the amount is reflected to "Value Loss Expenses for Subsidiaries, Associates and Securities Held to Maturity" account.

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 Parent 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.

In accordance with the provisions of the above mentioned legislation, the Parent Bank provides general loan loss provisions for loans and its receivables in addition to specific provisions. Based on the decision of Parent Bank's Asset and Liability Management, total loans excluding loans originated from funds whose risk is not born by the Parent 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 consolidated balance sheet.

IX. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities shall be offset and the net amount presented in the consolidated 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.

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

Securities subject to repurchase agreements are classified under "held for trading", "available for sale" and/or "held-to-maturity" portfolios and they are valued based on the valuation principles of the related portfolios.

Total costs including the interest income accruals of held to maturity investments and available for sale securities sold under repurchase agreements amount to TL 8,972,397 Thousand (December 31, 2008: TL 6,283,263 Thousand), whereas the Parent Bank has no cost related with the interest income and accruals of the securities classified under available for sale securities sold under repurchase agreements (December 31, 2008: TL 1,097,691 Thousand). Funds obtained by those repurchase 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 December 31, 2009 the Parent Bank has no reverse repo transaction (December 31, 2008: None).

As of the consolidated balance sheet date, there are no lent securities of the Parent Bank.

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

The Parent 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.

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The Parent Bank's immovables acquired amount to TL 8,315 Thousand consisting of TL 7,574 Thousand on its commercial loans and TL 741 Thousand on its agricultural loans. Total assets held for sale together with its movables amounting to TL 42 Thousand equal to TL 8,357 Thousand. Total depreciation expense is TL 133 Thousand for these assets.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at the consolidated balance sheet date, the Parent Bank has no goodwill within the financial statements.

Other intangible assets are carried at historical costs and are amortized by using the straight-line method based on their useful lives.

Useful lives of other intangible assets are determined by the consideration of items as; useful life of asset, maintenance costs incurred to obtain expected economical benefit from assets and technical, technological or any other type of obsolescence. Amortization method used in the current period is not subject to any change. Depreciation period is 5 years (20% annual depreciation rate) for establishment/formation expenses with undetermined leasing period or leasing period over 5 years and depreciation rate is proportional with period for those with certain leasing period.

The Parent 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.

XIII. EXPLANATIONS ON TANGIBLE FIXED ASSETS

The Parent Bank's tangible fixed assets are carried at cost and if results of appraisal reports exceed the costs, they are not subject to any revaluation. The Parent 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 consolidated 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.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS

The Parent 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 consolidated balance sheet date, the Parent Bank has no financial leasing operations as a lesser.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES

The Parent 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).

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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 Parent 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 Parent Bank over TL 100 Thousand amount to TL 211,355 Thousand. Full provision has been provided in the accompanying consolidated financial statements for law suits ended against the Parent Bank but not finalized yet, amounting to TL 9,250 Thousand. In addition to these, for the interest expenses calculated for the lawsuits against the Parent Bank concerning the remuneration liabilities related to KOSGEB and National Productivity Center, generic provision equal to TL 37,300 Thousand has been provided.

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

XVI. EXPLANATIONS ON EMPLOYEE BENEFIT LIABILITIES

Employee benefits liabilities are recognized in accordance with the Turkish Accounting Standard (TAS 19) "Employee Benefits" and the Parent 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 consolidated 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 Parent 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 of the Parent Bank 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 December 31, 2009, provision allocated by the Parent Bank for all employee benefit liabilities is TL 542,600 Thousand. The Parent Bank is not employing its personnel by means of limited-period contracts.

The Parent 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 numbered 506. In accordance with 23rd provisional clause of the Banking Act numbered 5411, the pension fund is expected to be transferred to the Social Security Agency by three years following the declaration of the Banking Act numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Act numbered 5411 allowing pension funds to be transferred to Social Security Agency is annulled by Constitutional Court.

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

In accordance with the Act numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 26870 on May 8, 2008, Parent 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.

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The technical balance sheet report as of December 31, 2009 which is prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated May 8, 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded no technical deficit arises in the above mentioned fund.

XVII. EXPLANATIONS ON TAXATION

Corporate Tax:

In accordance with Article 6 "Taxation and Payment of Tax Payers - Determination of Tax Base" and Article 32 "Corporate Tax and Provisional Rates" of the Corporate Tax Law numbered 5520, corporate tax is calculated based on the net corporate income of tax-payers in an accounting period by using 20% as tax rate.

In accordance with the requirements of Income Tax Act (by considering non-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 by Parent Bank for Corporate and Income Tax liabilities based on the results of the current period activities.

Deferred Tax Liability/Asset:

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

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the consolidated 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 consolidated 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 circulars of Banking Regulation and Supervision Agency.

XVIII. ADDITIONAL EXPLANATIONS ON BORROWINGS

The Parent 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 Parent Bank has no borrowings that require hedging techniques for accounting and valuation of debt instruments and liabilities representing the borrowings.

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

XIX. EXPLANATIONS ON SHARES ISSUED

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

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XX. EXPLANATIONS ON BILL GUARANTEES AND ACCEPTANCES

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

XXI. EXPLANATIONS ON GOVERNMENT INCENTIVES

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

XXII. EXPLANATIONS ON SEGMENT REPORTING

The Parent 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 Parent Bank renders services, such as; deposits, consumer loans, loans originated from funds whose risk does not belong to the Parent 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 Parent Bank. By Finart system, which is working in a centralized manner, the Parent Bank has the technical infrastructure required by modern banking sector to meet its clients' needs.

In the context of corporate and commercial banking, the Parent 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 Parent 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 Parent 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 Parent Bank. The Parent 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 Parent Bank performs derivative transactions which are accounted as held for trading. As financial derivative transactions, the Parent Bank performs foreign currency forward agreements and currency swap transactions.

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

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

As of December 31, 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".

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Table for Segment Reporting:

	Retail Banking	Commercial and Corporate Banking (1)	Specialized Banking (2)	Treasury	International Banking	Parent Bank's Total Operations
Current Period						
Total Operating Income/Expense (3)	2,624,740	449,741	1,376,231	2,444,300	45,752	6,940,764
Net Operating Profit	349,171	315,484	1,376,231	2,357,635	14,454	4,413,521
Income from Subsidiaries (4)	-	-	-	-	-	42,020
Income Before Taxes	-	-	-	-	-	4,431,770
Tax Provision	-	-	-	-	-	(905,780)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	3,525,990
Segment Assets-net (3)	18,442,392	6,576,354	10,791,604	84,002,161	2,811,792	122,624,303
Subsidiaries, Associates and Entities Under Joint Control	-	-	-	-	-	747,433
Undistributed Assets (5)	-	-	-	-	-	1,189,077
Total Assets	-	-	-	-	-	124,560,813
Segment Liabilities - net (3)	72,202,307	24,267,847	3,245,391	9,588,491	2,778,583	112,082,619
Undistributed Liabilities (5)	-	-	-	-	-	2,091,786
Shareholders' Equity	-	-	-	-	-	10,386,408
Total Liabilities	-	-	-	-	-	124,560,813
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	50,298
Restructuring Costs	-	-	-	-	-	-

(1) Commercial and corporate banking column includes results of operations and total assets and liabilities of 4 corporate and 28 commercial branches of the Parent Bank. Since any commercial and corporate banking operations in other branches could not be distributed; they are not included in this column.

(2) Agricultural loans and real estate loans transferred from Emlak Bank, 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 Parent Bank's deposit interest expense from related operations cannot be decomposed; these amounts are presented in operating profit row within "Retail Banking" column. Additionally, since operating expenses regarding "Specialized Banking" cannot be decomposed, such amounts are presented in the 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 the operating income of the Parent Bank, amounting TL 18,249 Thousand, and "Profit/Loss on equity Method" amounting TL 23,771 Thousand are included in the "Income from Subsidiaries" row since they could not be decomposed between branches.

(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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	Retail Banking	Commercial and Corporate Banking (1)	Specialized Banking (2)	Treasury	International Banking	Parent Bank's Total Operations
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)	642,244	319,404	1,144,619	588,609	11,554	2,706,430
Income from Subsidiaries (4)	-	-	-	-	-	39,515
Income before Taxes	-	-	-	-	-	2,728,564
Tax Provision	-	-	-	-	-	(581,241)
Minority Rights	-	-	-	-	-	-
Net Profit for the Period	-	-	-	-	-	2,147,323
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	-	-	-	-	-	674,927
Undistributed Assets (5)	-	-	-	-	-	1,001,067
Total Assets						104,426,051
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	-	-	-	-	-	7,374,791
Total Liabilities						104,426,051
Other Segment Items						
Capital Investment	-	-	-	-	-	-
Depreciation	-	-	-	-	-	43,484
Restructuring Costs	-	-	-	-	-	-

(1) Commercial and corporate banking column includes results of operations and total assets and liabilities of 3 corporate and 24 commercial branches of the Parent Bank. Since any commercial and corporate banking operations in other branches could not be distributed; they are not included in this column.

(2) Agricultural loans and real estate loans transferred from Emlak Bank, 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 Parent Bank's deposit interest expense from related operations cannot be decomposed; these amounts are presented in operating profit row within "Retail Banking" column. Additionally, since operating expenses regarding "Specialized Banking" cannot be decomposed, such amounts are presented in the 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 the operating income of the Parent Bank, amounting TL 17,381 Thousand, and "Profit/Loss on equity Method" amounting TL 22,134 Thousand are included in the "Income from Subsidiaries" row since they could not be decomposed between branches.

(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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for the Year Ended December 31, 2009

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XXIII. EXPLANATIONS ON OTHER MATTERS

The General Assembly for year 2008 of the Parent Bank was carried out on April 14, 2009. In accordance with the decision taken, of the profit for the year 2008 amounting to TL 2,134,259 Thousand, TL 189,449 Thousand is transferred to legal reserves, TL 46,566 Thousand is distributed as dividend to employees provided that dividend amount does not exceed one month gross wage for each employee and TL 750,000 Thousand is distributed to Undersecretariat of Treasury after deducting withholding tax of 15% (TL 132,353 Thousand) in cash on April 30, 2009. In addition, TL 984,169 Thousand of the profit for the year 2008, deferred tax income amounting to TL 28,288 Thousand is not distributed. On December 30, 2009, TL 3,434 Thousand of dividend left undistributed to employees transferred to Undersecretariat of Treasury after deducting withholding tax of 15%.

SECTION IV: INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE

I. EXPLANATIONS ON THE CONSOLIDATED CAPITAL ADEQUACY STANDARD RATIO

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

The Group's consolidated capital adequacy ratio calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" is 23.09% (December 31, 2008: 19.88%).

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

Consolidated 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 consolidated 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 consolidated 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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Information related to consolidated capital adequacy ratio:

Current Period	Risk Weights Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Credit Risk Base Amount							
Balance Sheet Items (Net)	58,990,997	-	5,524,908	8,217,995	24,897,469	20,088	20
Cash	1,034,022	-	46	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	6,432,428	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	5,378,475	-	50,795	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,655,613	-	-	-	-	-	-
Loans (1)	4,568,960	-	18,368	8,155,538	23,198,572	20,088	20
Loans Under Follow-up (Net) (1)	-	-	-	-	-	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	43,502,228	-	-	-	4,749	-	-
Receivables from Forward Sale of Assets	-	-	-	-	1,888	-	-
Sundry Debtors	16,014	-	1,654	-	87,966	-	-
Interest and Income Accruals	1,407,645	-	776	62,457	684,011	-	-
Subsidiaries, Associates and Joint Ventures (Business Associations) (Net)	-	-	-	-	8,680	-	-
Tangible Fixed Assets	-	-	-	-	824,101	-	-
Other Assets	374,087	-	125,589	-	36,707	-	-
Off Balance Sheet Items	172,428	-	105,439	-	3,849,240	-	-
Non-cash Loans and Commitments	172,428	-	105,439	-	3,847,892	-	-
Derivative Financial Instruments	-	-	-	-	1,348	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	59,163,425	-	5,630,347	8,217,995	28,746,709	20,088	20

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

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

Current Period	Risk Weights						
	0%	10%	20%	Parent Bank			
				50%	100%	150%	200%
Credit Risk Base Amount							
Balance Sheet Items (Net)	58,990,997	-	5,524,908	8,217,995	24,971,867	20,088	20
Cash	1,034,022	-	46	-	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-
Central Bank of the Republic of Turkey	6,432,428	-	-	-	-	-	-
Domestic, Foreign Banks, Head Offices and Branches Abroad	-	-	5,378,475	-	50,795	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables from Reverse Repo Transactions	-	-	-	-	-	-	-
Required Reserve Deposits	1,655,613	-	-	-	-	-	-
Loans (1)	4,568,960	-	18,368	8,155,538	23,198,572	20,088	20
Loans Under Follow-up (Net) (1)	-	-	-	-	-	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-	-	-	-
Investments Held to Maturity	43,502,228	-	-	-	4,749	-	-
Receivables from Forward Sale of Assets	-	-	-	-	1,888	-	-
Sundry Debtors	16,014	-	1,654	-	87,966	-	-
Interest and Income Accruals	1,407,645	-	776	62,457	684,011	-	-
Subsidiaries, Associates and Joint Ventures (Business Associations) (Net)	-	-	-	-	83,078	-	-
Tangible Fixed Assets	-	-	-	-	824,101	-	-
Other Assets	374,087	-	125,589	-	36,707	-	-
Off Balance Sheet Items	172,428	-	105,439	-	3,849,239	-	-
Non-cash Loans and Commitments	172,428	-	105,439	-	3,847,891	-	-
Derivative Financial Instruments	-	-	-	-	1,348	-	-
Non-Risk Weighted Accounts	-	-	-	-	-	-	-
Total Risk Weighted Assets	59,163,425	-	5,630,347	8,217,995	28,821,106	20,088	20

