

DENİZBANK

FINANCIAL SERVICES GROUP

ANNUAL REPORT 2014



DenizBank is a member of Sberbank Group.



www.denizbank.com | 444 0 800

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DENİZBANK FINANCIAL SERVICES GROUP (DFSG)

BANKING SERVICES

DENİZBANK
DENİZBANK AG (AUSTRIA)
DENİZBANK MOSCOW (RUSSIAN FEDERATION)
EURODENİZ INTERNATIONAL BANKING UNIT LTD. (TRNC)

LEASING, FACTORING AND ASSET MANAGEMENT SERVICES

DENİZLEASING
DENİZFACTORING
DESTEKASSET MANAGEMENT

INVESTMENT BANKING AND BROKERAGE SERVICES

DENİZINVEST SECURITIES
EKSPRESSECURITIES
DENİZ REAL ESTATE INVESTMENT TRUST
DENİZPORTFOLIO MANAGEMENT

INFORMATION TECHNOLOGY SERVICES

INTERTECH

CULTURAL SERVICES

DENİZKÜLTÜR

OTHER SERVICES

BANTAŞ
AÇIK DENİZ RADIO-TV
DENİZ CARD PAYMENT SYSTEMS

DENİZBANK'S MISSION, VISION

DenizBank's mission is to become a bank that maximizes employee, customer and shareholder satisfaction with her position, image and corporate characteristics in the market by adopting a "supermarket approach" to financial services.

DenizBank envisions becoming one of the largest five banks in Turkey and the foremost financial institution in the region defined as the Middle East, Balkans, Caucasus and Commonwealth of Independent States countries through sustained and profitable growth.

DIVIDEND DISTRIBUTION POLICY

After deducting any sums which would be compulsory for the Bank to pay or set aside such as general expenditures and miscellaneous depreciation costs as well as any amount of taxes which would be compulsory for the Bank to pay, from the calculated income at the end of the accounting year, the remaining sum shall constitute the net income; after deducting the previous year's losses if any, the net income shall be distributed as follows:

First Scheme Legal Reserves:

a) 5% of this sum shall be allocated to the legal reserves.

First Dividends:

b) Out of the remaining amount, such rate and amount as established by the Capital Markets Board of Turkey is allocated to the first dividend.

Second Dividends:

c) After deducting any sums specified in item (a) and (b) from the net income, the General Assembly shall be authorized to distribute such remaining amount, in part or in full, or to allocate as the extraordinary reserves.

General Legal Reserves:

d) Out of the sum calculated after deducting a dividend of 5% of the paid-in capital from the established amount to be distributed to the shareholders and other parties participating in the profit, 10% shall be added to the general legal reserves in accordance with Article 519, Paragraph 2, Item c of the Turkish Commercial Code.

Unless the discretionary legal reserves are duly set aside, and unless the dividends determined for the shareholders are distributed in cash and/or in the form of share certificates as per the Articles of Association, no decision may be adopted to allocate further legal reserves, to pass any profits to the following year, or to distribute any dividends to the members of the Board of Directors as well as any officials, workers and employees, to foundations established for various purposes, and to similar person and/or persons.

The date and manner of distribution to shareholders of the annual profit shall be determined by the General Assembly upon a proposal by the Board of Directors prepared under the relevant legislation issued by the Capital Markets Board. As of the accounting period of dividend, irrespective of its issuing and acquiring dates, annual profit shall be distributed equally to all shares existed. The profits distributed according to the provisions of these Articles of Association shall not be recalled.

DIVIDEND DISTRIBUTION PROPOSAL

At its meeting No. 2015/21 on February 26, 2015, the Board of Directors resolved:

Not to distribute the net profit of the Bank for 2014.

The net profit of the Bank for 2014 in amount of 566,190,716.40 TL shall be allocated as follows:

- As the total of general legal reserve has reached 20% of paid-in-capital, according to the article 519/1 of the Turkish Commercial Code numbered 6102, legal reserve from the net profit will not be formed.
- In order to use benefits according to the article 5/1-e of the Corporate Tax Law with respect to the profit in 2014 from sale of subsidiary Deniz Finansal Kiralama A.Ş., 58,800,208.41 TL will be kept in the Mandatory Funds Account.
- In order to use benefits according to the article 5/1-e of the Corporate Tax Law with respect to the sales profit of real estates that were received from Yasan Yassi Metal Sanayi Ticaret A.Ş., 10,667,857.40 TL will be kept in the Mandatory Funds Account.
- 496,722,650.59 TL will form the extraordinary reserve of DenizBank A.Ş. This proposal, including its every item, is subject to the approval of the General Assembly.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There were no changes in the Articles of Association in 2014.

SHAREHOLDING STRUCTURE, PAID-IN CAPITAL AND CHANGES, SHARES HELD BY THE MANAGEMENT

DenizBank's shareholding structure and the shares held by ultimate controlling real person(s) as of December 31, 2014 are presented in the table below. DenizBank's shareholding structure does not include any cross-shareholdings.

Shares Held by the Management

DenizBank CEO Hakan Ateş owns 11.327 shares, corresponding to 0.000002% of the Bank's total capital.

Shareholding Structure of DenizBank - 31.12.2014

Shareholders	Nominal Value (TL)	Shareholding (%)
Sberbank of Russia	715,044,303	99.85
Other Shareholders	33,981	0.000005
Free-float	1,055,663	0.15
TOTAL	716,100,000	100.00

CHANGES IN THE MANAGEMENT, SHAREHOLDING STRUCTURE AND BUSINESS ACTIVITIES OF DFSG COMPANIES

DenizBank AG branch network

DenizBank AG, a subsidiary of DenizBank headquartered in Austria, opened 18 new branches to reach 42 branch locations in 2014.

Change in DenizLeasing's ownership structure

DenizBank and DenizFaktoring's respective 34.6% and 16.4% shareholdings in DenizLeasing were transferred for the amounts of TL 188.7 million and TL 89.3 million, respectively, to DenizBank AG, an Austria based bank of DFSG.

Merger of Deniz REIT and Pupa

On February 6, 2014, the Board of Directors of Deniz Real Estate Investment Trust (Deniz REIT) resolved to merge the company with Pupa Real Estate Rental and Management Services through the simplified merger method pursuant to the related regulatory framework. A merger application was submitted to the Capital Markets Board on February 11, 2014. CMB approved the application with a decision dated May 15, 2014 and the merger transaction was formally registered on June 11, 2014.

As a result of the mandatory tender call made on the Borsa İstanbul exchange on January 23, 2013, the shareholding of DenizInvest Securities (DenizInvest) in Deniz REIT increased to 91.38%.

Capital increase of EuroDeniz

The capital of EuroDeniz was increased from USD 1.3 million to USD 3.5 million.

Capital increase of DenizInvest

The capital of DenizInvest was increased from TL 55 million to TL 150 million.

Capital increase of DenizPortföy

The capital of DenizPortföy was increased from TL 3 million to TL 3.9 million.

Changes in company names

The company name of Deniz Varlık Yönetim A.Ş. (DenizAsset Management), which began operations on December 10, 2013 selling, buying and operating financial institutions, was changed to Destek Varlık Yönetim A.Ş. (DestekAsset Management).

The company name of Ekspres Yatırım Menkul Değerler A.Ş. (EkspresInvest), which temporarily suspended operations as of December 31, 2013 after merging with DenizInvest in order to deliver brokerage and corporate financial services to the DFSG customers from a single entity, was changed to Ekspres Menkul Değerler A.Ş. (EkspresSecurities).

The company name of CJSC DenizBank Moscow, which operates in Russia, was changed to JSC DenizBank Moscow on December 3, 2014.

DENİZBANK IN BRIEF

DenizBank's service network reaches out to all segments of Turkish society.

DenizBank was founded in 1938 as a state-owned bank to provide funding for Turkish developing maritime sector. Acquired by Zorlu Holding from the Privatization Administration as a banking license in early 1997, DenizBank became one of the major banks in Turkey within a short period of time.

In October 2006, Dexia, a leading European financial services institution, acquired DenizBank from Zorlu Group and remained its primary shareholder for six years. On September 28, 2012, DenizBank started operating under the umbrella of the Sberbank Group, Russia's oldest and largest bank.

A rapid and extensive transformation

Following privatization in 1997, DenizBank implemented a "return to life" program that encompassed employee recruitment and new branch openings as part of its new corporate identity. These initiatives were undertaken in accordance with a five-year strategic plan, with all the Bank's growth objectives ultimately achieved. This growth was bolstered by buying back certain branches that were transferred to the Savings Deposit Insurance Fund, and by the Group's acquisition of Tarihbank at the end of 2002. To extend its existing banking products and services, DenizBank established factoring, leasing, investment and portfolio management companies and acquired banks in Austria and Russia during this period.

As a result of the Bank's solid capital base and balanced financial structure, as well as the rapid growth of Turkey's banking sector, DenizBank reinforced its strong market position in very short order. In 2003, DenizBank Financial Services Group (DFSG) was formed to create a "financial supermarket" that offers a wide variety of financial services under a single umbrella.

The "financial supermarket" era in banking

In addition to DenizBank, DenizBank Financial Services Group includes seven domestic and three international financial subsidiaries, five domestic non-financial subsidiaries and a branch in Bahrain. The Group's domestic companies include DenizInvest Securities, EkspresSecurities, Deniz Real Estate Investment Trust, DenizPortfolio Management, DenizLeasing, DenizFactoring, DestekAsset Management, Intertech, DenizKültür, Açık Deniz Radio-TV, Deniz Card Payment Systems and Bantaş. EuroDeniz, DenizBank AG and DenizBank Moscow are the DFSG's international subsidiaries.

DenizBank Financial Services Group's primary customer segments include retail customers, small and medium-size enterprises, exporters, public and project finance customers, and commercial and corporate clients. The Group has identified the agriculture, energy, tourism, education, healthcare, sports, infrastructure and maritime industries as top priority fields of its business activities. DFSG also operates in the European Union countries through its Vienna-based subsidiary DenizBank AG. Additionally, DenizBank serves the Group's existing customers abroad that have commercial and trade ties with Russia, meeting their various financial needs.

The DFSG consolidated its operations, financial control and accounting functions at the head-office level and converted DenizBank branches into marketing centers. As a result of this strategy, the Bank has maintained an optimal number of employees while increasing operational efficiency.

The DFSG's service network reaches out to all segments of Turkish society. In addition to DenizBank's 716 branch locations in Turkey and Bahrain, DenizBank AG and DenizBank Moscow operate 42 branches in total. Additionally, DenizBank offers its retail and corporate clients the world over the opportunity to carry out financial transactions via the Internet, as part of its Alternative Distribution Channels.

Deniz is Everywhere



758
BRANCHES*

3,989
ATMs

14,979
EMPLOYEES

8.2 MILLION
CUSTOMERS

REGION

- Mediterranean
- Europe 1
- Europe 2
- Europe 3
- Thrace
- Capital 1
- Capital 2
- West Anatolia
- Cukurova
- Aegean
- South East Anatolia
- Istanbul Asia 1
- Istanbul Asia 2
- Black Sea
- Marmara
- Central Anatolia

*Including DenizBank AG branches.

SBERBANK IN BRIEF

Established in 1841, Sberbank is a universal commercial bank with diversified businesses and global presence, playing a significant role in Russia's economy as the largest commercial bank in terms of assets, deposits and loans with market shares of 29%, 45% (retail deposits), and 33%, respectively, (according to Sberbank's calculations). More than 110 million individuals in Russia are clients of Sberbank, representing approximately 74% of the Russian population. Sberbank services over 1 million corporate clients out of 4.5 million businesses in the country.

Sberbank offers its services through the largest banking distribution network in Russia of nearly 18 thousand branches, located in all 83 sub-federal units of the country. Sberbank promotes banking via remote channels, which include the largest ATM network of Russia of over 89 thousand machines and self-service terminals, as well as Online and Mobile services.

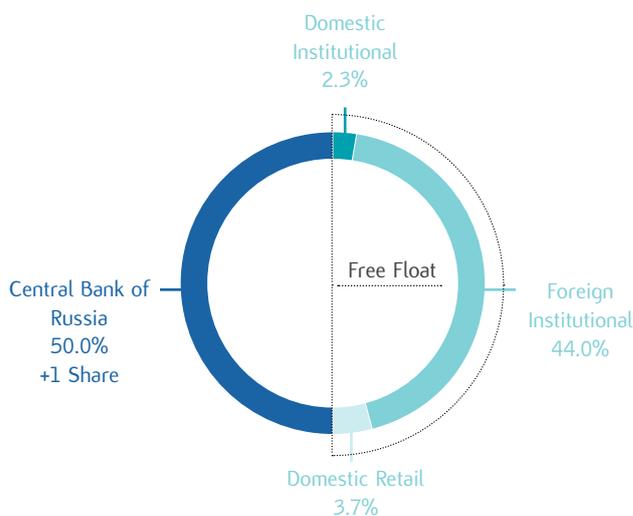
In addition to traditional banking (loans, deposits, cards), Sberbank extended its product lines to provide high-end financial advisory services and a selection of investment solutions via Sberbank Corporate and Investment Banking (Sberbank CIB). Sberbank actively develops an insurance business and retail brokerage.

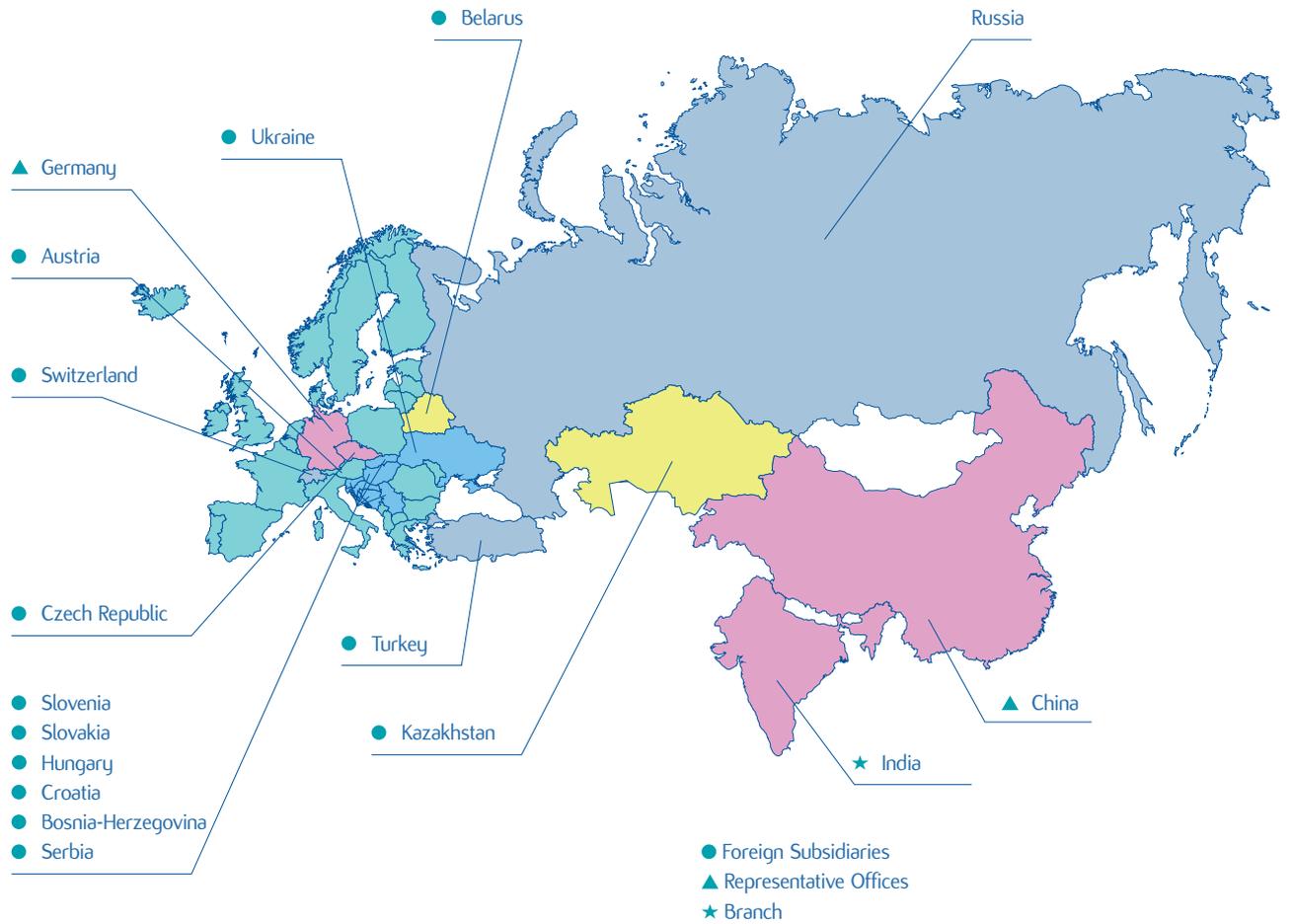
Sberbank has substantially extended its international presence beyond the CIS- Kazakhstan, Ukraine and Belarus - to eight countries of Central and Eastern Europe via Sberbank Europe AG (former VBI), as well as Turkey via DenizBank. Sberbank has representative offices in Germany and China, a branch in India and operations in Switzerland via Sberbank (Switzerland) AG.