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

Summary information about consolidated capital adequacy standard ratio:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Credit Risk Base Amount (CRBA)	34,011,948	28,356,795	34,086,345	28,450,572
Market Risk Base Amount (MRBA)	2,331,700	1,172,713	2,331,700	1,172,713
Operational Risk Base Amount (ORBA)	8,653,894	8,115,602	8,659,562	8,115,602
Shareholders' Equity	10,389,700	7,483,504	10,466,127	7,577,282
Shareholders' Equity/(CRBA+MRBA+ORBA) *100	23.09	19.88	23.22	20.08

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Information related to components of shareholders' equity:

	Consolidated	
	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
1st Degree Legal Reserves (TCC 466/1)	673,340	568,041
2nd Degree Legal Reserves (TCC 466/2)	1,084,756	1,000,606
Legal Reserves per Special Legislations	-	-
Statutory Reserves	-	-
Extraordinary Reserves	1,378,424	365,839
Reserves Allocated per General Assembly Minutes	-	-
Retained Earnings	1,378,424	365,839
Accumulated Loss	-	-
Foreign Currency Share Capital Exchange Difference	-	-
Inflation Adjustment for the Legal, Statutory and Extraordinary Reserves	-	-
Profit	3,709,949	2,318,218
Net Profit of the Period	3,525,990	2,147,323
Retained Earnings	183,659	170,895
Portion of Free Provisions Allocated for Potential Risk up to 25% of Core Capital Amount	611,962	607,509
Subsidiary and Associate Shares and Gains on Sale of Real Estate to be Added to Capital	-	-
Primary Subordinated Loans (up to 15% of Core Capital)	-	-
Loss(-) Portion of Losses that Cannot be Covered by Reserves	-	-
Net Loss of the Period	-	-
Accumulated Loss	-	-
Leasehold Improvements (-)	-	-
Prepaid Expenses (-) (*)	6,502	4,463
Intangible Assets (-) (*)	17,638	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 (-)	-	-
Goodwill	-	-
Total Core Capital	10,477,773	7,903,695

(*) 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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	Consolidated	
	Current Period	Prior Period
SUPPLEMENTARY CAPITAL		
General Provisions	428,469	247,013
45% of Movable Assets Revaluation Fund	-	-
45% of Real Estates Revaluation Fund	-	-
Bonus Shares of Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)	2,158	2,158
Primary Subordinated Loans Excluding the Portion included in the Core Capital	-	-
Secondary Subordinated Loan	-	-
45% of Marketable Securities Revaluation Fund	222,434	34,402
From Subsidiaries and Associates	8,785	20,278
From Financial Assets Available For Sale	213,649	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)	-	-
Minority Interest	-	-
Total Supplementary Capital	653,061	283,573
TIER-III CAPITAL	-	-
CAPITAL	11,130,834	8,187,268
DEDUCTIONS FROM CAPITAL	741,134	703,764
Partnership Interest at the Banks and Financial Institutions Excluded from Consolidation	632,326	597,980
Loans to banks, Financial Institutions (Domestic/Foreign), Holders of Qualified Shares in the form of Secondary Subordinated Loan and Loan Instruments Purchased from those Parties Qualified as Primary or Secondary Subordinated Loan	2,243	2,310
Partnership Interest at the Banks and Financial Institutions whose Assets and Liabilities are Excluded from Consolidation but Consolidated by Equity Method	106,428	87,702
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	137	15
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	10,389,700	7,483,504

II. EXPLANATIONS ON THE CONSOLIDATED CREDIT RISK

Credit risk is the probable risks and losses arising from the partial or complete default of the opposite party that the Parent Bank is engaging in relation by not complying with the obligations of the agreement made.

The limits of the credit customers are identified, after combined assessment of various factors like the financial and non-financial information of the credit customers, credit requirements, sectoral and geographical features and, in conformity with the legal legislation, in line with the credit authorization limits of the branches, regional heads, department heads, Assistant General Managers, Chief Assistant General Managers, General Manager, Credit Committee, and Board of Directors.

The average limits identified related the credit portfolio are approved by the Board of Directors and revised when required. The identified limits are allocated by related departments on regional heads basis by considering the factors like portfolio structure, potentials of the customers and credit, regional and sectoral characteristics, competencies of the personnel.

In order to prevent the risk intensity on the commercial loan portfolio, limits are determined and followed on the basis of group companies, private and public firms, and different debtor groups. Similarly, in determining the limits of the agricultural loan portfolio the structures of the regions are considered.

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In line with the budgeted targets, TL/FC Cash/Non-Cash Commercial/SME loan placements are issued and followed on sectoral and regional basis.

The credits issued by the branches are periodically analyzed on the basis of the limits, subjects, guarantees, maturities, accounts followed, outstanding balances, numbers of the customers, and followed on customer and regional basis.

After the opening of the lines of the commercial loans, the firms are continued to be monitored and the changes at the financial structures and market relations of the credit firms are followed. The credit limits are identified and approved for one year and renewed in case of no negative change in the situation of the customer (financial structure, market, guarantee, etc.).

Agricultural loans are the specialized loans of the Parent Bank and issued by the regional heads, agricultural banking branches and affiliated branches which are given credit issuance authority. The credit limit is determined by considering factors like activities related to agricultural production capacity, unit cost of the product subject to loan, operating capital requirement, investment amount, market value of the product, supporting payments, documentable receivables, income-loss, cash flow projection of the firm and payment ability of the customer. For the determination of the credibility, the financial information of the customers is also considered. The agricultural loan customers are followed through the periodic visits made to the facilities production is operated and the changes at the credit worthiness are identified. The new limit issuances and changes at the limits are made after the on-site detections.

The Parent Bank is assessing credibility of the customer as the essential factor in issuing credits and considers guarantees as important in minimizing the risk and liquidation. The Parent Bank is not carrying a material credit risk as the result of the loan policies and processes based on reliable and robust guarantees.

The Parent Bank is not engaging in credit transaction that are not defined at the legislation and not put into the practice.

The Parent Bank allocates 100% special provision for all loans under follow-up, except the externally funded loans, without considering the guarantees received.

Since the Parent Bank's abroad lending operations have no significant effect on the financial statements, and operations and transactions are diversified via the use of different financial institutions in various countries, the Parent Bank is not believed to be exposed to a significant credit risk as a result of these operations.

Foreign financial institution and country risks of the Parent Bank are generally taken on financial institutions and countries which are rated by international rating institutions. The limits identified for those financial institutions/countries are updated annually and treasury operations are executed under those limits and the transactions are followed.

The Parent Bank engages in foreign currency swaps and forward transactions considering its asset-liability balance and legal limits. These are not considered to generate material risk given the amount of these transactions in the consolidated balance sheet.

Indemnified non-cash loans are followed under Loans under Close Monitoring and Other Receivables.

The percentage of top 100 cash loans in the total cash loan portfolio of the Parent Bank is 13.60%. The percentage of top 100 non-cash loans in the total non-cash loan portfolio of the Parent Bank is 79.20%. The percentage of top 100 cash and non-cash loans in the consolidated total assets and off-balance sheet items of the Parent Bank is 3.74%.

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Consolidated credit risk by types of borrowers and geographical concentration:

	Loans to Legal Entities and Real Persons (4)		Loans to Banks and Other Financial Institutions (4)		Marketable Securities (1) (4)		Other Loans (2)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loan Distribution								
According to Users	35,551,518	29,752,574	1,000,974	204,834	70,987,861	56,455,342	6,205,067	4,389,113
Private Sector	8,481,628	6,878,776	782,402	200,000	-	-	223,019	143,336
Public Sector	830,544	1,768,507	216,311	-	70,963,827	56,433,945	26,138	15,606
Banks	-	-	2,261	4,834	-	-	5,954,022	4,225,089
Individual Customers	26,239,346	21,105,291	-	-	-	-	1,888	5,082
Share Certificates	-	-	-	-	24,034	21,397	-	-
Information According to Geographical Concentration	35,551,518	29,752,574	1,000,974	204,834	70,987,861	56,455,342	6,205,067	4,389,113
Domestic	35,134,711	29,498,894	943,922	200,000	70,620,143	56,410,509	295,806	208,199
European Union Countries	210,647	117,467	37,460	3,080	135,364	-	3,926,132	2,275,394
OECD Countries (3)	-	-	-	-	-	-	152,664	9,499
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	53,636	80,249	19,592	1,754	99,678	41,069	1,607,006	1,657,249
Other Countries	152,524	55,964	-	-	132,676	3,764	223,459	238,772

(1) Includes marketable securities designated at fair value through profit or loss, available for sale and held to maturity.

(2) Includes the transactions that are not presented in the first 3 columns but defined as loans and receivables in the 48th article of Banking Act numbered 5411. The unallocated other loans and receivables are presented under "individuals customers" line.

(3) OECD countries other than EU countries, USA and Canada.

(4) Income accruals have not been included in the prior period balances.

Information according to geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income/Loss
Current Period					
Domestic	120,900,705	111,298,720	5,158,133	-	3,514,697
European Union Countries	663,282	660,562	34,961	-	(3,357)
OECD Countries (1)	-	-	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	1,788,345	1,784,839	315,806	-	2,940
Other Countries	461,048	430,284	4,517	-	11,710
Associates, Subsidiaries and Entities Under Common Control (Business Combinations)	-	-	-	747,433	-
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	123,813,380	114,174,405	5,513,417	747,433	3,525,990
Prior Period					
Domestic	99,873,592	96,002,904	3,850,599	-	2,115,983
European Union Countries	1,988,105	525,173	43,016	-	(1,633)
OECD Countries (1)	9,499	4,217	-	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	1,700,309	9,215	340,631	-	3,241
Other Countries	179,619	509,751	57,784	-	7,598
Associates, Subsidiaries and Entities Under Common Control (Business Combinations)	-	-	-	674,927	22,134
Unallocated Assets/Liabilities (2)	-	-	-	-	-
Total	103,751,124	97,051,260	4,292,030	674,927	2,147,323

(1) OECD countries other than EU countries, USA and Canada.

(2) Assets and liabilities that cannot be allocated on a consistent basis.

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Sector concentration for cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	10,231,004	29.66	26,238	1.28	8,713,388	29.56	51,494	4.13
Farming and Raising Livestock	10,103,406	29.29	26,062	1.27	8,622,810	29.54	50,562	4.06
Forestry, Wood and Paper	-	-	-	-	-	-	-	-
Fishery	127,598	0.37	176	0.01	90,578	0.02	932	0.07
Manufacturing	1,668,764	4.85	1,201,577	58.43	2,067,473	7.01	1,040,365	83.46
Mining and Quarry	250,367	0.73	76,357	3.71	43,846	0.15	180,669	14.49
Production	1,409,259	4.09	1,124,545	54.69	1,763,345	5.98	858,904	68.91
Electricity, Gas and Water	9,138	0.03	675	0.03	260,282	0.88	792	0.06
Construction	982,973	2.85	14,673	0.71	1,033,175	3.51	13,313	1.07
Services	3,195,568	9.25	556,930	27.10	2,745,865	9.32	139,377	11.18
Wholesale and Retail Trade	923,553	2.68	51,536	2.51	689,758	2.34	27,014	2.17
Hotel, Food and Beverage Services	90,615	0.26	258	0.01	62,703	0.21	-	-
Transportation and Communication	546,561	1.58	36,145	1.76	573,340	1.96	-	-
Financial Institutions	748,270	2.17	44,314	2.16	407,804	1.38	2,789	0.22
Real Estate and Renting Services	8,290	0.02	-	-	3,880	0.01	-	-
Self-Employment Services	7,597	0.02	179	0.01	6,339	0.02	-	-
Education Services	21,046	0.06	-	-	20,118	0.07	-	-
Health and Social Services	849,636	2.46	424,498	20.65	981,923	3.33	109,574	8.79
Other (*)	18,416,846	53.39	257,919	12.48	14,915,696	50.60	2,004	0.16
Total	34,495,155	100.00	2,057,337	100.00	29,475,597	100.00	1,246,553	100.00

(*) Consumer loans are presented under other line.

Parent Bank's improvement of the application system to decompose the guarantee information of the loans has not been completed, as of December 31, 2009, therefore the guarantees could not be included in the analysis of sector concentration of the cash loans.

The table below shows the maximum exposure to credit risk for the components of the consolidated financial statements:

	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss	494,244	663,579
Banks	5,429,609	3,710,350
Money Market Placement	-	-
Financial Assets Available-for-sale	25,649,821	9,071,044
Held-to-maturity Investments	44,843,796	48,787,200
Loans	36,724,567	30,836,194
Total	113,142,037	93,068,367
Contingent Liabilities	5,513,417	4,292,030
Commitments	18,825,146	13,135,654
Total Credit Risk Exposure	137,480,600	110,496,051

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Credit quality per class of financial assets is as follows:

Financial Assets	Current Period			Prior Period		
	Neither past due nor impaired	Past due but not impaired	Total	Neither past due nor impaired	Past due but not impaired	Total
Banks	5,429,609	-	5,429,609	3,710,350	-	3,710,350
Financial Assets at Fair Value Through Profit and Loss	494,244	-	494,244	663,579	-	663,579
Loans	36,246,548	305,944	36,552,492	29,999,675	722,475	30,722,150
Corporate Loans	8,222,567	101,846	8,324,413	7,520,550	133,000	7,653,550
Consumer Loans	18,148,580	57,731	18,206,311	14,652,659	48,925	14,701,584
Specialized Loans	9,875,401	146,367	10,021,768	7,826,466	540,550	8,367,016
Financial Assets Available for Sale	25,649,821	-	25,649,821	9,071,044	-	9,071,044
Investments Held to Maturity	44,843,796	-	44,843,796	48,787,200	-	48,787,200

Parent Bank's improvement of the application system to decompose the guarantee information of the loans has not been completed, as of December 31, 2009. Therefore, information regarding the guarantees for overdue but non-impaired loans and other receivables and loans under follow-up could not be given.