Sberbank's major shareholder is the Central Bank of Russia, which owns 50% of the Bank's share capital plus one voting share, while the remaining shareholder base is represented by the international and domestic investors. The Bank's ordinary and preferred shares have been publicly traded in Russia since 1996; Sberbank's American Depositary Shares were listed on the London Stock Exchange, admitted to trading on the Frankfurt Stock Exchange and over the counter in the United States.

General banking license by the Central Bank of Russia No. 1481. Sberbank's official website is www.sberbank.ru.

SBERBANK'S OWNERSHIP STRUCTURE





45%
DEPOSITS
MARKET SHARE

33%
LOANS MARKET SHARE

~110 MILLION
CUSTOMERS

89 THOUSAND
ATM AND SELF-SERVICE
TERMINALS

>321 THOUSAND
EMPLOYEES

~18 THOUSAND
BRANCHES

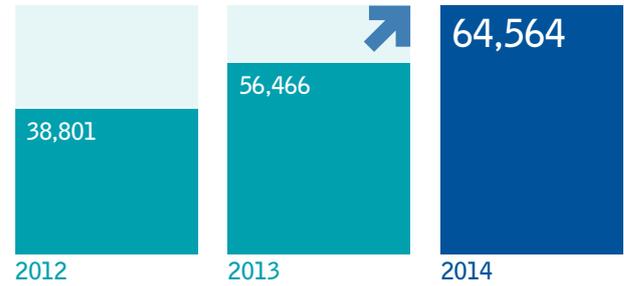
FINANCIAL HIGHLIGHTS

CONSOLIDATED

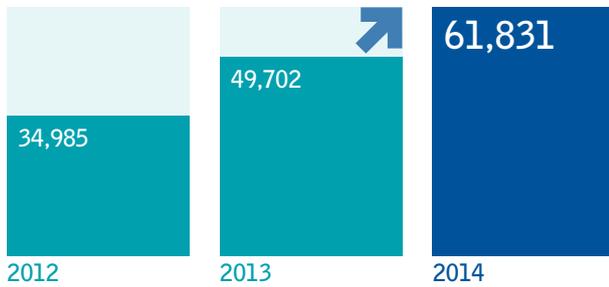
TOTAL ASSETS (TL million)



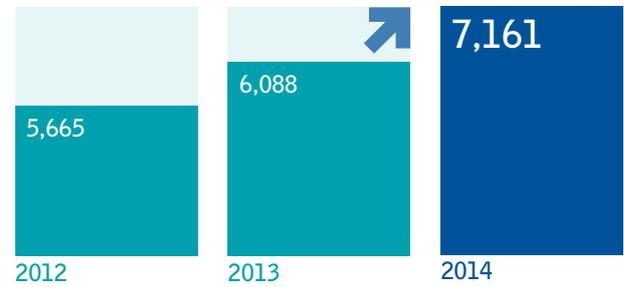
LOANS⁽¹⁾ (TL million)



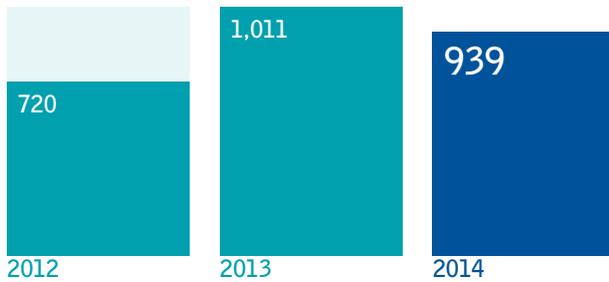
DEPOSITS⁽²⁾ (TL million)



EQUITY (TL million)



NET PROFIT (TL million)



CAPITAL ADEQUACY RATIO (%)



Audited consolidated BRSA financials.

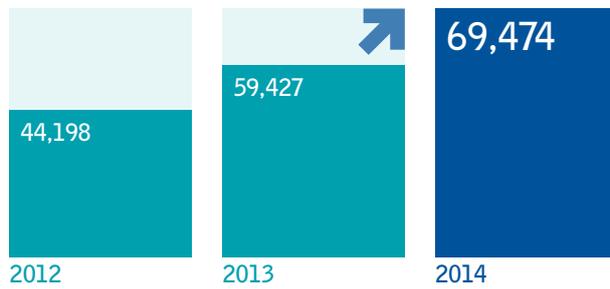
⁽¹⁾ Includes factoring and leasing receivables.

⁽²⁾ Excludes bank deposits.

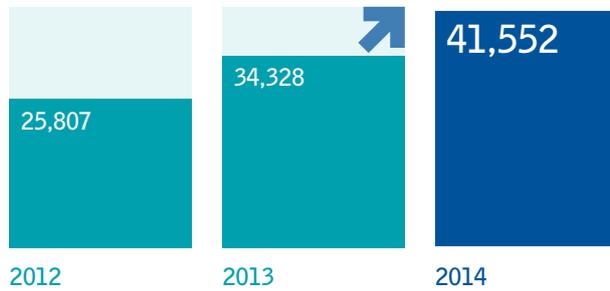
⁽³⁾ Including subdebt.

UNCONSOLIDATED

TOTAL ASSETS (TL million)



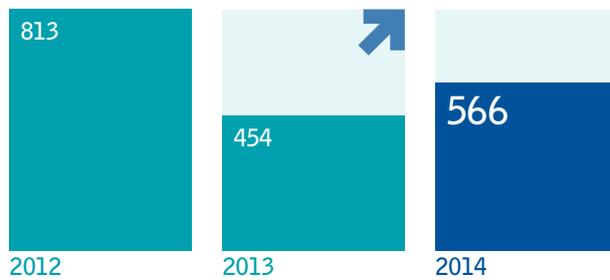
LOANS (TL million)

DEPOSITS⁽¹⁾ (TL million)

EQUITY (TL million)



NET PROFIT (TL million)



CAPITAL ADEQUACY RATIO (%)



Audited unconsolidated BRSA financials.
⁽¹⁾ Excludes bank deposits.

2014 AT A GLANCE...

JANUARY-FEBRUARY-MARCH

DenizBank completed the first bank-financed urban transformation project in Turkey.

DenizInvest Securities, which has the most widespread agency network in Turkey, joined forces with EkspresSecurities.

APRIL-MAY-JUNE

Within the 10th anniversary of the Producer Card, the Bank organized events at 50 different locations in Turkey as part of the “Tayfun Talipoğlu - DenizBank Agriculture Talks” starting at DenizBank’s Head Office.

DenizLeasing became the first company in the sector to launch fleet leasing operations.

MobilDeniz, the first and only mobile banking application specially designed for Android tablet users, was made available on Google Play.

Providing products and services to financial institutions in the information technology arena, Intertech obtained “Custom Integrator” status on e-Invoice with the inter-Invoice system it developed.

After its “Robinson and Friday” commercial campaign ongoing since 2009, DenizBank launched the “Island Barbershop” concept.

DenizBank once again sponsored the International Istanbul Opera Festival for five years running.

DenizBank was authorized to finance the tender won by TAV Airports Holding for the operation of Bodrum-Milas Airport Domestic and International Terminals until 2035.

DenizBank offered “Net Card,” a credit card without annual card fee, to Bank’s customers.

DenizBank obtained a securitization loan against remittance flows, amounting to total of USD 410 million from a consortium coordinated by HSBC Bank Plc., Standard Chartered Bank, Sberbank Europe AG, Wells Fargo Bank NA and with the participation of European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD).

New Credit Process implemented successfully at Corporate Credits together with the main shareholder Sberbank of Russia in Head Office.

JULY-AUGUST-SEPTEMBER

DenizBank signed an agreement with Akmo & Cevahir Group for the credit finance of the Turkey Sustainable Energy Finance Facility (TurSEFF).

With the collaboration of DenizBank and Bahçeşehir University (BAU), a customized university education program was developed for managers as part of the institution’s special postgraduate training.

DenizBank reached out to 1 million farmers in Turkey with the completion of the 15,000 km agricultural journey featuring Tayfun Talipoğlu and the events held as a part of the 10th anniversary of the Producer Card.

DenizBank celebrated the 10th anniversary of its Private Banking division.

New Credit Process implemented successfully at Corporate Credits together with the main shareholder Sberbank of Russia in Credit Region Offices.

OCTOBER-NOVEMBER-DECEMBER

DenizLeasing signed a strategic collaboration agreement with CSUN Solar Energy, one of China’s leaders in renewable energy, to provide a EUR 100 million project finance facility for solar energy investments using CSUN solar panels in Turkey.

DenizBank introduced “Digital Deniz,” a new generation banking platform where all online products are offered under one roof. Banking products such as “Digital Loan” and “Digital Deposit” are differentiated in the market with the customer experience and advantageous rates they offer.

DenizBank started providing customers the opportunity to obtain a queue number without queuing at the branch thanks to the iBeacon application. The innovative app works with Bluetooth technology and is in use in the banking sector for the first time in the world.

AWARDS

DenizBank was presented with the “Most Innovative Bank of the Year” award at the 2014 BAI Banking Innovation Awards.

- DenizBank was presented with the “**Most Innovative Bank of the Year**” award at the 2014 BAI Banking Innovation Awards, organized by the US based Bank Administration Institute (BAI) and American Bankers Association (ABA), two of the most renowned institutions in the financial services industry worldwide.

At the same awards ceremony, DenizBank received the **first prize** in the “Innovation in Internal Process Improvement” category with its Inter-Collect application that enhances customer satisfaction.

- DenizBank was named “**Bank of the Year in Turkey**” by The Banker, one of the world’s leading financial publications.
- DenizBank won three gold and six bronze awards at the International Business Awards, held by the Stevie Awards, one of the most prestigious global business competitions.

Gold Stevie Winners:

- Best New Product or Service of the Year: Intertech - Inter-Collect
- Best New Product or Service of the Year: Intertech - Inter-Dashboard
- Customer Service Team of the Year: DenizBank Contact Center - DNA of Excellent Customer Experience

Bronze Stevie Winners:

- Best New Product or Service of the Year: Digital Generation Banking Group - fastPay
- Best Electronic Commerce Solution of the Year: Digital Generation Banking Group - fastPay
- Best Product Development Team of the Year: Digital Generation Banking Group - fastPay
- Best New Product or Service of the Year: CRM Group - CRM Revolution
- Best New Product or Service of the Year: CRM Group - Social Customer Care
- Most Innovative Company of the Year in Europe: Organization Group - Business Process Management Excellence

- DenizBank Private Banking was presented with an award in the category of “**Best Private Bank - Turkey 2014**” by Global Banking and Finance Review, one of the world’s leading financial portals.
- DenizBank’s Business Process Management (BPM) Program, developed to enhance customer satisfaction, received the “**Best Overall Organizational Communications Program**” award at the 2013 Impact Awards, held by the League of American Communications Professionals (LACP). The BPM Program was also honored with the “**Best Customer Focus**” award in the Best Business Awards, one of the world’s leading business competitions.
- Turkey’s first and only “SME Card,” developed by DenizBank to support the growth of small and medium enterprises, was presented with the “**MasterCard Innovation Award.**”
- At the HR Excellence Awards 2014, a renowned competition in the United Kingdom, DenizBank was deemed worthy of the first prize in the “**Best HR Strategy from Overseas**” category, for which companies around the world had been nominated.
- DenizBank’s innovative payment solution fastPay captured first place in the “Best Customer Experience” category at the EFMA Accenture Distribution and Marketing Innovation Awards, one of the most prestigious competitions in the global financial sector.
- DenizBank won the “Sustainable Achievement Gold Award” with its “Deniz’s Island” advertising concept at the Effie Turkey Advertising Effectiveness Competition 2014, organized by the Advertisers Association and the Advertising Agencies Association.
- Recognized for serving as an exceptional training and internal communication platform for DenizBank, Deniz TV won “The Golden Compass Special Award.”

MESSAGE FROM THE CHAIRMAN

DenizBank maintained its strong performance in 2014.

Distinguished Shareholders, Customers and Business Partners,

2014 proved to be a critical period for the near-term future of the global economy, marking a slowdown across different parts of the emerging markets regions. Despite strong headwinds from the global capital markets, the Turkish economy managed to maintain its track record of sustainable growth, expanding around 3% in 2014. Turkey implemented macroeconomic measures designed to curb the current account deficit from 2011 onwards, while international energy prices fell; as a result, the current account gap, one of the major problems plaguing the Turkish economy, dropped to under USD 50 billion. In addition, the country's Economic Transformation Program, announced in November 2014, stands out as a comprehensive road map that focuses on boosting Turkey's internal savings rate and domestic production, while reducing the current account deficit.

We continue to make progress with our Sberbank Group strategic goals. We launched new business models in servicing Corporate and Retail clients, made improvements in customer satisfaction across the entire international network. Delivering on improving operational efficiencies has become one of our key strategic priorities: this year we managed to significantly improve our Cost / Income ratio at the Group level. Managing credit risk is another priority of the Group: thus far our results demonstrate stronger asset quality controls relative to market peers.



Sberbank Group is proud of its innovative and technological achievements. DenizBank was recognized as the "Most Innovative Bank of the Year" in 2014; Sberbank Online – as the best retail online platform in CEE!

We are delighted to note that DenizBank has integrated well into Sberbank Group.

True to its innovative management approach, DenizBank continued to invest in state-of-the-art technologies that enhance the quality and increase the diversification of the Bank's products and services. In line with the strategy of gearing all operations towards providing outstanding customer services, DenizBank expanded the customer base to some 8.2 million while minimizing risks.

I would hereby like to extend my gratitude to Sberbank and all other DenizBank stakeholders who have contributed to our financial and operational success in the 2014 reporting period. Our wish is to crown the coming year with pride and joy of further comparable achievements!

Best regards,

HERMAN GREF
CHAIRMAN

MESSAGE FROM THE CEO

Moving forward with the pride and motivation of being named “The Most Innovative Bank of the Year.”

Dear Esteemed Friends of DenizBank,

Despite all the global and domestic uncertainties, 2014 was a year when we continued to march towards our financial and operational goals with determination.

Our achievements have been crowned with awards in both the national and global arenas. We have achieved great things by pairing the corporate strategies that have formed the foundation of our operations since our establishment, with our vision of blending banking products and services with technology. We lead the pack in successfully implementing digital transformation and enhancing the lives of our clients at Deniz. As we usher in 2015, during which we plan to work so diligently that we will exceed our targets, I would like to share with you the key developments of the last year in the global economy and here in Turkey, in light of current trends.

Global growth rates fall below expectations

The slowdown in China and other emerging economies, together with the ongoing recession risk in the Euro zone and Japan, meant that the global economy grew at a lower-than-anticipated in 2014. As in previous years, central banks played a vital role in setting the macroeconomic policies of key countries. The US Federal Reserve, which had relied on quantitative easing since the onset of the global crisis, ended its bond purchase program in November 2014. The Fed also signaled that it could even start raising interest rates in 2015. Meanwhile, in the Euro zone, which is grappling with recession and low inflation, the European Central Bank focused on bond purchases to jumpstart the EU economy and bring inflation up from its current level of almost 0% to the target of 2% in order to avoid a deflationary environment. Although the significant drop in commodity prices is set to ease foreign trade deficit and inflation related problems in major oil and gas importing states, such as China, the Euro zone and Japan, these economies are not expected to expand as fast as they have historically due to structural factors.

Turkey inspires trust with its sustainable growth performance

After posting high growth rates year after year, from 2011 onwards Turkey has focused on implementing macroeconomic policies to narrow its current account deficit. In 2014, while achieving economic growth of around 3%, the country was able to lower its current account deficit significantly. Although inflation and unemployment ticked up, global energy and commodity prices headed downwards and Turkey's structural reforms gained further momentum. The country's budget deficit continued to be managed in accordance with the Maastricht criteria, as in previous years, while the Central Bank's firm and prudent stance on monetary and macro policies helped to inspire the international trust in the Turkish economy even during a time of global volatility. In the last quarter of 2014,



the government announced the comprehensive Prioritized Economic Transformation Program, which features 25 major measures and 1,210 minor action plans designed to boost Turkey's competitive edge. These included transforming Istanbul into an international financial hub, minimizing the unregistered economy, and limiting foreign dependence on energy. We believe that Turkey, which is still rated as investment grade by international credit rating agencies, will continue its steady climb in the coming years despite global economic uncertainties.