Carrying amount per class of financial assets whose terms have been renegotiated by the management of the Parent Bank:

	Current Period	Prior Period
Receivable from Banks	-	-
Financial Assets at Fair Value Through Profit and Loss	-	-
Loans	2,616,338	25,086
Corporate Loans	148,804	17,361
Consumer Loans	46,488	55
Specialized Loans	2,421,046	7,670
Others	-	-
Financial Assets Available for Sale	-	-
Investments Held to Maturity	-	-

As of October 12, 2009; the Parent Bank has started the assessment of credit card applications using the scoring method. Starting from January 4, 2010, all of the credit card applications of the branches are determined using the scoring method. For consumer loans, assessment with pre-application through Alternative Distribution Channels (ATM, SMS, WEB, Internet) is planned to become applicable by March 2010.

The Parent Bank, for the commercial loan portfolio, has developed two base models as rating and scoring. Presently, the operations to integrate scoring model annexed to Financial Analysis and Intelligence Reports, that is at the testing stage into the loan processes are continuing. Meanwhile, commercial loan scoring model is applicable in the loan approval process starting from September 1, 2009.

III. EXPLANATIONS ON THE CONSOLIDATED MARKET RISK

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

The Parent 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 Parent Bank are determined within the context of "Regulation for Market and Financial Statement Risks and Liquidity and Financial Emergency State Management".

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

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The Parent 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 the Parent Bank's Standard Capital Adequacy Ratio.

Daily Value at Risk forecasts are made based on financial instruments with different risk factors and portfolios in the Parent Bank and are reported to the related units. Also, backward testing is performed so as to measure performance of used model. The Parent 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, the Parent 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 Parent Bank's financial position.

Information Related to Consolidated Market Risk:

	Current Period Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	158,060
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	5,032
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	22,674
(IV) Capital Requirement to be Employed for Commodity Risk - Standard Method	770
(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)	186,536
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	2,331,700

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

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	109,886	178,896	59,868	232,767	357,060	58,240
Equity Share Risk	3,594	3,844	3,450	-	-	-
Currency Risk	28,376	37,843	17,202	32,036	42,870	24,981
Commodity Risk	664	825	599	413	526	313
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Amount Subject to Total Risk	1,759,031	2,644,000	1,228,975	3,315,193	4,976,500	1,050,875

IV. EXPLANATIONS ON THE CONSOLIDATED OPERATIONAL RISK

a) The method used in calculating the operational risk and the interval in which the market risk measurement is done:

Operational risk is defined as the probability of loss or damage due to the overlooked errors and irregularities arising from failures of the internal controls of the Parent Bank, and not responding timely by the Parent Bank's management and the personnel, errors and irregularities of the information systems, and due to the disasters earthquake, flood, or fire.

The Parent Bank is calculating Operational Risk Base Amount on yearly basis using "Basic Indicator Method". In this method, the parameter which determinates the operational risk is the gross income. Gross income is composed of the total of net interest income and net non interest income in general whereas profit/loss from sale of available for sale securities and held to maturity securities and extraordinary income is excluded from calculation. Calculation of Operational Risk Base Amount is done by multiplying the averages of the three years gross income by 12.5.

The Parent Bank's operation risk managerial policy and application procedures are determined within the context of "Operational Risk Management Regulation".

Operational Risk Management actions are conducted by the Parent Bank's Risk Management Department. In this context generally;

- Reports are submitted semi-annually to the Board of Directors and monthly to General Management, Members of Audit Committee, Chief Assistant General Managers, Internal System Units Directors and Asset Liability Committee. Under this reporting, risk intensities in lost database, measurements of operational risk base amount, results of risk mapping studies of the branches and Head Quarter, indicators of the

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key risks, operational risks realized on information system and various indicators, external sourced operational risks and similar subjects are included.

- Realized operational risks are followed in the "Operational Lost Database". At this database, under the context of the identification of operational risk, the lost operational risk information occurred at the Parent Bank are collected appropriate to the standards anticipated at the Basel II.
- The calculation of economic capital with the Advanced Measurement Techniques that are projected to be performed by the banks rendering service on a global scale as envisaged within the framework of Basel II Accord is applied by the Bank and operations regarding the improvement of the techniques are continuing.
- "Operational Risk Map" studies have been conducted by the help of operational risk indicators, operational risk database and unit/volume information for transactions identified in order to determine risk levels of branches and general management units.
- "Self Evaluation Studies" are undertaken in the format of working groups that are formed with the personnel selected from branches and regional heads with the aim of carrying out on-site determination of risks with referrals as the opinions of personnel.
- Within the context of Information Systems Risk Management, a coordinated activity parallel to the BRSAs effective regulations, is undertaken with the other related divisions.
- At year 2005 Parent Bank prepared Business Continuity Plan and it is being updated.

b) The Parent Bank does not apply standard method.

V. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

a) Whether the Parent 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 Parent Bank's policy is to avoid carrying significant position by means of foreign currency management. Therefore, the Parent Bank is not exposed to significant currency risks. Risks are monitored by the currency risk tables prepared based on the standard method. Besides, in the Parent Bank, 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 structural interest rate risks at US Dollar and Euro, which are mainly used by the Parent Bank in its operations. Also, daily VAR analysis for following the currency risk and within the context of legal reporting, Foreign Currency Net General Position/Shareholders' Equity Ratio and Foreign Currency Liquidity Position are also monitored regularly.

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

	USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
24.12.2009	1.5049	2.1591	1.3291	0.2907	0.2066	1.4519	1.4377	0.2590	2.4032	0.3956	1.6433
25.12.2009	1.5039	2.1611	1.3310	0.2916	0.2069	1.4542	1.4329	0.2601	2.4038	0.3951	1.6500
28.12.2009	1.5044	2.1626	1.3322	0.2904	0.2088	1.4548	1.4373	0.2597	2.4061	0.3941	1.6391
29.12.2009	1.4970	2.1548	1.3449	0.2903	0.2092	1.4533	1.4401	0.2592	2.3977	0.3932	1.6330
30.12.2009	1.5019	2.1413	1.3405	0.2885	0.2093	1.4451	1.4260	0.2586	2.4035	0.3946	1.6211
31.12.2009	1.4950	2.1448	1.3380	0.2874	0.2089	1.4429	1.4210	0.2581	2.4082	0.3947	1.6020

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

USD	EURO	AUD	DKK	SEK	CHF	CAD	NOK	GBP	SAR	100 JPY
1.4973	2.1767	1.3491	0.2931	0.2097	1.4546	1.4205	0.2596	2.4297	0.3935	1.6614

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Information on the consolidated foreign currency risk:

	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	1,719,731	63,684	133	22,320	1,805,868
Banks	3,408,768	1,632,628	1,926	379,592	5,422,914
Financial Assets at Fair Value Through Profit and Loss	44,175	4,963	-	-	49,138
Money Market Placements	-	-	-	-	-
Financial Assets Available-for-Sale	2,729,315	2,024,790	-	10,467	4,764,572
Loans (2)	588,893	1,472,100	-	4,574	2,065,567
Subsidiaries, Associates, Entities Under Joint Control (Business Associations) (5)	340,600	108,191	-	32,357	481,148
Investments Held-to-Maturity	2,304,477	2,418,329	-	276	4,723,082
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Fixed Assets	2,960	1,093	-	469	4,522
Intangible Assets	677	1,116	-	181	1,974
Other Assets	12,166	5,581	-	5,427	23,174
Total Assets	11,151,762	7,732,475	2,059	455,663	19,341,959
Liabilities					
Interbank Deposits	138,442	441,604	10	9,999	590,055
Foreign Currency Deposits	10,800,619	7,215,370	187	397,116	18,413,292
Money Market Borrowings	-	-	-	-	-
Funds provided from Other Financial Institutions	1,606	4,241	-	-	5,847
Issued Marketable Securities	-	-	-	-	-
Sundry Creditors	142,863	2,178	-	345	145,386
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	96,318	101,165	1,231	33,415	232,129
Total Liabilities	11,179,848	7,764,558	1,428	440,875	19,386,709
Net Balance Sheet Position	(28,086)	(32,083)	631	14,788	(44,750)
Net Off-Balance Sheet Position (3)	(19,421)	(25,361)	-	45,279	497
Assets on Derivative Instruments	857	27,797	-	56,598	85,252
Liabilities on Derivative Instruments	20,278	53,158	-	11,319	84,755
Non-cash Loans (4)	809,696	2,792,022	11,125	37,838	3,650,681
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 (4)	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, 22.89% is CHF, 44.18% is GBP, 12.75% is DKK and the remaining 20.18% is other foreign currencies.

Of the foreign currencies presented in the other FC column of liabilities, 30.48% is CHF, 48.73% is GBP, 13.07% is DKK and the remaining 7.72% is other foreign currencies.

(2) TL 5,208 Thousand equivalent of USD and TL 3,022 Thousand equivalent of EURO balances of loans are originated as foreign currency indexed loans (December 31, 2008: TL 6,140 Thousand equivalent of USD and TL 1,227 Thousand equivalent of EURO).

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

(4) Since provision has been provided for non-cash loans amounted to TL 417 Thousand, related balance is not included in the table above (December 31, 2008: TL 600 Thousand).

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

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The Parent Bank's sensitivity to foreign currency rates has been analyzed and 10% increase/decrease is anticipated in the US Dollar, EURO, GBP and other foreign currency units. 10% is the rate used in the Parent Bank's internal reporting. The following table shows the detail of analysis.

	Change in Exchange Rate in %	Effect on Profit/Loss	
		Current Period	Prior Period
US Dollar	10% increase	(10,036)	(11,887)
	10% decrease	10,036	11,887
EURO	10% increase	(36,464)	(40,244)
	10% decrease	36,464	40,244
Other	10% increase	2,594	2,225
	10% decrease	(2,594)	(2,225)

(*) The effects on profit or loss and shareholders' equity are presented before tax, in the above table.

(**) The Bank has started to follow the foreign currency subsidiaries and entities under common control with fair value fair values are determined by the independent valuation firm's revaluation report and balances are fixed to TL equivalents as of revaluation date. Revaluation differences are recognized under subsidiaries and entities under common control and "Marketable Securities Revaluation Fund" under equity.

VI. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK

The Parent 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 Parent Bank is applying the Banking Accounts Interest Shock Value Loss analysis, whereas under income approach the Parent 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 Parent Bank resulting from changes in interest rates is analyzed. About the structural interest rate risk the duration analysis is applied at the Parent Bank. The Parent Bank monitors the limits determined for the structural interest rate risk in monthly periods.

Using possible changes in the interest rate, the changes in the assets and the liabilities of the Parent Bank have been analyzed. With this respect;

In order to analyze the effect of the increases and decreases in the interest rate on the interest income/expense of the Parent Bank, interest rate sensitive instruments in balance sheet have been grouped on the basis of repricing periods. As a result of the funding/placing of these assets and liabilities with the changing interest rates, the net interest income of the Parent Bank has been analyzed. In this analysis, TL and foreign currency interest rates are increased/decreased by the ratios seen at the tables below and the amounts of the repriced assets and liabilities are assumed to be constant during the consolidated balance sheet period. The demand deposit is excluded from this analysis and the interest rates of those financial assets and liabilities are assumed to be increasing/decreasing by the same amounts. The below mentioned analysis is presenting the net interest income of the Parent Bank generated within the consolidated balance sheet period.

Change in Interest Rate		Net Interest Income Effect (*) (**)	
TL	FC	Current Period	Prior Period
3 points increase	1 point increase	(221,854)	(231,075)
2 points increase	0.66 point increase	(147,819)	(153,828)
1 point increase	0.33 point increase	(73,910)	(76,914)

(*) Demand deposits are excluded.

(**) Net interest income effect presented above reflects amounts before tax.

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Change in Interest Rate		Net Interest Income Effect (*) (**)	
TL	FC	Current Period	Prior Period
3 points decrease	1 point decrease	221,854	231,075
2 points decrease	0.66 point decrease	147,819	153,828
1 point decrease	0.33 point decrease	73,910	76,914

(*) Demand deposits are excluded.

(**) Net interest income effect presented above reflects amounts before tax.

On the other hand, the analysis of the interest sensitivity of the financial assets which are monitored within the positions exposed to market risk only (Fair Value through Profit or Loss and Securities Available for Sale) is presented below. The interest rate sensitivity analysis expressed the effect of 1 basis point increases in TL, 0.33 basis point increase in FC and 3 basis point increases in TL and 1 basis point increase in FC over accounting records. The financial assets recorded under so-called accounts are repriced as a result of the foregoing interest rate increases and the effect of the change in prices aroused on the equity and profit/loss accounts is stated. The effect of the changes in prices calculated for the positions exposed to market risk is resulting from the financial assets available for sale.

Change in Interest Rate		Effect on Profit/Loss	Effect on Shareholders' Equity	Effect on Profit/Loss	Effect on Shareholders' Equity
TL	FC	Current Period	Current Period	Prior Period	Prior Period
3 points increase	1 point increase	(4,148)	(342,885)	(8,781)	(70,128)
1 point increase	0.33 point increase	(1,400)	(116,133)	(2,964)	(23,531)

(*) The effects on profit or loss and shareholders' equity in the table above presents the amounts before tax.