Banking sector continues its strong performance

Meanwhile, the Turkish banking sector continued to thrive and to provide significant financial support to the real economy. During the year, its overall asset size grew 15% to TL 1,994 billion. In addition, despite a slowing pace of growth, the sector's loan volume expanded 18%, while the ratio of non-performing loans hovered around 3%. Even as profitability fell as a result of new regulations coming into effect, the domestic banking sector's capital adequacy ratio remained at 16%, a level far above global standards. Total deposits, the main source of the sector's support to the real economy, climbed to TL 1,064 with 11% growth. Boasting a robust capital structure, a prudent risk management framework, and advanced technologies, Turkey's banking sector, in our view, will undoubtedly maintain its sustainable growth performance in the long run. At DenizBank, we will similarly focus on long term goals, formulating our growth strategies in light of this self-confidence.

Towards new horizons with the support of Sberbank...

As the largest subsidiary of parent company Sberbank, and the fifth largest private bank of Turkey according to consolidated assets, DenizBank posted solid financial results in 2014. Becoming the fastest growing Turkish bank in terms of assets and deposits, DenizBank expanded its loan volume parallel with the sector average during the year. Total assets, consolidated and unconsolidated, grew 18% and 17%, respectively, to TL 94.4 billion and TL 69.5 billion. Our consolidated customer deposits, meanwhile, expanded by 24% -a pace doubling the sector average- to total TL 61.8, with our market share rising from 5.2% to 5.8%. Even as profitability indicators dipped across the banking sector for the year, DenizBank recorded a return on equity of 14%, well above the sector average of 12%.

Leading the pack in strategic sectors

Serving over 8 million clients via a wide range of business lines with a distribution network spread all across Turkey, DenizBank undersigned numerous innovative projects in the SME, agriculture, energy, construction, infrastructure, tourism, health care, local government, sports club and education segments in 2014. As a result, the Bank continued to realize its vision of being the pioneer banking institution in these strategic sectors. Highlights of the projects DenizBank implemented during the year include urban transformation finance, the tender for the Bodrum-Milas Airport Domestic and International Terminals, and Fenerbahçe Sports Club's "Target: 1 Million Members" initiative.

In 2014, DenizBank not only launched new generation products and services targeting SMEs but also retained its leading position among private banks by being the largest lender to the agricultural sector. As the bank of choice for SME and farmer customers with a wide array of customized products and services, DenizBank expanded its active client base in these key segments by an average of 14%.

Closer to customers with an ever-expanding service network

Further enhancing its service network in line with the Bank's core principles of unconditional customer satisfaction and continuous improvement, DenizBank opened 45 new branches during the year. As a result, the Bank's branch network now includes 758 locations, staffed by a workforce of 14,979. Having long placed a particular emphasis on technology related investments to gain efficiency and speed up service delivery, the Bank launched Digital Deniz, which merges all online banking services under one roof. Thanks to this single unique application, customers can now enjoy privileged products and services such as the Digital Loan and the Digital Deposit with attractive terms. In order to further diversify its alternative distribution channels, DenizBank also rolled out Mobile Deniz, the first such application in the banking sector to offer a special user experience for Android tablet users.

Widening customer base in credit cards and retail banking

With special campaigns and other promotional activities held in 2014, DenizBank took a giant leap forward in becoming the favored bank of pension holders, having more than doubled the number of retiree customers during the year. The Bank offers an extensive range of cards for different customer segments, including pension holders, youth, students, professionals, those in need of specialized services, football fans, those unwilling to pay card fees, those opting for pre-payments, those preferring digital platforms; in short, a target card for everyone. As a result, DenizBank remained the bank of choice in credit cards, boosting its market share from 4.8% to 5.4%.

Living up to the slogan "Yes to the Arts"

In keeping with our mission of giving support to the surrounding communities, DenizBank continued to implement high profile social responsibility projects during the year. The Bank has become the name sponsor of the most reputable competition in world volleyball, CEV DenizBank Volleyball Champions' League for a three-year period starting in 2014. In order to bring culture and arts initiatives to wider audiences, DenizBank once again served as the main sponsor of the Bodrum International Ballet Festival and the Istanbul International Opera Festival in 2014. Our 10-year partnership with the Istanbul State Symphonic Orchestra also continued in the form of DenizBank Concerts.

The Most Innovative Bank of the Year: DenizBank

Embracing innovation as a key component of the corporate culture, DenizBank was designated "The Most Innovative Bank of the Year" at the 2014 BAI Banking Innovation Awards, held by the US-based Bank Administration Institute (BAI) and American Bankers Association (ABA). With this highly prestigious honor, the Bank closed 2014, which it had declared "The Digital Year," by reaching the global banking sector's summit of recognition in the innovation arena.

In another exceptionally prideful development, DenizBank was chosen the "Bank of the Year in Turkey" by The Banker magazine, one of the most renowned publications of the international financial community. This award went down in our corporate history books as widespread recognition of DenizBank's burgeoning global brand, innovative products and state-of-the-art technologies.

With the youthful dynamism of a 17-year-old institution, the self-confidence inspired by an unrivaled success story, and the strong support of the Sberbank family, DenizBank is well positioned to exceed its goals in the coming period.

I would like to extend my deep gratitude to our shareholders, business partners and 15 thousand "Sailors" for their unfaltering support. I guarantee that we shall jointly set sail towards new achievements in the years ahead, with the same commitment and dedication.

Best regards,



HAKAN ATEŞ
CEO

BANKING SERVICES

DENİZBANK CUSTOMER SEGMENTATION

DenizBank has classified the Bank's customers into five main segments to reflect a customer-oriented service approach in its business activities in the most effective manner.

Corporate Banking: This segment serves all companies with annual sales turnover of at least TL 200 million, as well as the groups to which these enterprises belong (e.g. financial sector companies are included in this segment regardless of turnover amount).

Commercial Banking: This segment serves companies with annual sales turnover of at least TL 40 million that do not fall under the Corporate Banking segment.

Public Banking: This segment serves local government administrations, their subsidiaries and economic enterprises, as well as state-owned economic enterprises, their establishments and subsidiaries, and all other enterprises in which the public or public companies hold at least a 50% stake.

SME and Agricultural Banking: This segment serves firms and sole proprietorships with annual turnover of less than TL 40 million, as well as business owners and partnerships.

Retail Banking: This segment serves individuals, self-employed professionals, owners and partners of corporate and commercial segment companies and owners and partners of companies that are clients of the Bank's SME segment with annual turnover of more than TL 5 million.

In addition to these five main segments, DenizBank offers private banking services to upper retail segment clients and companies with liquid net worth of at least USD 250 thousand.

Branch Network/Segmentation

Aiming to become one of the region's major financial services players, DenizBank continued to expand the Bank's branch network in line with the strategy of offering closer and more active service to customers, particularly in the Retail, SME and Agricultural Banking segments, by opening 45 new branches in Turkey in 2014.

The Retail Banking Group reinforced customer loyalty with innovative and dynamic services.

RETAIL BANKING GROUP

The Retail Banking Group runs operations within Retail Banking Sales Management and Marketing, in coordination and creating synergy with the other business lines of the Bank.

The main activities of the Group include the following:

- › Improves products and services designed for different client segments, monitoring the market, and creating impact analyses of any changes in the conditions of competition.
- › Improves technological and operational processes related to retail banking.
- › Monitors, evaluates, and conducts strategic planning to develop the business line.
- › Offers banking products and services through the branches and digital channels (internet, mobile).
- › Works in coordination with other business lines to gain new customers via agreements concerning salary payments, school tuition and condo fees.
- › Increases DenizBank's market share via new branches and ATMs while offering innovative solutions through new branch and ATM concepts to meet changing customer needs.
- › Develops new loan, deposit and other banking products through an innovative, customer-focused perspective and closely monitors product performance to increase their market share.

In 2014, the Retail Banking Group's high service quality was critical in encouraging customers to choose DenizBank, and it closed the year with a number of achievements. The Group introduced new services as firsts in the sector in Turkey and reinforced customer loyalty with innovative and dynamic services.

The Retail Banking Group has introduced new products to the clients who joined the DenizBank family after the acquisition of Citibank Turkey's Retail Banking Business, successfully raising their product penetration rate to that of existing customers. During the transition process, to ensure the continuity of existing services provided to customers, the necessary infrastructural work was swiftly completed. The clients were given all the necessary information to ensure that they did not experience any uncertainties.

After new regulations related to loan maturities and a cap on credit card installment payment use came into effect at year-end 2013, DenizBank effectively carried out efforts to minimize the adverse impact of falling loan demand in the market. These included:

- › DenizBank focused on pre-approved lending products and significantly increased the number of loan allocations through effective promotional campaigns, in order to acquire new customers in the face of a nearly 20% drop in loan demand sector-wide;
- › The Bank also boosted non-branch selling activities and adopted loan allocations through telemarketing and direct sales.

In line with its policy of offering specialized services according to client needs, DenizBank performed customer management programs under Affluent Banking, Mass Banking and Pensioner Banking segments within the Life Cycle Banking approach, based on the relationship between the life cycle and financial needs of the customers.

Affluent Banking

Privileged Services Designed to Touch the Lives of Customers

Setting out with the slogan "Affluent Banking means privileges for the entire family," Affluent Banking focuses on accurately identifying the expectations and needs of each client, and devising tailor-made products and services.

Affluent Banking program features such exclusive services as customized personal consultancy at branches, priority in banking transactions, special prices in deposit/investment products and loans, cash deposits from home or office with private security guards, and complimentary or discounted banking services, as well as rapid and effective informing services to help them make the right investments.

Moreover, Affluent Banking provides privileged services designed to enrich the lives of customers. Among these are Turkey's largest airport discount program featuring 50% discounts at airport parking lots, complimentary Affluent Airport Transfers, up to a 25% discount at top restaurants, 30% discount at all restaurants across Turkey for Sunday breakfasts, and 30% discounts on weekend theater and cinema tickets.

All of these exclusive privileges and the exceptional service quality are also offered to those family members of Affluent Banking services who also have a bank account at DenizBank.

Affluent Banking values the highly trained human resources of Turkey, closely monitors daily changes in the needs of specific professions such as lawyers, doctors, dentists, financial consultants, public notaries and pilots, and offers them customized financial solutions. Under an agreement with the Turkey Bar Association, DenizBank offered favorable products and services to lawyers and continued new lawyer clients and intensified relationships with existing ones. During 2014, the Bank signed new agreements with bar associations in Adıyaman, Aksaray, Mardin, Rize, Ordu and Zonguldak, allowing their members to enjoy privileged products and services. These agreements brought the total number of contracted bar associations across the country to 37.

The Bank signed agreements with the Chamber of Dentists, Chamber of Medical Doctors, Association of Notaries, Chamber of Financial Accountants and Pilots Foundation to allow their members access to the Bank's products and services. In addition to these new agreements with professional groups, DenizBank furthered efforts to boost the efficiency of ongoing agreements in 2014. In this regard, providing customized products for these groups and acquiring new customers continue to be the main pillars of DenizBank's marketing strategy.

Mass Banking

As part of the Mass Banking related projects carried out across the organization, the Bank prepared customized roadmaps for specific customer groups based on their respective lifestyle, banking life cycle, bank usage habits and CRM modeling. In addition, potential asset-owner customers in the mass segment were identified and a strategy was developed to enhance their relationship with the Bank. Customer expectations of the Bank were assessed through various research studies, which are now conducted on a regular basis.

In 2014, DenizBank offered three new transaction tariff options to retail customers. Additionally, a special transaction tariff was developed to allow new customers to complete transactions quickly and easily via AçıkDeniz Internet Banking.

Pensioner Banking

Providing specialized, exclusive banking services for pensioners, DenizBank continued to develop targeted product and service offerings suited to their unique needs and expectations, while serving as a pioneer with groundbreaking firsts in the sector. Enjoying convenient loan maturity terms and interest rates, special interest rates for savings accounts, and a priority status when transacting at branch locations, DenizBank's retired customers can also withdraw money and view their account balance at all ATMs across Turkey, free of charge. In addition, pensioners can benefit from additional installments while shopping with their Pensioner Bonus Credit Card, as well as lower interest rates and discounts for automatic payment orders.

In 2014, DenizBank met with thousands of pensioners at special events. At the beginning of the year, the Bank organized a special promotional campaign giving pensioners the opportunity to receive up to TL 450 in cash for transferring their pension account to DenizBank; and at the end of the year, a similar promotion allowed retired customers to receive up to TL 300. Thanks to such promotional campaigns and events, DenizBank's pension customer portfolio expanded 2.5-fold during the year.

Youth Banking

Under its Life Cycle Banking approach, DenizBank continued to provide special offerings in the Youth Banking business line during the year.

D-Şarj, a new credit card for young customers, featuring new visuals and a fresh web site, has revitalized the Youth Banking segment. DenizBank Youth Banking fully understands the experience of young individuals today, providing them with customized solutions for the financial issues they encounter during their educational years. As a result, DenizBank stands by young customers, with numerous targeted products and services such as the special D-Şarj Bonus credit card, educational loans at special rates, the mobile wallet fastPay, and the attractive savings product, Captain Account.

In 2014, DenizBank increased the number of schools with which it has tuition payment agreements, and now provides various products, services and advantages to both students and parents at a wide range of schools and universities.

As part of DenizBank's special Youth Banking package, accounts of young customers are exempt from account maintenance fee, and all online money transfers to and from these accounts are free of charge.

Providing specialized, exclusive banking services for pensioners, DenizBank continued to develop targeted product and service offerings suited to their unique needs and expectations, while serving as a pioneer with groundbreaking firsts in the sector.

Loan applications and extensions are simplified by boosting the efficiency of non-branch channels.

Retail Banking Products

Deposits

DenizBank offers an extensive array of deposit products to meet various retail customer needs such as savings or cash flow. These products are designed in consideration of customers' risk perception and expectations, and to channel their savings towards investment. In line with this approach, DenizBank maintained consistent growth in retail customer deposits, posting an 26% increase in 2014.

Taking into account customer needs and legal regulations related to deposit products, DenizBank introduced further innovations during the year. For demand deposit accounts, the Bank rolled out the Saver Account in July, a product which allows for savings in Turkish lira, foreign currency or gold. The Saver Account gives customers the opportunity to make a savings deposit with a standing order placed via a demand deposit account or credit card. Meanwhile, the Deposit with Withdrawal Facility product now enables customers to withdraw money from a deposit account with a maturity term longer than one year without foregoing interest.

Consumer Loans

DenizBank is one of the key players of the banking sector with its innovative, accessible and competitive loan products, and has expanded its consumer loan volume by 9% to TL 11.4 billion in 2014.

General Purpose Loans

In 2014, DenizBank expanded its general purpose loans by 10% and reached a market share of 4.1%.

In 2014, the Bank continued to launch products and processes centered on clients' needs and expectations which rest on changing retail world, and offered tailor-made special loan limits to current customers under pre-approved loan campaigns.

After the new regulations related to general purpose loan and auto loan maturity terms as well as the cap on credit card installment payment use went into effect at year-end 2013, DenizBank has effectively carried out efforts to minimize the adverse impact of shrinking loan demand in the market.

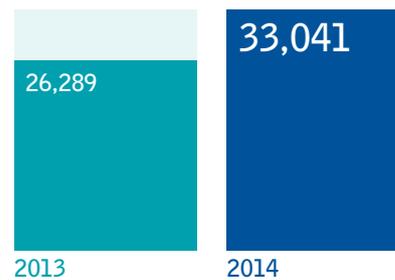
These included:

- › DenizBank placed a special focus on promotional campaigns and processes for pre-approved lending products and expanded these loan allocations by an average of 15%.
- › In order to boost the efficiency of non-branch channels, DenizBank started marketing loans via telemarketing, direct sales and Digital Deniz.

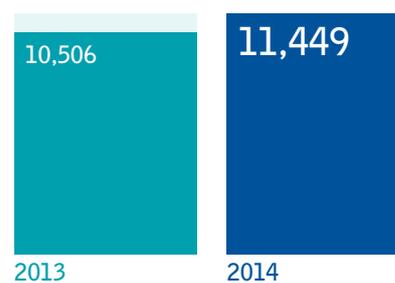
With tablet loans sold through direct sales, DenizBank creates synergy with its business partners by accepting loan applications via non-branch channels and extending these sums without client having to visit a branch. Besides, the Bank enables clients to file face to face loan applications via tablet PCs through direct sales. As such, a new channel was added to DenizBank digital channels with tablet loans.

In addition to these innovations, the Digital Loan rolled out in 2014 enables all customers to obtain general purpose loans without having to visit a branch.

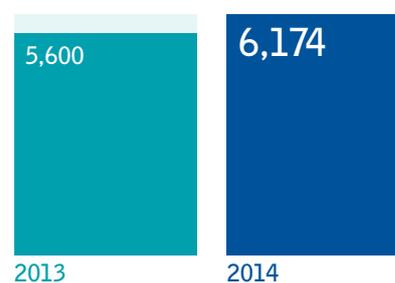
Retail Customer Deposits (TL million)



Consumer Loans (TL million)



General Purpose Loans (TL million)



Housing and Car Loans

DenizBank's housing loan volume grew in tandem with the sector during 2014, and expanded by 12%; thus, the Bank's housing loans market share reached 3.8%.