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 Parent Bank, expectations on interest income, limitations on daily interest rates by the Parent Bank's Board of Directors:

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

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

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

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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 Years 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	8,140,194	-	-	-	-	1,034,068	9,174,262
Banks	5,369,519	1,757	58,333	-	-	-	5,429,609
Financial Assets at Fair Value Through Profit and Loss	247,603	65,795	141,012	37,497	1,293	1,044	494,244
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-for-Sale	6,935,603	6,049,733	7,373,963	4,428,971	802,363	59,188	25,649,821
Loans Given	11,428,281	1,841,569	3,239,205	16,708,164	3,335,273	-	36,552,492
Investments Held-to-Maturity	13,568,925	22,815,595	2,979,284	2,148,407	3,331,585	-	44,843,796
Other Assets	-	-	-	-	-	2,416,589	2,416,589
Total Assets	45,690,125	30,774,449	13,791,797	23,323,039	7,470,514	3,510,889	124,560,813
Liabilities							
Interbank Deposits	591,442	4,920	-	-	-	-	596,362
Other Deposits	65,293,170	12,146,384	5,094,630	44,725	-	15,354,196	97,933,105
Money Market Borrowings	9,144,070	-	-	-	-	-	9,144,070
Sundry Creditors	-	-	-	-	-	527,625	527,625
Issued Marketable Securities	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	7,759	6,585	6,177	611	31	-	21,163
Other Liabilities	-	-	-	2,972,958	-	13,365,530	16,338,488
Total Liabilities	75,036,441	12,157,889	5,100,807	3,018,294	31	29,247,351	124,560,813
Balance Sheet Long Position	-	18,616,560	8,690,990	20,304,745	7,470,483	-	55,082,778
Balance Sheet Short Position	(29,346,316)	-	-	-	-	(25,736,462)	(55,082,778)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(29,346,316)	18,616,560	8,690,990	20,304,745	7,470,483	(25,736,462)	-

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

*TL 2,972,958 Thousand of fund balance, whose risk does not belong to the Parent Bank, in other liabilities is shown under the "1 - 5 Years" column. TL 272,433 Thousand of fund balance, whose risk does not belong to the Parent Bank, is not granted as loan and is shown under the "Non-Interest Bearing" column.

*Deferred tax asset and other similar assets are 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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(Amounts expressed in Thousand of the Turkish Lira (TL) unless otherwise stated.)

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	-	-	-	5.20
Banks	0.26	1.11	-	6.25
Financial Assets at Fair Value Through Profit and Loss	3.36	5.51	-	12.63
Money Market Placements	-	-	-	-
Financial Assets Available-for-Sale	4.05	5.80	-	9.75
Loans Given	4.09	4.25	-	16.45
Investments Held-to-Maturity	5.90	7.00	-	9.96
Liabilities				
Interbank Deposits(*)	0.16	0.21	-	-
Other Deposits	1.86	1.83	-	8.74
Money Market Borrowings	-	-	-	7.23
Sundry Creditors	-	-	-	-
Issued Marketable Securities	-	-	-	-
Funds Provided from Other Financial Institutions	3.75	4.05	-	9.64

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

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

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	8,670,386	-	-	-	-	705,211	9,375,597
Banks	3,642,155	8,603	59,592	-	-	-	3,710,350
Financial Assets at Fair Value Through Profit and Loss	148,705	87,956	289,302	134,070	1,436	2,110	663,579
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	139,631	3,346,267	3,426,752	1,970,029	166,968	21,397	9,071,044
Loans Given	10,806,958	1,257,527	2,919,394	12,239,740	3,498,531	-	30,722,150
Investments Held-to-Maturity	8,479,742	26,340,461	6,051,928	4,269,515	3,645,554	-	48,787,200
Other Assets	-	-	-	-	-	2,096,131	2,096,131
Total Assets	31,887,577	31,040,814	12,746,968	18,613,354	7,312,489	2,824,849	104,426,051
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	-	9,849,378	12,765,425
Total Liabilities	73,021,740	13,537,082	4,761,017	2,775,817	52	10,330,343	104,426,051
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.

*TL 2,696,027 Thousand of fund balance in other liabilities is shown under the "1 - 5 Years" column. TL 218,075 Thousand of fund, whose risk does not belong to the Parent Bank, is not granted as loan and is shown under the "Up to 1 Month" column.

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

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

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

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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 Given	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 interest rates, except for foreign currency interbank deposits.

VII. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK

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

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

The Parent Bank performs "Remaining Maturity Analysis" for the observation of the maturity structure of the consolidated balance sheet, "Liquidity Gap" and "Structural Liquidity Gap Analysis" for the monitoring of the liquidity and between periods and Liquidity Stress Test for the evaluation of the Parent Bank's liquidity and in the worst case scenario and the loss associated with it. The renewal of deposits which constitutes the Parent Bank's most crucial funding resource is monitored on a daily basis. Besides, in order to compare the Parent Bank's level of liquidity risk with the sector, average remaining maturity balances of Bank-Sector and legal liquidity rates are monitored.

According to the "Measurement and Assessment of Liquidity Adequacy of Banks" issued in the Official Gazette numbered 26333 dated November 1,2006, from June 1,2007, at the weekly and monthly calculations of the banks, the liquidity ratio is required to 80% for the foreign currency assets/liabilities and 100% for the total assets at minimum. The liquidity ratios for 2008 and 2009 are as follows:

Current Period	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	673.49	409.50	290.14	194.86
Maximum (%)	789.44	565.76	323.11	233.08
Minimum (%)	520.49	316.79	265.53	168.23
Prior Period	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	675.37	510.55	327.61	216.92
Maximum (%)	837.75	707.96	398.02	263.14
Minimum (%)	412.65	359.29	271.59	183.84

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

a) Basis for the current liquidity risk of the Parent Bank and whether the necessary measures taken, limitations imposed by the Parent 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 Parent Bank's source of funds is mainly formed of deposits. The Parent 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 Parent Bank from organized markets and other financial institutions can cover the corresponding liquidity gaps with different periods. The Parent 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 Parent Bank, unused significant liquidity sources:

Although the average maturity of the Parent Bank's assets is longer compared to the deposits, securities with coupon payments no longer than six months constituting majority of the securities portfolio supply regular cash inflow for the Parent Bank. Besides, volume of deposits constituting the majority of the liabilities is not subject to significant changes. The Parent Bank also provides funds from repurchase agreements.

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

The Parent 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 Parent Bank is suggested to be reduced. Furthermore, periodical collections on consumer loans has role to cover the Parent Bank's need of fund source.

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

Presentation of assets and liabilities according to their outstanding maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed(1) (2)	Total
Current Period								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of the Republic of Turkey	9,174,262	-	-	-	-	-	-	9,174,262
Banks	1,646,598	3,722,921	1,757	58,333	-	-	-	5,429,609
Financial Assets at Fair Value Through Profit and Loss	-	119,736	63,366	143,189	166,660	1,293	-	494,244
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets								
Available-for-Sale	-	1,295,212	1,086,591	5,396,289	15,186,157	2,661,538	24,034	25,649,821
Loans	-	1,315,782	3,757,936	15,630,431	14,274,211	1,574,132	-	36,552,492
Investments Held-to-Maturity	-	1,698,978	1,620,645	7,089,745	29,947,461	4,486,967	-	44,843,796
Other Assets	297,689	-	-	2,382	1,888	-	2,114,630	2,416,589
Total Assets	11,118,549	8,152,629	6,530,295	28,320,369	59,576,377	8,723,930	2,138,664	124,560,813
Liabilities								
Interbank Deposits	48,284	543,158	4,920	-	-	-	-	596,362
Other Deposits	15,354,196	65,293,170	12,146,384	5,094,630	44,725	-	-	97,933,105
Funds Provided from Other Financial Instruments	-	7,759	6,585	6,177	611	31	-	21,163
Money Market Borrowings	-	9,144,070	-	-	-	-	-	9,144,070
Issued Marketable Securities	-	-	-	-	-	-	-	-
Sundry Creditors	527,625	-	-	-	-	-	-	527,625
Other Liabilities (3)	614,616	428,152	54	232,799	2,972,958	-	12,089,909	16,338,488
Total Liabilities	16,544,721	75,416,309	12,157,943	5,333,606	3,018,294	31	12,089,909	124,560,813
Liquidity Gap	(5,426,172)	(67,263,680)	(5,627,648)	22,986,763	56,558,083	8,723,899	(9,951,245)	-
Prior Period								
Total Assets	11,357,542	3,942,151	5,715,496	25,049,315	48,755,321	7,788,171	1,818,055	104,426,051
Total Liabilities	13,108,474	61,243,328	13,537,800	4,957,400	2,775,817	52	8,803,180	104,426,051
Liquidity Gap	(1,750,932)	(57,301,177)	(7,822,304)	20,091,915	45,979,504	7,788,119	(6,985,125)	-

(1) Consolidated 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) TL 2,972,958 Thousand of the funds balance, whose risk is not born by the Parent Bank, is included in other liabilities and shown under the "1-5 year" column, fund balance amounted to TL 272,433 Thousand is not granted as loan and is included under "Up to One Month" column.

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Presentation of liabilities according to their remaining maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
Current Period							
Interbank Deposits	591,454	4,921	-	-	-	(13)	596,362
Other Deposits	80,796,763	12,295,285	5,210,604	47,005	-	(416,552)	97,933,105
Funds Provided From Other Financial Institutions	8,024	7,021	6,733	675	31	(1,321)	21,163
Money Market Borrowings	9,152,596	-	-	-	-	(8,526)	9,144,070
Total	90,548,837	12,307,227	5,217,337	47,680	31	(426,412)	107,694,700
Prior Period							
Interbank Deposits	1,248,411	3,122	3,269	-	-	(73)	1,254,729
Other Deposits	64,521,881	13,742,442	4,942,042	80,409	-	(658,068)	82,628,706
Funds Provided From Other Financial Institutions	5,775	7,369	15,080	806	50	(723)	28,357
Money Market Borrowings	7,274,187	-	-	-	-	(6,318)	7,267,869
Total	73,050,254	13,752,933	4,960,391	81,215	50	(665,182)	91,179,661

(* Amounts related with the fund balances are not included in the table since decomposition on the basis of their remaining maturities could not be performed.

VIII. EXPLANATIONS ON THE PRESENTATION OF CONSOLIDATED FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

a) Information regarding the fair value of consolidated financial assets and liabilities:

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	112,647,793	92,404,788	114,107,817	92,437,122
Receivables from Money Market	-	-	-	-
Banks	5,429,609	3,710,350	5,429,609	3,710,350
Financial Assets Available-for-Sale	25,649,821	9,071,044	25,649,821	9,071,044
Investments Held-to-Maturity	44,843,796	48,787,200	46,303,820	48,819,534
Loans	36,724,567	30,836,194	36,724,567	30,836,194
Financial Liabilities	99,078,255	85,393,174	99,078,255	85,393,174
Interbank Deposits	596,362	1,254,729	596,362	1,254,729
Other Deposits	97,933,105	82,628,706	97,933,105	82,628,706
Funds Provided from Other Financial Institutions(1)	21,163	1,028,774	21,163	1,028,774
Marketable Securities Issued	-	-	-	-
Sundry Creditors	527,625	480,965	527,625	480,965

(1) The repo amount of the financial institutions under money market borrowings account is included in the prior period.

In determination of book and fair value of available-for-sale securities, market prices are taken into consideration. If these securities are not traded in an active market indicative, the prices calculated by CBRT as indicators are taken into account.

The book values of held to maturity investments are calculated by amortized cost prices which are calculated by using internal rate of return while fair values are calculated by considering the market prices. If these securities are not traded in an active market, the prices calculated by CBRT are taken into account.

All of the receivables from money markets and receivable from banks consist of short term financial assets; therefore fair value of these assets are accepted to be equal to their carrying value.

Since 90.27% of total deposits are consist of demand deposits and up to 3 months matured deposits; their carrying value and fair value are considered as equal. Likewise, since the longest maturity of the repo amount within the funds provided from other financial institutions is lasting shorter than 1 month; its carrying value and fair value are considered as equal.

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The development of the application system of the Parent Bank on the calculation of the fair value of loans granted and the loans borrowed within the funds provided from other financial institutions is continuing. Since the development has not been finalized as of December 31, 2009, the carrying values and fair values of the items mentioned are taken as equal.

b) Information on fair value measurements recognized in the consolidated financial statements:

According to UFRS 7 "Financial Instruments: Explanations" Standard, the accounts recognized with the fair value in the consolidated balance sheet should be presented and classified sequentially in the related footnotes. Respectively, such financial instruments are classified in three levels representing the importance of the data used during for the measurement of fair values. At level one, the financial instruments whose fair values are determined with the recorded prices in the active markets for the assets and liabilities with identical fair values; at level two, the financial instruments whose fair value is based on the directly or indirectly observable market indicators and at level three; the financial instruments whose fair value is not based on the directly or indirectly observable market indicators are considered. The financial instruments which are recognized with their fair values at the Parent Bank's consolidated balance sheet, are presented with respect to such basis of classification in the table below:

	1st Level	2nd Level	3rd Level
Financial Assets at Fair Value through Profit and Loss			
Debt Securities	493,198	-	-
Securities Representing a Share in Capital	-	-	-
Derivative Instruments Held for Trading	-	1,045	-
Other	-	1	-
Financial Assets Available for Sale (*)			
Debt Securities	25,302,040	-	323,747
Other	-	-	-
Investments in Associates and Subsidiaries (**)	-	-	-
Derivative Financial Liabilities	-	286	-

(*) The fair values of debt securities classified under 3rd Level are determined with the internal rate of return method. Since securities representing a share of capital under the heading of financial assets available for sale (TL 24,034 Thousand) are not quoted in an active market, they are presented with their acquisition costs in the financial statements and are not included in the table above.

(**) Since Associates and Subsidiaries that are not publicly traded are recognized and followed with their acquisition cost within the framework of IAS 39; they are not included in the table above.

IX. EXPLANATIONS ON TRANSACTIONS CARRIED ON BEHALF AND ACCOUNT OF OTHERS AND FIDUCIARY TRANSACTIONS

1. Transaction, Custody, Management and Consultancy Services of the Parent Bank on behalf of Third Parties:

The Parent Bank acts as an intermediary for purchases and sales of government securities on behalf of real persons and corporate, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

2. Transactions with other financial institutions under fiduciary transaction agreements and financial services rendered to other financial institutions under the scope of fiduciary transactions and the effects of such services to the financial position of the Parent Bank or the Group:

The Parent Bank has no fiduciary transactions.