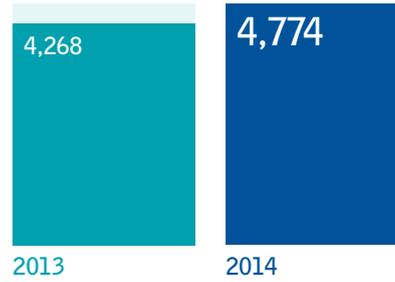
DenizBank continued to collaborate with Turkey's leading real estate agencies in 2014 and reached out to 1,000 such agencies across Turkey through its traditional annual events. DenizBank also participated in 41 new projects during 2014, offering convenient housing loans to customers across Turkey with its top-quality service perspective.

DenizBank is steadily advancing towards its goal of becoming "Turkey's Leading Bank in Urban Transformation Projects." Although it was the second bank to sign an agreement with the Ministry of Environment and Urbanization, DenizBank was the first Turkish banking institution to actually extend an Urban Transformation Loan. As of year-end 2014, DenizBank has extended more than TL 115 million in Urban Transformation Loans. The Bank provides the following advantages to make urban transformation a trouble-free process for clients:

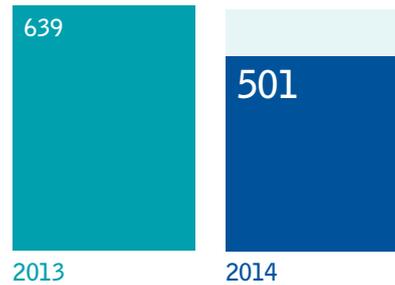
- › Interest rates starting from 0%,
- › No obligation to repay the principal during the construction phase,
- › Round-the-clock free urban transformation related consultancy via the Bank's website and Call Center,
- › Specialized support in high risk building identification reports, and
- › Special discounts from contracted firms.

Enjoying active and extensive cooperation with Turkey's leading automobile brands and an ever expanding car dealer network, DenizBank's car loans market share was 7.4% in 2014.

Housing Loans (TL million)



Car Loans (TL million)



Branch and ATM Planning

In 2014, DenizBank opened 27 new branches, expanding its domestic branch network to 715 locations. With 18 foreign subsidiaries branches which were opened in 2014 the number of foreign subsidiaries branches reached to 42 and the number of total branches including Bahrain branch reached to 758. As a result, the Bank's branch market share rose from 6.3% at year-end 2013 to 6.4% at year-end 2014. With 3,749 ATMs deployed as of end-of-year 2013, including those allocated to the Bank under the partnership with Turkey's public post office (PTT), DenizBank's ATM network grew to 3,989 by year's end 2014. The Bank's growing distribution networks have been reinforced with innovative branch and ATM concepts designed for different customer segments in line with the Bank's overall strategy. DenizBank also increased commission revenue in 2014 via new functions such as foreign currency exchange and DCC, while continuing to offer customer-oriented solutions and alternatives.

In 2014, DenizBank opened 27 new branches, expanding its domestic branch network to 715 locations.

DenizBank addresses SMEs: “Do you know what you should be doing now?”

SME AND AGRICULTURAL BANKING GROUP*

SME Banking Group

- › SME Banking
- › Merchant Relations
- › Gold Banking

Agricultural Banking Group

- › Agricultural Banking

The Group ensures that the operations below are carried in synergy, and in coordination with the other business lines of the Bank:

To reach out to its target groups such as SMEs, farmers, agricultural businesses, and investors interested in the agriculture sector, the Group undertakes the following activities:

- › Developing products and services designed to meet SMEs' needs, devising sector and product-specific packages, and creating timely and multidimensional sales opportunities,
- › Designing financial products to support the development of the agricultural sector and meet the financial needs of producers and agricultural businesses,
- › Conducting research and designing of new funding instruments for agricultural banking,
- › Managing merchant relations, setting targets aligned with the Bank's policies and strategies, and coordinating the sales of merchant firms,
- › Developing new POS products and support of branches in promoting and marketing these products,
- › Marketing and selling of gold and silver loans and deposits, and other products related to precious metals, as well as carrying out activities to acquire new customers.

SME Banking

2014 was a rather productive year for SME Banking with added momentum from new products and services. In light of macroeconomic developments, the Bank's expert personnel at the Head Office, regions and branches continued to provide life enhancing solutions to customers and boost service quality.

In 2014, the Bank's SME loan portfolio totaled TL 15 billion. Even as small and medium enterprise lending expanded by 21% sector-wide, DenizBank increased its SME loans by 30% during the year, outperforming the sector.

Thanks to effective marketing activities throughout the year, DenizBank increased the number of its SME Banking customers by 30% to 1.1 million.

The centerpiece of the 2014 growth strategy is the SME Card, whose numbers climbed to 300 thousand, up 15%. In terms of supporting customer business transactions and offering swift and practical financial solutions, the SME Card has been a key product for DenizBank's SME Banking segment. The SME Card not only allows shopkeepers to meet their daily financial needs with ease, it also provides options such as postponed repayment and additional installments as well as instant loans for fuel oil, food, electronics, accommodation and other expenses.

With its new advertising concept, DenizBank addresses SMEs with the question “Do you know what you should be doing now?” As a result, the Bank demonstrates its willingness to offer guidance to SMEs in meeting their daily financial needs. With the “Your Loan is Ready” promotional campaign that specifically targets SMEs, DenizBank has extended a total of TL 1.5 billion in loans to some 80,000 microenterprises.

DenizBank has also devised long-term, low-cost loans to meet the financial and investment needs of middle size enterprises.

As part of the Co-Finance Loan Protocol, the Bank has created additional support and co-finance packages to enable SMEs to make better use of Small and Medium Industry Development Organization (KOSGEB) incentives.

In 2014, the Bank continued to serve SMEs via all distribution channels. The waiting period for incoming calls to the SME Call Center (KOBİ ÜMİT) was only nine seconds, with 98% of all calls responded to. Outgoing telemarketing calls increased the number of automatic payment customers by 40%.

Foreign Funds

In 2014, DenizBank continued to extend long-term financial solutions at low interest rates to meet the investment needs of SMEs by securing funds from leading international institutions including EBRD, EIB and EIF. Under this initiative, the Bank extended a total of TL 200 million in loans during 2014.

Anatolian Brand Power Meetings with TURKONFED

TURKONFED, which DenizBank became the main sponsor of in 2014, met with Anatolian SMEs at brand power get-togethers during the year. Held in different regions of Turkey, these meetings generated awareness of the importance of creating brands and informed participants about the advantages of branding and the various strategies in building a brand.

* SME Banking definition is defined according to the Bank's internal limits (page: 15).

Merchant Relations

2014 saw the development of the Bank's merchant products accelerate. DenizBank managed to turn the intensifying competition in the banking sector to its advantage by developing services benefiting customers. The Bank increased its POS devices to 192 thousand in 2014 and captured a market share of 8% across Turkey.

Through agreements and sponsorships with contracted merchants, DenizBank reinforced its partnerships and expanded its brand recognition and also continued to provide new discounts and exclusive services to credit card customers.

POS	Number of POS	Market Share (%)
2014	191,148	8.0
2013	185,980	8.1

POS	Shopping Turnover (TL million)	Market Share (%)
2014	18,785	4.0
2013	16,980	4.1

Gold Banking

Turkey's Gold Bank

The gold sector, which creates vast added value for Turkey, is not simply a niche market for DenizBank. In fact, the Bank intensified its focus in this area, leapfrogging its peers by establishing the Gold Banking department in 2011.

DenizBank's objective is to provide a full suite of banking instruments ranging from loans to deposits so as to fully meet the demands of the gold sector.

DenizAltın Days has encouraged households to invest their 'under-the-mattress' savings into the national economy. This scheme has turned more than four tons of physical gold savings into deposits.

The Gold Accumulating Account and Saver Account each offer savers the opportunity to grow their investments. With the launch of the DenizGold product, clients can withdraw their gold, deposited physically or virtually to their account, in gold coupons of 1, 2, 5, 10, 20, 50 or 100 grams.

The goal of DenizBank Gold Banking is to channel investors' gold assets in jewelry to clients as financial support under attractive terms, and thus contribute to the national economy.

DenizBank's total gold loan support has climbed to some 3.2 tons with a 13.5% market share. This was achieved through innovative means such as special loan assessment processes for precious metals, as well as groundbreaking product innovations including Equal-Installment Gold Loan, Gold Loan with Early Closure Option and Gold Support Loan to Manufacturers.