SECTION V: EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES TO CONSOLIDATED ASSETS

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL and Foreign Currency	864,420	165,324	545,710	156,566
Central Bank of the Republic of Turkey	6,503,974	1,636,220	7,246,580	1,423,806
Other	-	4,324	1	2,934
Total	7,368,394	1,805,868	7,792,291	1,583,306

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1. a.1) Information on Required Reserves:

Banks that are established in Turkey or performing their operations by opening new branches in Turkey are subject to the Central Bank of the Republic of Turkey's Communiqué numbered 2005/1 "Required Reserves". The Bank's total domestic liabilities excluding the items stated in the Communiqué as deductibles and the deposits accepted on behalf of foreign branches from Turkey constitutes the required reserves liabilities. The required reserve ratios are 5% for TL 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 December 31, 2009 are 5.20% for TL. No interest rate has been applied for USD and EURO required reserves since December 12, 2008.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	6,484,581	-	7,229,549	-
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	-	-	-
Required Reserves (*)	19,393	1,636,220	17,031	1,423,806
Total	6,503,974	1,636,220	7,246,580	1,423,806

(*) Required reserve of Parent Bank's branches abroad amounting to TL 23,553 Thousand is presented in this line item (Prior Period: TL 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) The Parent Bank has no financial assets at fair value through profit and loss subject to repo transactions.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Securities	1	-	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	
	TL	FC	TL	FC
Forward Transactions	133	10	1,004	13
Swap Transactions	-	902	-	1,093
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	133	912	1,004	1,106

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c) Information on financial assets held-for-trading:

	Current Period	Prior Period
Debt securities	493,198	661,515
Quoted in Stock Exchange	493,198	661,515
Not Quoted	-	-
Share certificates	-	-
Quoted in Stock Exchange	-	-
Not Quoted	-	-
Provision for Impairment (-)	-	47
Other	-	-
Total	493,198	661,468

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic Banks	-	1,621	1,022	-
Foreign Banks	6,695	5,421,293	8,215	3,701,113
Foreign Head Office and Branches	-	-	-	-
Total	6,695	5,422,914	9,237	3,701,113

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	3,629,866	1,980,447	-	-
USA and Canada	1,607,006	1,657,269	-	-
OECD Countries (*)	152,664	9,499	-	-
Off-shore Banking Regions	-	-	-	-
Other	38,452	62,113	-	-
Total	5,427,988	3,709,328	-	-

(*) OECD Countries other than the USA, Canada and European Union Countries.

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	1,510,535	1,829,495
Total	1,510,535	2,927,186

b) Information on financial assets available for sale:

	Current Period	Prior Period
Debt securities	25,625,885	9,063,910
Quoted in Stock Exchange	25,302,138	8,740,916
Not Quoted	323,747	322,994
Share Certificates	24,647	22,647
Quoted in Stock Exchange	-	-
Not Quoted	24,647	22,647
Provision for Impairment (-)	711	15,513
Total	25,649,821	9,071,044

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

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5. Information related to loans:

a) Information on all types of loans and advances given to shareholders and employees of the Parent 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	173,736	-	146,468	-
Total	173,736	-	146,468	-

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	24,434,662	3,876	1,664,467	191,416
Discount Notes	-	-	-	-
Export Loans	1,190,711	-	2,054	134
Import Loans	-	-	-	-
Loans Given to Financial Sector	949,564	-	-	-
International Loans	246,361	-	-	-
Consumer Loans	14,598,977	476	1,249,168	45,992
Credit Cards	874,555	20	-	-
Precious Metals Loans	-	-	-	-
Other	6,574,494	3,380	413,245	145,290
Specialized Loans	8,507,065	7,023	983,204	-
Other Receivables	-	-	-	-
Interest Income Accruals (*)	760,779	-	-	-
Total	33,702,506	10,899	2,647,671	191,416

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

c) Loans according to the maturities:

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
Short-term Loans and Other Receivables	12,393,178	2,585	784,159	16,513
Non-specialized Loans	6,646,803	814	166,780	16,513
Specialized Loans	5,746,375	1,771	617,379	-
Other Receivables	-	-	-	-
Medium and Long-term Loans and Other Receivables	20,548,549	8,314	1,863,512	174,903
Non-specialized Loans	17,787,859	3,062	1,497,687	174,903
Specialized Loans	2,760,690	5,252	365,825	-
Other Receivables	-	-	-	-

(*) TL 760,779 Thousand could not be decomposed therefore accruals are not included in the table above.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

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for the Year Ended December 31, 2009

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

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

	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	728,569	14,984,731	15,713,300
Real Estate Loans	4,769	5,347,731	5,352,500
Vehicle Loans	3,751	185,979	189,730
Consumer Loans	717,770	9,367,944	10,085,714
Abroad (**)	2,266	83,077	85,343
Other	13	-	13
Consumer Loans- Indexed to FC	-	78	78
Real Estate Loans	-	78	78
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- FC	2	318	320
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	2	318	320
Other	-	-	-
Individual Credit Cards-TL	835,518	20	835,538
With Installment	144,770	-	144,770
Without Installment	690,748	20	690,768
Individual Credit Cards-FC	788	-	788
With Installment	-	-	-
Without Installment	788	-	788
Personnel Loans-TL	5,160	125,787	130,947
Real Estate Loans	-	691	691
Vehicle Loans	-	-	-
Consumer Loans	5,143	124,416	129,559
Abroad (**)	17	680	697
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	16	16
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	16	16
Other	-	-	-
Personnel Credit Cards-TL	32,923	-	32,923
With Installment	8,950	-	8,950
Without Installment	23,973	-	23,973
Personnel Credit Cards-FC	58	-	58
With Installment	-	-	-
Without Installment	58	-	58
Overdraft Accounts – TL (Real Person)	135,992	-	135,992
Overdraft Accounts – FC (Real Person)	-	-	-
Total	1,739,010	15,110,950	16,849,960

(*) TL 169,089 Thousand of interest income accrual could not be decomposed therefore not included in the table above.

(**) TL 697 Thousand of consumer loans used by the personnel abroad and TL 85,343 Thousand of consumer loans have been shown under "International Loans" of 5-b Table.

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

	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans-TL	78,268	1,480,859	1,559,127
Business Loans	222	45,398	45,620
Vehicle Loans	3,876	85,120	88,996
Consumer Loans	63,323	1,259,863	1,323,186
Other	10,847	90,478	101,325
Commercial Installment Loans- Indexed to FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans – FC	-	-	-
Business Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	5,254	-	5,254
With Installment	12	-	12
Without Installment	5,242	-	5,242
Corporate Credit Cards-FC	14	-	14
With Installment	-	-	-
Without Installment	14	-	14
Overdraft Account-TL (Legal Entity)	5,626	-	5,626
Overdraft Account-FC (Legal Entity)	-	-	-
Total	89,162	1,480,859	1,570,021

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

f) Loans according to type of borrowers:

	Current Period	Prior Period
Public	1,038,517	1,768,507
Private	34,753,196	28,188,902
Interest Income Accruals of Loans	760,779	764,741
Total	36,552,492	30,722,150

g) Breakdown of domestic and international loans:

	Current Period	Prior Period
Domestic Loans	35,545,352	29,825,784
Foreign Loans	246,361	131,625
Interest Income Accruals of Loans	760,779	764,741
Total	36,552,492	30,722,150

h) Loans granted to subsidiaries and investments:

	Current Period	Prior Period
Direct loans granted to subsidiaries and investments	35,001	60,226
Indirect loans granted to subsidiaries and investments	-	-
Total	35,001	60,226

(*) Interest income accruals could not be decomposed by type, therefore accruals of these loans are not included in the table above.

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i) Specific provisions provided against loans:

	Current Period	Prior Period
Loans and other receivables with limited collectibility	79,800	85,317
Loans and other receivables with doubtful collectibility	208,221	159,679
Uncollectible loans and other receivables	394,813	245,240
Total	682,834	490,236

j) Information on non-performing loans (Net):

1) Information on loans and other receivables included in non performing receivables which are restructured or rescheduled by the Parent Bank:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current period	4,973	24,124	46,116
(Gross amounts before the specific provisions)			
Loans and other receivables which are restructured	4,973	24,124	46,116
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	-	-	-

2) Information on the movement of non-performing loans:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Prior Period Ending Balance	89,744	175,801	338,735
Additions (+)	471,362	120,316	104,161
Transfers from other Categories of Loans under Follow-Up (+)	-	315,287	240,221
Transfers to other categories of Loans under Follow-Up (-)	315,287	240,221	-
Collections (-)	163,077	135,494	146,639
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Current Period End Balance	82,742	235,689	536,478
Specific Provision (-)	79,800	208,221	394,813
Net Balance on Balance Sheet (*)	2,942	27,468	141,665

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

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3) Information on foreign currency non-performing loans:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current Period:			
Period Ending Balance	220	4,261	5,113
Specific Provision (-)	220	4,261	5,113
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period Ending Balance	-	3,313	5,220
Specific Provision (-)	-	3,313	5,220
Net Balance on Balance Sheet	-	-	-

4) Gross and net amounts of non-performing receivables according to user groups:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current Period (Net)	2,942	27,468	141,665
Loans to Real Persons and Legal Entities (Gross)	82,742	190,877	536,478
Specific Provisions (-)	79,800	163,409	394,813
Loans to Real Persons and Legal Entities (Net)	2,942	27,468	141,665
Banks (Gross)	-	-	-
Specific Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	44,812	-
Specific Provisions (-)	-	44,812	-
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)	-	-	-

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

Execution proceedings are carried out for the collection of receivables from loan services of the Parent Bank. During this process, tangible guarantees constituting guarantees of receivables of the Parent Bank and assets of the debtor(s) are realized while receivables of the Parent Bank are also tried to be collected and liquidated by means of administrative procedures. Transactions are performed within the context of legislation agreement, which ensures the collection of receivables through administrative channels, and authorizations transferred to the Branch/Regional Offices. When the debtor offers exceed authorizations transferred to the Branch/Regional Offices or includes matters outside the scope of current legislation agreements and the Branch/Regional Offices submit favorable opinion to the Head Office regarding this issue, receivables should be restructured on a company/debtor basis in accordance with the decisions made by the related authorities.

l) Explanations on write-off policy:

The Parent Bank writes off the receivables from its records with the actualized circumstances of deaths of the debtor and/or the related people, refusals of the heritage by the heritors within the legal time limits, becoming legally and effectively impossible of the collection of the receivable, and the given financial accountability decision on the related personnel of the considered receivable.

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m) Other explanations and disclosures:

Current Period	Commercial (**)	SBL	Consumer(*)	Agricultural (*)	Total
Non-Overdue or Non-Impaired Loans	5,402,731	2,819,836	18,148,580	9,875,401	36,246,548
Overdue but Non-Impaired Loans	101,846	-	57,731	146,367	305,944
Impaired Loans	101,037	180,606	219,472	353,794	854,909
Total	5,605,614	3,000,442	18,425,783	10,375,562	37,407,401
Specific Provisions of Impaired Loans(-)	101,037	180,606	219,472	181,719	682,834
Net Loan Amount	5,504,577	2,819,836	18,206,311	10,193,843	36,724,567

(*) TL 1,185,045 Thousand consumer, TL 1,788,499 Thousand agricultural loans and TL 180 Thousand commercial loans originated from funds whose risk does not belong to the Parent Bank, are shown under the Non-Overdue or Non-Impaired Loans.

(**) Because the overdue but non-impaird commercial and SBL loans could not be decomposed, the whole amount has been shown under the Commercial column.

Prior Period	Commercial(**)	SBL	Consumer(*)	Agricultural (*)	Total
Non-Overdue or Non-Impaired Loans	4,997,445	2,523,105	14,652,659	7,826,466	29,999,675
Overdue but Non-Impaired Loans	133,000	-	48,925	540,550	722,475
Impaired Loans	82,028	118,137	134,331	269,784	604,280
Total	5,212,473	2,641,242	14,835,915	8,636,800	31,326,430
Specific Provisions of Impaired Loans(-)	82,028	118,137	134,331	155,740	490,236
Net Loan Amount	5,130,445	2,523,105	14,701,584	8,481,060	30,836,194

(*) TL 1,198,462 Thousand consumer and TL 1,504,939 Thousand agricultural loans originated from funds whose risk does not belong to the Parent Bank, are shown under the Non-Overdue or Non-Impaired Loans.

(**) Because the overdue but non-impaird commercial and SBL loans could not be decomposed, the whole amount has been shown under the Commercial column.

The improvement of the application system to decompose the guarantee information of the loans is continuing. Since these improvements have not been completed as of December 31, 2009, the guarantees about non-overdue and non-impaird loans and other receivables and loans under follow-up could not be disclosed.

With respect to the classes of loans, the aging analysis of the loans that have matured but have not been subject to the impairment is as follows:

Current Year	Below 30 Days	31- 60 Days	61- 90 Days	Over 91 Days	Total
Loans and Receivables(*)					
Commercial Loans	61,869	22,732	17,245	-	101,846
Consumer Loans	37,772	14,159	5,800	-	57,731
Agricultural Loans	92,361	49,564	4,442	-	146,367
Total	192,002	86,455	27,487	-	305,944

(*) The amounts at the table are the total of the overdue installments for the loans with installments, overdue principals for other loans and the remaining principal amounts of those loans which are equal to TL 1,638,431 Thousand.

Prior Year	Below 30 Days	31- 60 Days	61- 90 Days	Over 91 Days	Total
Loans and Receivables(*)					
Commercial Loans	82,193	37,377	13,430	-	133,000
Consumer Loans	33,900	10,493	4,532	-	48,925
Agricultural Loans (**)	119,168	73,099	42,213	306,070	540,550
Total	235,261	120,969	60,175	306,070	722,475

(*) The amounts at the table are the total of the overdue installments for the loans with installments, overdue principals for other loans and the remaining principal amounts of those loans which are equal to TL 1,664,864 Thousand.

(**) TL 306,070 Thousand included at the "Over 91 Days" column of the agricultural loans is composed of deferred agricultural loan receivables under the scope of 2008/13881 and 2008/14074 numbered Council of Ministers Agreement.

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6. Information on held-to-maturity investments:

a) Information on comparative net values of held-to-maturity investments subject to repo transactions and given as collateral/ blocked:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	8,972,397	-	6,283,263	-
Treasury Bills	-	-	-	-
Other Public Sector Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	8,972,397	-	6,283,263	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds and Similar Investment Securities	4,980,076	655,865	4,976,632	654,405
Other	-	-	-	-
Total	4,980,076	655,865	4,976,632	654,405

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

	Current Period	Prior Period
Government Bonds	44,838,854	48,476,605
Treasury Bills	-	306,714
Other Public Sector Debt Securities	-	-
Total	44,838,854	48,783,319

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	44,843,796	48,787,200
Quoted in a Stock Exchange	38,954,254	36,972,047
Not Quoted in a Stock Exchange	5,889,542	11,815,153
Provision for Impairment (-)	-	-
Total	44,843,796	48,787,200

6. Information on held-to-maturity investments:

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	(64,785)	853,280
Purchases during the Year	8,799,714	39,720,817
Disposals through Sales and Redemptions	(12,678,333)	(5,642,324)
Provision for Impairment (-)	-	-
Period End Balance	44,843,796	48,787,200

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Within the year 2008, the Parent Bank has reclassified securities previously classified in available for sale portfolio with nominal values of TL 23,630,114,815, EURO 717,616,000 and USD 1,483,317,000 to held-to-maturity portfolio with fair values of TL 22,971,668,657, EURO 702,950,036 and USD 1,562,741,917 respectively which have been taken into consideration as book values after reclassification. The Parent Bank has also reclassified securities previously classified in financial assets at fair value through profit and loss portfolio with nominal values of EURO 37,951,000 and USD 45,501,000 to held-to-maturity portfolio with fair values of EURO 37,178,248 and USD 62,311,347 respectively which have been taken into consideration as book values after reclassification. The reclassifications are performed in accordance with TAS and due to the change in retention purpose of these securities.

The reclassifications are presented in "Prior Period" column and "Purchases During the Year" row in the movement table above. Revaluation differences of reclassified available for sale securities before deferred tax are TL 68,984,332, EURO (23,067,331) and USD (15,207,271) respectively and are recorded under shareholders' equity. These balances will be amortized until the redemption date of related securities using straight-line method and recorded as interest income or expense. As of consolidated balance sheet date, remaining positive revaluation difference, under shareholders' equity, is TL 28,782,715, remaining negative revaluation differences which are under shareholders' equity are EURO 18,512,026 and USD 14,738,264 respectively.

As of consolidated balance sheet date, total fair values of reclassified held for trading securities to held-to-maturity securities are EURO 42,013,205 and USD 68,109,177 respectively.

If reclassified held for trading securities had not been reclassified, income accrual equal to TL 20,153,723 would have been recorded. As of December 31, 2009, the reclassification from held for trading securities to held-to-maturity investments has an income impact equal to TL (13,590,708).

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 Parent Bank does not consolidate its associates excluding Axa Sigorta A.Ş., in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006: "If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation considering the materiality principle".

1) Information about unconsolidated associates:

	Description	Address(City/Country)	The Parent Bank's share percentage, if different, voting percentage (%)		The Parent 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		Prior Period Profit/Loss	Fair Value
					Marketable Securities	Current Period Profit/Loss		
1	965,839	282,213	306,437	26,817	35,632	24,985	2,710	-
2	18,207	14,400	6,640	912	-	1,067	1,533	-
3	29,833	22,673	1,879	2,499	9	9,103	6,693	-
4	8,061	8,047	1	943	1	747	1,030	-

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

(**) Current period information of associates has been provided from unaudited financial statements as of December 31, 2009. Current period information of Bankalararası Kart Merkezi A.Ş. has been provided from audited financial statements as of December 31, 2009. Prior period information of associates has been provided from unaudited financial statements as of December 31, 2008. Prior period information of Bankalararası Kart Merkezi A.Ş. has been provided from audited financial statements as of December 31, 2008.

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b.1) Explanation regarding consolidated associates:

The Parent Bank consolidates Axa Sigorta A.Ş. since the Parent Bank's voting percentage is higher than required percentage defined with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006.

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

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from		Prior Period Profit/Loss	Fair Value
					Marketable Securities	Current Period Profit/Loss		
1	1,616,803	541,617	42,839	-	126,643	92,868	112,643	-

(* Current period information of Axa Sigorta A.Ş. has been provided from unaudited financial statements as of December 31, 2009. Prior period information has been provided from Axa Sigorta A.Ş. audited financial statements as of December 31, 2008.

2) Information about consolidated associates:

	Current Period
Beginning Balance	87,702
Movement During the Period	18,726
Additions	-
Bonus Share Certificates	-
Shares of Current Year Profits	18,249
Sales	-
Revaluation	3,691
Impairment Provision	(3,214)
Ending Balance	106,428
Capital Commitments	-
Share of Capital Participation	-

3) Sector information about consolidated associates:

	Current Period
Banks	-
Insurance Companies	106,428
Factoring Companies	-
Leasing Companies	-
Finance Companies	-
Other Financial Associates	-

4) Consolidated associates quoted in stock exchange:

None (December 31, 2008: None).

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 Parent Bank does not consolidate its subsidiaries in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006: "If total assets of an associate, subsidiary or entity under common control qualified as financial institution is less than 1% of the Parent Bank's total assets and if total of assets of associates, subsidiaries or entities under common control qualified as financial institution is less than 5% of the Parent Bank's total assets, those entities may be excluded from consolidation considering the materiality principle", consolidated financial statements are not prepared.

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Notes to the Consolidated Financial Statements

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

1) Information about unconsolidated subsidiaries:

Description	Address(City/Country)	The Parent Bank's share percentage, if different, voting percentage (%)	The Parent 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	Moscow/RUSSIA	100.00	99.87
11 Kazakistan Ziraat Int. Bank	Almaty/KAZAKHSTAN	100.00	97.33
12 Ziraat Banka Ad Skopje	Skopje/MACEDONIA	100.00	100.00

(*) The establishment phase of Ziraat Hayat Emeklilik A.Ş. and Ziraat Sigorta A.Ş. whose establishment processes started based on the decision of the Parent Bank's Board of Directors and whose articles of association was published at the Trade Registry Gazette dated May 15, 2009, has been completed. The capital of the entities is TL 20,000 Thousand and whole of the capitals have been paid. Both of the entities have started their operational activities as of January 1, 2010.

	Total Assets	Shareholders' Equity	Total Non-Current Assets	Interest Income	Income from Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	20,082	19,908	152	-	415	(92)	-	-
2	19,669	19,296	297	-	304	(704)	-	-
3	308,525	96,161	180,979	700	-	13,086	15,798	-
4	72,293	55,074	19,419	4,818	1,433,821	12,959	8,233	-
5	7,157	6,521	86	1,062	3,167	1,783	1,914	-
6	14,083	6,430	4,190	335	23	2,888	4,370	-
7	6,975	3,889	199	317	86	320	322	-
8	1,028,517	329,795	537,225	28,566	9,120	6,124	8,871	298,834
9	170,303	74,474	69,760	11,111	834	881	1,803	44,460
10	38,685	25,523	13,900	3,667	109	1,193	673	29,114
11	109,381	55,442	44,369	5,563	369	45	(430)	53,111
12	78,649	37,781	34,314	3,229	1,209	1,988	222	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 December 31, 2009, the prior period profit/loss balances of Ziraat Finansal Kiralama A.Ş., Ziraat Bank International A.G., Kazakistan Ziraat Int. Bank, and Ziraat Bank Ad Skopje have been provided from audited financial statements as of December 31, 2008. For other subsidiaries, prior year profit/loss figures have been obtained from unaudited financial statements as of December 31, 2008.

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) Information about consolidated subsidiaries

Since the Parent Bank did 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 disclosures of this section are not prepared.

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c) Subsidiaries which are quoted to a stock exchange:

None (December 31, 2008: None).

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

Entities under Joint 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	2,861	2,861	35,439	3,368	2,680	4,401	3,985
Uzbekistan- Turkish Bank	6,415	6,415	89,653	3,833	567	6,146	4,275
Azer Türk Bank ASC	10,134	11,015	60,890	45,740	726	19,920	16,504
Total	19,410	20,291	185,982	52,941	3,973	30,467	24,764

(1) Information on entities under common control is provided from the unaudited financial statements as of December 31, 2009.

(2) Represents the Parent 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 joint control is subject to consolidation and method of accounting of entity under joint control in the Parent Bank's unconsolidated financial statements:

The Parent Bank did not consolidate its entities under common control in accordance with the following provision of the paragraph 5 "Requirement for Preparing Consolidated Financial Statements" of Article 5 of the Communiqué on "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on 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 recognized in entities under common control and in "Marketable Securities Value Increase Fund" under shareholders' equity.

10. Information on finance lease receivables (net):

None.

11. Information on derivative financial assets for hedging purposes:

None.

12. Information on tangible fixed assets:

	Land and Buildings	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Prior Period End:					
Cost	1,341,125	59,101	21,099	391,330	1,812,655
Accumulated Depreciation (-)	573,372	35,092	21,099	368,350	997,913
Net Book Value	767,753	24,009	-	22,980	814,742
Current Period End:					
Net Book Value as of January 1, 2008	767,753	24,009	-	22,980	814,742
Change during the period (Net)	5,799	(6,039)	7,294	26,718	33,772
Depreciation Charge-net (-)	15,340	7,719	(607)	4,747	27,199
Impairment Loss	(5,301)	-	-	-	(5,301)
Foreign Currency Differences from Foreign Sub. (-)	-	-	-	-	-
Period End Cost	1,341,623	53,062	28,393	418,048	1,841,126
Period End Accumulated Depreciation (-)	588,712	42,811	20,492	373,097	1,025,112
Period End Net Book Value	752,911	10,251	7,901	44,951	816,014

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13. Information on intangible assets:

	Current Period			Prior Period		
	Book Value	Accumulated Depreciation	Net Value	Book Value	Accumulated Depreciation	Net Value
Leasehold Improvements	-	-	-	-	-	-
Establishment Costs	3,481	1,593	1,888	3,112	1,010	2,102
Goodwill	-	-	-	-	-	-
Intangible Rights	23,740	7,990	15,750	19,244	10,052	9,192
Total	27,221	9,583	17,638	22,356	11,062	11,294

14. Information on investment property:

None (December 31, 2008: None).

15. Information on deferred tax assets, if any:

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 in accordance with the Turkish Accounting Standards (TAS 12) "Income Taxes". In the computation of deferred tax, effective tax rates as of the balance sheet date are used in accordance with the current tax legislation.

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.

Calculated deferred tax assets and deferred tax liabilities are netted off in the financial statements.

Information on calculated deferred tax including deductible temporary differences, financial losses, tax deductibles and tax exemptions are shown below:

	Current Period	Prior Period
Deferred Tax Assets	351,874	173,527
Deferred Tax Liabilities	7,055	3,065
Net Deferred Tax Assets	344,819	170,462
Net Deferred Tax Income/(Expense)	279,274	28,288

	Current Period	Prior Period
Retirement Pay Provision	85,800	81,420
Short Term Employee Benefits	22,720	19,870
Other Provisions	21,592	12,049
Fixed Assets	-	(2,158)
Valuation of Financial Assets	212,652	57,458
Other	2,055	1,823
Net Deferred Tax	344,819	170,462

	Current Period	Prior Period
As of January 1	170,462	104,407
Effect of Change in the Effective Tax Rate	-	-
Deferred Tax Income/(Expense)	279,274	28,288
Deferred Tax Expenses (Net)	279,274	28,288
Deferred Tax recognized Under Shareholders' Equity	(104,917)	37,767
Deferred Tax Assets	344,819	170,462

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

The Parent Bank does not have any discontinuing operations. The assets held for sale are composed of immovables acquired through trade and agricultural receivables and immovables that are not used by the Parent Bank. Those immovables considered for sales are announced at the web site of the Parent Bank.

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17. Information on other assets:

a) If other assets exceed 10% of the consolidated 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 consolidated balance sheet excluding off-balance sheet commitments.

II. EXPLANATIONS AND NOTES TO CONSOLIDATED LIABILITIES

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

1) For deposit banks:

Current Period	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	4,212,153	-	9,336,800	34,035,101	1,837,397	323,397	435,010	-	50,179,858
Foreign Currency Deposits	2,952,445	-	4,720,555	5,751,125	1,221,403	233,488	3,536,112	-	18,415,128
Residents in Turkey	2,872,011	-	4,544,395	5,394,360	1,032,605	179,131	3,220,678	-	17,243,180
Residents Abroad	80,434	-	176,160	356,765	188,798	54,357	315,434	-	1,171,948
Public Sector Deposits	5,647,835	-	1,064,436	4,083,692	188,930	928	3,374	-	10,989,195
Commercial Inst. Deposits	1,786,631	-	2,432,373	5,374,605	291,099	304,426	189,188	-	10,378,322
Other Inst. Deposits	755,132	-	1,125,729	5,065,187	955,041	58,893	10,620	-	7,970,602
Precious Metals	-	-	-	-	-	-	-	-	-
Interbank Deposits	48,284	-	546,791	1,287	-	-	-	-	596,362
CBRT	1,489	-	1,047	-	-	-	-	-	2,536
Domestic Banks	13,894	-	540,824	-	-	-	-	-	554,718
Foreign Banks	32,901	-	4,920	1,287	-	-	-	-	39,108
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	15,402,480	-	19,226,684	54,310,997	4,493,870	921,132	4,174,304	-	98,529,467

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

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1.b) Information on Saving Deposits

1) Amounts exceeding the deposit insurance limit:

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

Saving Deposits	Under the Guarantee of Deposit Insurance		Exceeding Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	27,565,729	25,931,528	22,427,342	19,514,005
Foreign Currency Saving Deposits	6,778,514	6,428,120	6,622,555	5,312,328
Other Deposits in the form of Saving Deposits	-	-	-	-
Deposits at Foreign Branches and under the Guarantees of Foreign Authority Insurance(*)	245,795	181,497	26,484	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, TL 6,739 Thousand, TL 771 Thousand, and TL 4,954 Thousand of legal entity's deposits of Sofia, Athens and Komotini respectively, cannot be decomposed therefore included in the table above (December 31, 2008: Sofia – TL 15,094 Thousand; Athens and Komotini – TL 1,267 Thousand).

Based on the Council of Minister's decree dated December 29, 2003 and numbered 2003/6668, TL 3,946 Thousand of demand deposits is not included in the above calculation, since the Parent 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 TL 50 Thousand attributable to a real person is covered by the insurance, TL 358,708 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 Parent Bank whose head office is in abroad, and reasons if it is covered in where the head office is located:

The Parent Bank's head office is located in Turkey.

3) Amounts which are not covered by deposit insurance:

a) Saving deposits not covered by the deposit insurance fund:

	Current Period	Prior Period
Deposits and Other Accounts in Branches Abroad	4,392	4,689
Deposits of Ultimate Shareholders and Their Close Families	-	-
Deposits of Chairman and Members of the Board of Directors and Their Close Families	1,484	744
Deposits Obtained through Illegal Acts Defined in the 282nd 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	-	-

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2. Information on derivative financial liabilities held for trading:

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

Financial Liabilities Held-for-Trading	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	108	-	1,026	104
Swap Transactions	-	178	-	2,889
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	108	178	1,026	2,993

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	-	-	-	-
Domestic Banks and Institutions	15,316	5,283	23,764	3,937
Foreign Banks, Institutions and Funds	-	564	-	656
Total	15,316	5,847	23,764	4,593

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	15,285	5,237	23,729	3,475
Medium and Long-Term	31	610	35	1,118
Total	15,316	5,847	23,764	4,593

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:

The Parent Bank's 79.10% of its liabilities consist of deposits. Deposits are having a diversified base and have steady structures. The Parent Bank's liabilities are not subject to a significant concentration risk.

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

Other liabilities do not exceed 10% of the consolidated 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 of the Parent Bank for commercial loans and maturity of the agreement. Installment amounts stated in agreements are equally distributed. The Parent Bank has no significant liabilities under the scope of these agreements.

Information on Finance Lease Payables:

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

6. Information on derivative financial liabilities for hedging purposes:

The Parent Bank has no derivative financial liabilities for hedging purposes.

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7. Explanations on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions	428,469	247,013
Allocated for Group- I Loans and Receivables	288,459	206,609
Allocated for Group- II Loans and Receivables	56,909	4,120
Allocated for Non-cash Loans	20,800	12,450
Other	62,301	23,834

The Parent Bank has given up the application of temporary 1st clause of Regulation for Provisions related with general provisions since loans extended in the related period are closed 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 amounts to TL 3,173 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 Parent Bank's Assets and Liabilities Committee.

	Current Period	Prior Period
Generic provisions for possible risks(*)	611,962	607,508

(*) Based on the decision of the Bank's Assets and Liabilities Committee, TL 604,309 Thousand (December 31, 2008: TL 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.

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

TL 732,432 Thousand of other provision amount consists of TL 3,173 Thousand for unindemnified non-cash loans, TL 7,600 Thousand for cash transfers made by the clerks, TL 604,309 Thousand for the decision made by the Assets and Liabilities Committee, TL 87,452 Thousand for remuneration liabilities, TL 14,818 Thousand for priorly unconfirmed current account recordings, TL 9,250 Thousand for possible legal claims and TL 5,830 Thousand for other provisions.

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

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

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In accordance with the Act numbered 5754 "Act about the Amendments in Social Security and General Health Insurance Act and Some of Acts and Decrees" published in the Official Gazette numbered 26870 on May 8, 2008, the Parent Bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9.80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

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

The technical balance sheet report as of December 31, 2009 which is prepared in accordance with the principles Act numbered 5754 declared in the Official Gazette dated May 8, 2008 numbered 26870, by using a technical interest rate of 9.80%, concluded that no technical deficit arises in the above mentioned fund.

e) Vacation and retirement pay obligations:

The Parent 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
As of January 1	407,100	392,000
Payments in the period	(44,200)	(40,442)
Charge for the period (*)	66,100	55,542
Total	429,000	407,100

(*) Charge for the period shows net balance of retirement pay provision expense equal to TL 69,200 Thousand (Prior Period: TL 66,842 Thousand) and reversals equal to TL 3,100 Thousand (Prior Period: TL 11,300 Thousand).

As of December 31, 2009 unpaid vacation liability of the Parent Bank amounted to TL 113,600 Thousand (December 31, 2008: TL 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 December 31, 2009, the remaining corporate tax liability after deducting temporary taxes paid for the period is TL 230,992 Thousand (December 31, 2008: TL 193,976 Thousand).

2) Information on current tax payable:

	Current Period	Prior Period
Corporate Tax Payable	230,992	193,976
Taxation on Income on Marketable Securities	95,406	173,538
Property Tax	495	302
Banking Insurance Transactions Tax (BITT)	26,624	25,538
Foreign Exchange Transactions Tax	3	3
Value Added Tax Payable	1,021	781
Other	33,067	17,696
Total	387,608	411,834

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3) Information on premiums:

	Current Period	Prior Period
Social Security Premiums – Employee	16	18
Social Security Premiums – Employer	23	27
Bank Social Aid Pension Fund Premium – Employee	68	44
Bank Social Aid Pension Fund Premium – Employer	122	74
Pension Fund Membership Fees and Provisions – Employee	5	4
Pension Fund Membership Fees and Provisions – Employer	8	7
Unemployment Insurance – Employee	142	106
Unemployment Insurance – Employer	282	211
Other	11	29
Total	677	520

b) Information on deferred tax liabilities, if any:

The Parent Bank's deferred tax liability amounts to TL 7,055 Thousand. However, this amount is netted off against the deferred tax asset and subsequently TL 344,819 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.

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

a) Information on the subordinated loans the Parent 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 Parent Bank, if so the registered capital ceiling amount:

The Parent Bank does not have a registered share capital system.

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

There is no share capital increases and increased capital shares.

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

There is no increase from capital reserves of the Parent Bank.

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 Parent Bank has no capital commitments.

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

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g) Information on preferred shares:

The Parent Bank has no preferred shares.

h) Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates and Entities under Common Control (1)	-	19,521	-	44,419
Revaluation Difference	-	19,521	-	44,419
Foreign Exchange Difference	-	-	-	-
From Available for Sale Marketable Securities	466,616	8,161	113,344	(81,957)
Revaluation Difference	582,264	8,161	123,966	(81,957)
Deferred Tax Effect	(115,648)	-	(10,622)	-
Foreign Exchange Difference	-	-	-	-
Total	466,616	27,682	113,344	(37,538)

(1) From the subsidiaries domiciled and operating abroad for Ziraat Bank Moscow and Kazakhstan Ziraat International Bank, independent valuation work is applied as of December 31, 2009 and revaluation differences determined on the basis of the valuation are added into the costs of the equity participations followed under the assets while they are realized at "Marketable Securities Value Increase Fund" under shareholders' equity at liabilities.

12. Information on minority interests:

In accordance with the BRSA's Communiqué on the "Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette numbered 26340 on November 8, 2006, since the Parent Bank only consolidates its associate Axa Sigorta A.Ş. using equity method of accounting, there is no minority interest in the unconsolidated financial statements.

III. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED 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	2,371,778	2,311,720
Asset Purchase Commitments	390,634	169,961
Commitments for Credit Card Expenditure Limits	1,929,243	1,427,784
Loan Granting Commitments	256,804	111,031
Other Irrevocable Commitments	284,846	207,084
Subsidiaries and Associates Capital Contribution Commitments	3,638	250
Promotion Campaigns Commitments Relating to Credit Card and Bank Services	1,861	2,487
Total	5,238,804	4,230,317

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

Parent 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	4,809,499	3,567,826
Bank Acceptance	33,753	16,305
Letter of Credit	670,165	707,899
Total	5,513,417	4,292,030

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

	Current Period	Prior Period
Letter of Temporary Guarantees	84,804	65,429
Letter of Certain Guarantees	2,375,668	1,738,076
Letters of Advance Guarantees	1,588,973	1,018,884
Letters of Guarantees given to Customs Offices	113,807	58,946
Other Letters of Guarantees	646,247	686,491
Total	4,809,499	3,567,826

c.1) Total non-cash loans:

	Current Period	Prior Period
Non-Cash Loans for Providing Cash Loans	621,622	660,601
With Original Maturity of One Year or Less	47,888	87,114
With Original Maturity of More than One Year	573,734	573,487
Other Non-Cash Loans	4,891,795	3,631,429
Total	5,513,417	4,292,030

c.2) Non-cash loans risk concentration based on sectors:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	29,641	1.59	4,066	0.11	24,468	1.88	3,815	0.12
Farming and Raising Livestock	28,782	1.54	3,689	0.10	23,849	1.83	3,427	0.11
Forestry	-	-	-	-	-	-	-	-
Fishery	859	0.05	377	0.01	619	0.05	388	0.01
Industry	576,846	30.96	2,340,129	64.12	385,638	29.65	1,542,783	51.58
Mining	163,385	8.77	316,642	8.68	93,324	7.17	89,493	2.99
Production	340,797	18.29	1,985,091	54.39	275,696	21.19	1,396,867	46.70
Electricity, Gas and Water	72,664	3.90	38,396	1.05	16,618	1.29	56,423	1.89
Construction	122,583	6.58	69,472	1.90	100,029	7.69	51,295	1.71
Service	1,047,415	56.19	617,017	16.90	721,677	55.48	616,934	20.63
Wholesale and Retail Trade	160,702	8.62	40,842	1.12	111,778	8.59	7,425	0.25
Hotel and Food Services	5,975	0.32	307	0.01	4,833	0.37	82	-
Transportation and Communication	286,915	15.39	37,265	1.02	166,824	12.84	25,347	0.85
Financial Institutions	420,948	22.59	205,537	5.63	330,198	25.38	246,995	8.26
Real Estate and Leasing Services	586	0.03	4	-	185	0.01	2	-
Self-employment Services	2,691	0.14	-	-	1,696	0.13	-	-
Educational Services	3,639	0.20	21,311	0.58	2,382	0.18	31,499	1.05
Health and Social Services	165,959	8.90	311,751	8.54	103,781	7.98	305,584	10.22
Other	87,222	4.68	619,026	16.97	68,958	5.30	776,433	25.96
Total	1,863,707	100.00	3,649,710	100.00	1,300,770	100.00	2,991,260	100.00

c.3) Non-cash loans classified in Group I and II:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash loans	1,832,810	3,648,828	30,897	882
Letters of Guarantee	1,832,810	2,945,017	30,897	775
Bill Guarantees and Acceptances	-	33,646	-	107
Letters of Credit	-	670,165	-	-
Endorsements	-	-	-	-
Purchase Guarantees on Marketable Security Underwritings	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Contingencies	-	-	-	-

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2. Derivative financial instruments:

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	205,380	259,834
Forward Foreign Currency Buy/Sell Transactions	71,781	144,921
Currency Buy/Sell Swap	133,599	114,913
Currency Futures	-	-
Currency Put/Call Options	-	-
Interest Related Derivative Transactions (II)	-	-
Interest Rate Contracts	-	-
Interest Rate Buy/Sell Swap	-	-
Interest Rate Put/Call Options	-	-
Interest Rate Buy/Sell Futures	-	-
Other Trading Derivative Transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	205,380	259,834
Types of Derivative Transactions for Hedging		
Fair Value Fluctuations Hedging	-	-
Cash flow Risk Hedging	-	-
FC Investment in Associates Risk Hedging	-	-
B. Total Derivative Transactions for Hedging	-	-
Total Derivative Transactions (A+B)	205,380	259,834

The Parent Bank has no derivative instruments for hedging purposes. There are no unrealized transactions (those are estimated in the prior period and recognized based on this assumption however; it is clear that those transactions would not be realized) or expense and income from agreements in the income statement in the current period.

3. Information on contingent liabilities and assets:

Provision is allocated for transactions with complete and accurate data that may have an effect on the financial structure of the Parent Bank and otherwise, provision is provided based on the estimations.

The Parent Bank's liability resulting from the cheques given to its customers amounts to TL 2,371,778 Thousand (December 31, 2008: TL 2,311,720 Thousand) and this amount is recognized under the off-balance sheet commitment accounts. If cheques that are paid to beneficiaries qualify as bad cheques, the Parent Bank may have an obligation to pay up to TL 500 for the portion of bad cheques amount according to the numbered 2003/1 "Declaration of Ordering of Payments of Check and the Act of about Protection of Check Bearers" that was published on the April 9, 2003 dated and 25074 numbered.

Since the Parent 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 Parent Bank over TL 100 Thousand amounts to TL 211,355 Thousand. Full provision has been provided in the accompanying financial statements for law suits ended against the Parent Bank but not finalized yet, amounting to TL 9,250 Thousand. In addition to these, for the interest expenses calculated for the lawsuits against the Parent Bank concerning the remuneration liabilities related to KOSGEB and National Productivity Center, generic provision equal to TL 37,300 Thousand has been provided.

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

4. Services supplied on behalf of others:

The Bank acts as an intermediary for purchases and sales of government securities on behalf of individuals and entities, conducts repo transactions, and provides custody services. The Bank does not provide consultancy and management services.

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IV. EXPLANATIONS RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (*)	5,572,365	67,808	4,467,527	49,392
Short Term Loans	2,080,100	49,545	1,820,724	40,474
Medium and Long Term Loans	3,391,101	18,263	2,570,553	8,918
Interest on Non-Performing Loans	101,164	-	76,250	-
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	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	295,813	-	421,323	11
Domestic Banks	592	261	15,262	3,243
Foreign Banks	711	19,087	9,146	73,555
Head Office and Branches	-	-	-	-
Total	297,116	19,348	445,731	76,809

c) Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets held for trading	89,179	2,378	109,117	5,071
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets available-for-sale	1,566,549	271,759	3,403,129	437,206
Investments held-to-maturity	6,008,115	291,599	4,128,576	108,072
Total	7,663,843	565,736	7,640,822	550,349

d) Interest income from subsidiaries and associates:

	Current Period	Prior Period
Interest income from subsidiaries and associates	1,653	4,637

2.a) Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks(*)	2,211	361	1,336	159
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks	2,211	347	1,336	124
Foreign Banks	-	14	-	35
Head Office and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	2,211	361	1,336	159

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

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

	Current Period	Prior Period
Interest Expenses Given to Subsidiaries and Associates	1,738	367

c) Information on interest given on securities issued:

None.

d.1) Maturity structure of interest expense on deposits:

Account Name	Demand Deposits			Time Deposits			Cumulative Deposit	Total
	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL								
Interbank Deposits	-	6,928	-	-	-	-	-	6,928
Saving Deposits	46	935,628	3,702,344	204,557	39,610	53,106	-	4,935,291
Public Deposits	1,324	125,568	466,252	14,149	7,056	338	-	614,687
Commercial Deposits	549	163,109	441,231	29,868	45,374	14,422	-	694,553
Other Deposits	4	84,421	534,883	73,273	8,527	5,874	-	706,982
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	1,923	1,315,654	5,144,710	321,847	100,567	73,740	-	6,958,441
FC								
Foreign Currency Deposits	8,461	92,344	132,540	33,996	5,160	98,753	-	371,254
Interbank Deposits	511	-	-	-	-	-	-	511
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	8,972	92,344	132,540	33,996	5,160	98,753	-	371,765
Grand Total	10,895	1,407,998	5,277,250	355,843	105,727	172,493	-	7,330,206

3. Information on dividend income:

	Current Period	Prior Period
Financial assets held for trading	-	-
Financial assets at fair value through profit and loss	-	-
Financial assets available-for-sale	2,501	8,434
Other (*)	21,270	8,947
Total	23,771	17,381

(*) Shows the Parent Bank's dividend income from equity investments, subsidiaries, associates and entities under joint control.

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

	Current Period	Prior Period
Profit	316,982	609,980
Profit from the Capital Market Transactions	16,148	12,310
Profit on Derivative Financial Instruments	5,673	64,566
Foreign Exchange Gains	295,161	533,104
Loss (-)	255,530	663,051
Loss from the Capital Market Transactions	-	203
Loss on Derivative Financial Instruments	4,725	124,239
Foreign Exchange Loss	250,805	538,609

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5. Information on other operating income:

Information on factors covering the recent developments which has significant effect on the Parent 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 Parent Bank's income. Main component of the Bank's other operating income consists of reversals from prior period provisions amounting to TL 223,733 Thousand.

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

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables (2)	342,187	244,842
Group III Loans and Receivables	74,623	81,305
Group IV Loans and Receivables	171,352	125,367
Group V Loans and Receivables	96,212	38,170
General Provision Expenses (1)	145,767	102,630
Provision Expenses for the Possible Losses (1)	90,943	175,843
Marketable Securities Impairment Expense	185	3,073
Financial Assets at Fair Value through Profit and Loss	-	1,410
Financial Assets Available for Sale	185	1,663
Impairment Losses from Associates, Subsidiaries, Joint Ventures and		
Marketable Securities Held to Maturity	420	371
Associates	-	28
Subsidiaries	420	343
Entities under Common Control (Joint Ventures)	-	-
Investment Securities Held to Maturity	-	-
Other (3)	52,682	19,269
Total	632,184	546,028

(1) The balance represents the expenses of the Parent Bank related to the current period. The reversals within the period amounting to TL 50,925 Thousand are presented in other operating income (December 31, 2008: TL 3,009 Thousand).

(2) The balances represents include the expenses of the Parent Bank related to the current period. The reversals within the period amounting to TL 151,023 Thousand are presented in other operating income (December 31, 2008: TL 74,284 Thousand).

(3) The TL 14,899 Thousand of the relevant balance of the Parent Bank is the generic provision expense set for the prior periods' current account deficits of the branches, TL 37,300 Thousand is the generic provision expense set for the remuneration liabilities subject to law suit.

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7.a) Information on other operating expenses:

	Current Period	Prior Period
Personnel Expenses(1)	1,046,194	915,128
Reserve for Employee Termination Benefits(1)	69,200	66,842
Bank Social Aid Provision Fund Deficit Provision	-	-
Tangible Fixed Assets Impairment Expense	1,329	4,078
Depreciation Expenses of Tangible Fixed Assets	46,951	40,916
Intangible Assets Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	3,347	2,568
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	100	27
Impairment Expense for Property, Plant and Equipment Held for Sale and Discontinuing Operations	-	-
Other Operating Expenses	367,378	307,671
Operational Leasing Expenses	35,170	28,011
Maintenance Expenses	50,529	45,787
Advertisement Expenses	22,237	19,120
Other Expenses	259,442	214,753
Loss on Sales of Assets	807	7,213
Other (2)	359,753	380,087
Total	1,895,059	1,724,530

(1) TL 44,200 Thousand of retirement and termination benefit payments of the Parent Bank which have been recorded under the personnel expenses by the Bank in the current period is presented under the provision for employee termination benefits row (Prior period: TL 40,442 Thousand).

(2) TL 176,773 Thousand of the relevant balance of the Parent Bank is Savings Deposit Insurance Fund expense accrual, TL 115,201 Thousand is taxes, fees and tolls expenses.

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

The Parent Bank does not have any discontinuing operations. The compositions of the profit/loss before tax from the continuing operations are following:

	Current Period	Prior Period
Net Interest Income	6,068,776	4,102,277
Net Fees and Commissions Income	436,997	572,031
Dividend Income	23,771	17,381
Trading Income/Expense (Net)	61,452	(53,071)
Other Operating Income	349,768	338,370
Provision for Loan or Other Receivables Losses (-)	632,184	546,028
Other Operating Expenses (-)	1,895,059	1,724,530
Income(Loss) From Continuing Operations	4,413,521	2,706,430

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

As of December 31, 2009, the Parent Bank's income tax provision amounting to TL (905,780) Thousand (December 31, 2008: TL (581,241) Thousand) consists of TL (1,185,054) Thousand (December 31, 2008: TL (609,529) Thousand) of current tax charge and TL 279,274 Thousand (December 31, 2008: TL 28,288 Thousand) of deferred tax income.

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

The Parent Bank's net operating income after tax amounts to TL 3,525,990 Thousand (December 31, 2008: TL 2,147,323 Thousand).

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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 Parent Bank in the current period:

The Parent 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 consolidated balance sheet date, there is no change in accounting estimates that may require further explanations in the current period (December 31, 2008: None).

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

None.

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

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

V. EXPLANATIONS RELATED TO CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. In accordance with the Turkish Accounting Standards, the disclosures on consolidated shareholders' equity are made accordingly in the order of financial statement items in this section:

a) Explanations on inflation adjustment differences for equity items:

As per the BRSA's Circular numbered 5 announced on April 28, 2005 it is stated that the indicators of hyperinflationary period are eliminated to a large extent, inflation accounting applied in the banking system has been ceased as of January 1, 2005 in accordance with the BRSA decree numbered 1623 on April 21, 2005.

b) Explanations on profit distribution:

On the basis of the decision agreed on the Board of Meeting held on April 14, 2009, from the net operating income of 2008, TL 750,000 Thousand of net dividend which had been accrued in favor of the Undersecretariat of Treasury of the Turkish Republic and TL 2,919 Thousand of excess amount which had been left from the distribution to personnel has been transferred to the accounts of the Undersecretariat of Treasury. The TL 984,169 Thousand of the income is retained.

The Parent Bank is planning to distribute its 2009 profit based on the articles of association. However, as of the report date, there is no decision taken regarding the profit distribution.

c) Explanations on exchange differences:

Subsidiaries and entities under common control domiciled and operating abroad were previously followed with acquisition costs. The exchange differences related to those investments are reversed from shareholders' equity with the determination of fair values of those investments. Foreign currency differences arose from translation of foreign branches are presented as other capital reserves under equity.

d) Explanations on Available for Sale Financial Assets:

Available for sale financial assets are not included in the current income statement, until their collections, disposals, sales or losses are realized and those assets are recognized under the "Marketable Securities Revaluation Fund" under equity. In accordance with TAS 39 and due to the change in the Parent Bank's intention to hold the previously classified as available for sale securities to maturity the Parent Bank has reclassified the securities under available for sale portfolio to held to maturity portfolio. The valuation differences of these securities is presented under shareholders' equity as a "Marketable Securities Valuation Differences" and transferred to profit/loss with subject to redemption with proportional to the maturity of security.

Subsidiaries and jointly controlled entities domiciled and operating abroad are followed by their fair values. For such subsidiaries and entities under common control, the fair value is determined with revaluation report prepared by independent valuation firm and revaluation differences are recognized under "Marketable Securities Revaluation Fund" under equity.

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e) Profit Reserves:

As of the consolidated balance sheet date, legal reserves amount to TL 1,758,096 Thousand, extraordinary reserves amount to TL 1,074,290 Thousand and other profit reserves amount to TL 304,134 Thousand.

VI. EXPLANATIONS RELATED TO CONSOLIDATED CASH FLOW STATEMENT

1. In accordance with the Turkish Accounting Standards, the disclosures on consolidated cash flow statement are made accordingly in the order of financial statement items in this section:

Cash in TL, cash in foreign currency, Central Bank of the Republic of Turkey, money in transit, bank cheques purchased and cash on money market operations are defined as "cash"; interbank money transactions placements having maturities less than three months, and time deposits in banks are defined as "cash equivalents".

2. The effects of "other" items stated in the consolidated cash flow statement and the "changes in foreign currency exchange rates on cash and cash equivalents":

"Operating Profit before Changes in Operating Assets and Liabilities" amounting to TL 3,699,857 Thousand is composed mainly from interest received from loans and securities amounting to TL 14,128,604 Thousand and interest paid to deposit and money market operations which is amounting to TL 8,282,976 Thousand. Other earnings consists primarily net fee, commission income and other operation losses.

The effect of the change in the foreign exchange rate on the cash and cash equivalents is stated, approximately, TL (184,071) Thousand as of December 31, 2009 (December 31, 2008: TL 1,243,705 Thousand).

The cash in TL, the cash in foreign currencies, Central Bank of the Republic of Turkey's accounts, cash in transit, bank cheques, money market operations and bank deposits having maturity up to three months are defined as cash and cash equivalent assets.

Period opening and end cash and cash equivalents balance:

Period Opening	31.12.2008	31.12.2007
Cash in TL and in Foreign Currency	702,276	753,830
Central Bank of the Republic of Turkey and Other Banks	12,186,525	7,258,490
Money Market Operations	-	2,611,226
Total Cash and Cash Equivalents	12,888,801	10,623,546
Period Opening	31.12.2009	31.12.2008
Cash in TL and in Foreign Currency	1,029,744	702,276
Central Bank of the Republic of Turkey and Other Banks	13,458,791	12,186,525
Money Market Operations	-	-
Total Cash and Cash Equivalents	14,488,535	12,888,801

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

VII. EXPLANATION RELATED TO THE RISK GROUP OF THE BANK

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

a) Current Period:

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent 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	811,676	305,249	-	-	-	-
Interest and Commissions Income	1,653	-	-	-	-	-

* 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.

*** The TL 61,523 Thousand placement amount, which has made to the foreign branches that are part of the risk group, is included at the cash loan amount.

b) Prior Period:

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent 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	4,637	-	-	-	-	-

* 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.

*** The TL 71,451 Thousand placement amount, which has been made to the foreign branches that are part of the risk group, is included at the cash loan amount.

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

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent 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	100,952	103,835	-	-	-	-
Interest expense on deposits	1,738	367	-	-	-	-

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

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

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

Risk Group of the Parent Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Ventures)		Direct or Indirect Shareholders of the Parent 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	6,354	28,894	-	-	-	-
Total Profit/Loss	(37)	793	-	-	-	-
Risk Protection Oriented Processes	-	-	-	-	-	-
Opening Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

3) Information about fees paid to Parent Bank 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	7,831	6,100
Dividend and Additional Payments	696	580
Total	8,527	6,680

VIII. EXPLANATIONS ON THE PARENT BANK'S DOMESTIC BRANCHES, AGENCIES AND BRANCHES ABROAD AND OFF-SHORE BRANCHES

The following information is explained on the Parent Bank's domestic branches, agencies/branches abroad:

	Number of Branches	Number of employees	Country	Total Assets	Capital
Domestic Branches (*)	1,305	18,198			
Agencies Abroad	1	1	1- Pakistan		
	1	1	2- Iran		
Foreign Branches (**)	1	5	1- USA	1,788,345	175,610
	1	3	2- England	534,484	79,556
	1	2	3- Bulgaria	46,599	30,431
	1	3	4- Georgia	19,635	13,427
	1	2	5- Iraq	11,123	10,465
	2	5	6- Greece	82,199	38,606
	5	37	7- T.R. of Northern Cyprus	430,290	13,994
Off-shore Branches	-	-	-	-	-

(*) Includes the employees of the domestic branches, excluding the employees of head office and districts' head offices.

(**) Excluding the local employees of the foreign branches.

Türkiye Cumhuriyeti Ziraat Bankası A.Ş. and its Financial Associate

Notes to the Consolidated Financial Statements

for the Year Ended December 31, 2009

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

SECTION VI: OTHER EXPLANATIONS

I. OTHER EXPLANATIONS ON THE ACTIVITY OF THE PARENT BANK

There are no other important matters, material disclosures or footnotes related to the operations of the Parent Bank that have not been stated in the above sections.

SECTION VII: EXPLANATIONS ON THE INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDITORS' REPORT

The consolidated financial statements and footnotes of the Parent Bank disclosed herein were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and Independent Auditors' Report dated March 26, 2010 is presented preceding the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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