Agricultural Banking

Placing great importance on serving the agricultural sector, DenizBank is the first private bank to differentiate its Head Office and branch organizational structure and set up a dedicated Agricultural Banking division.

Due to its deeply held belief in the importance of agriculture, DenizBank acquired Tarıřbank in 2002 and thus launched its Agricultural Banking operations. The Bank is proud to stand by Turkish farmers, who have created the world's seventh largest agricultural economy. Today, the Bank offers top-quality and swift agricultural solutions through its 264 branches located across Turkey's 81 provinces.

Differentiated Services from a Specialist Team

With its skilled portfolio management team composed mainly of agricultural engineers, DenizBank supports agricultural modernization investments by micro producers who have difficulty in accessing formal financing channels.

In 2014, DenizBank retained its leading position among private banks as the largest lender of agricultural loans. DenizBank has an agricultural loan portfolio totaling TL 4 billion with some 1 million customers. The number of active customers in this segment during the year increased by 14% over 2013.

Services for Agricultural Producers

Producer Card

DenizBank's Producer Card, designed to meet the specific needs of the sector, facilitates access to funding for agricultural producers and provides the exclusive cost advantages for input purchases with no interest as well as maturity term advantages at contracted merchants.

Producers can also secure agricultural enterprise loans by using their Producer Card at all DenizBank branches and ATMs.

DenizBank fuels sector growth with Tarım Plus service

Under partnership with Petrol Ofisi that dates back to 2006 the producers with Producer Card can meet their fuel oil needs at zero interest, to be repaid in five monthly installments. Since fuel oil is one of the largest expense items in agricultural production, this opportunity is much appreciated by farmers. In addition, farmers are offered the opportunity to purchase agricultural materials such as fertilizers, feed, seeds, seedlings and pesticides from contracted dealers by using their Producer Card, interest-free and with installments of up to six months.

In yet another ground breaking innovation, DenizBank has enabled producers to automatically pay their Bağ-Kur social security premiums with their Producer Card. As such, producers have the chance to pay their premiums at harvest time and enjoy all the social security services from Bağ-Kur without disruption. And Bağ-Kur retired farmers can receive their salary payments via DenizBank and use the financial services dedicated to agriculture. In 2014, a contest was held for Producer Card holders in celebration of the 10th anniversary of the card's launch. As a result of the event, 10 clients won Tümosan brand tractors.

Producer Card holders are also offered advantages in their equipment purchases at contracted merchants, which offer the option of making payments in annual installments, for a term of up to three years. Additionally, producers can postpone payment of their Turkcell phone bills within a certain limit until harvest time, interest-free.

Producers can also secure agricultural enterprise loans by using their Producer Card at all DenizBank branches and ATMs. In addition, they are able to make purchases at contracted merchants to benefit from various promotions or installment payment options.

Producers can apply for the Producer Card at DenizBank branches, via POS devices at contracted merchants, via ATMs, on the DenizBank website or with a simple SMS, in a hassle-free, swift fashion.

DenizBank places great importance on agricultural chambers, unions and cooperatives for the preservation of micro-scale farms and the improvement of their production techniques. As a result of partnerships with leading unions and cooperatives such as Çukobirlik, Tarış and Pankobirlik; irrigation cooperatives; and breeding animal and cattle cooperatives, union members have the opportunity to purchase their agricultural inputs at attractive prices.

Other Products and Advantages

By using DenizBank's Farmer Card, farm customers can withdraw money from ATMs round-the-clock, and make purchases at contracted merchants without having to carry around cash. The Farmer Card also allows farmers to collect their payments from the state-owned Soil Products Office of Turkey (TMO) at an earlier date.

Another service offered to producers by DenizBank is the "Overdraft Account Maturing at Harvest Time." With this facility, producers can place automatic payment orders for their electricity, water, natural gas, and telephone bills via this account, and benefit from the opportunity of paying bills once a year, after harvest time.

As part of the Paying POS application, agricultural producers who sell their products to large companies can now directly receive the payment in their bank accounts via the Producer Card or Farmer Card, by means of special POS devices distributed to these enterprises.

Tarım Plus

DenizBank is committed to help increase the scale of agricultural enterprises, a key issue in Turkish agriculture. To this end, the Bank extends loans to producers to assist in covering agricultural investments and enterprise costs; additionally, it also provides services to facilitate the establishment of new processing plants, to effect capacity increases in and modernization of existing facilities, and make equipment purchases easier.

Tarım Plus is another service that fuels sector growth, by offering turnkey project, information and advisory services to large-scale producers, agricultural enterprises and industrials.

Agricultural investment projects are supported with loans of up to seven years under attractive terms, thus allowing producers to finance projects in dairy cattle breeding, cattle raising, sheep and goat breeding, greenhouses and fruit cultivation with exclusive advantages from DenizBank. The fund secured from the European Bank for Reconstruction and Development (EBRD) for agricultural investments is channeled to the financing of such endeavors. Furthermore, DenizBank provides financing opportunities to the Instrument for Pre-Accession Assistance for Rural Development (IPARD) projects, as well as those available to receive grants. The Bank also presents projects for IPARD grants and provides consultancy to investors. DenizBank is the only bank that has signed an agreement with the Agricultural and Rural Development Support Agency (TKDK). DenizBank's expert project team offers full support to investors who want to directly apply for grants.

Agriculture Debates on the 10th Anniversary of the Producer Card

Fully aware of its responsibilities to the Turkish agriculture sector, DenizBank stands by producers at anytime and anywhere, and delivers banking services right to the farmer's doorstep. As part of the "DenizBank Agriculture Debates," the Bank organized a range of activities at 200 locations across Turkey to celebrate the 10th anniversary of the Producer Card. Thousands of DenizBank employees from the branches, regional offices and headquarters have visited villages and towns, holding talks with contracted merchants, unions and cooperatives, as well as farmers. During this initiative, DenizBank has reached out to some 1 million farmers in total, visiting them in their villages and at their enterprises.

On with Social Responsibility Projects

In an effort to expand the availability of agricultural publications across Turkey and ensure that farmers have direct access to information, the Bank joined forces with the Ministry of Food, Agriculture and Livestock to carry out Turkey's most extensive training campaign. Some 500 thousand agricultural books were delivered to producers in 5 thousand villages with the intermediation of agricultural engineers who served as consultants.

Meanwhile, by sponsoring the national photography competition "Agriculture and People" held by the Ministry of Food, Agriculture, and Livestock, DenizBank intends to raise agricultural awareness across the country. As part of its educational support to the sector, the Bank organizes informational meetings in rural districts and encourages farmers to use well-informed production, pest control, pruning, and equipment maintenance techniques. In addition, high-achieving children of farmers who lack financial means are granted full tuition scholarships in collaboration with Turkish Education Association.

As in every year, DenizBank officials participated in agricultural fairs and local harvest festivals across Turkey in 2014, thus continuing to stand by producers in support of Turkish agriculture.

DenizBank is the only bank that has signed an agreement with the Agricultural and Rural Development Support Agency (TKDK).

The Corporate Banking Group expanded the active corporate client base by 4%, and increased the Group's average cross sales ratio to 3.59 in 2014.

WHOLESALE BANKING GROUP

The Wholesale Banking Group ensures that the following operations are carried out in such a way as to create synergy and coordination with the Bank's other business lines:

- › Corporate Banking Group,
- › Commercial Banking and Public Finance Group,
- › Project Finance.

The core operations of the Group include enhancing relations and creating partnerships with overseas subsidiaries and branches, and expanding the overseas subsidiary and branch network in line with the Bank's overall strategy. Furthermore, DenizLeasing and DenizFactoring report to the Board Member in charge of the Group.

Corporate Banking Group

The Corporate Banking Group ensures that the following operations are carried out in such a way as to create synergy and coordination with the Bank's other business lines:

- › Corporate Banking, and
- › Cash Management.

The Group carries out the following core activities geared towards its target group, comprising corporate and commercial firms:

- › Development and marketing of Corporate Banking products,
- › Organization of sales of products and services by branches in line with set targets,
- › Organization of the workflow between related departments and coordination of their relationships,
- › Management and improvement of products pertaining to the Bank's Cash Management system, as well as ensuring compliance with all relevant legal and in-house regulations,
- › Organization of the flow of internal-external funds to strengthen the Bank's liquidity structure.

Corporate Banking

Corporate Banking provides the right financial solutions for its clients' needs through innovative project finance and cash management products, as well as traditional corporate banking products, and creates chains of value that integrate all business lines of the DFSG.

Relationships with clients start through loan instruments, thereafter becoming permanent as a result of customer satisfaction. These strategic alliances in turn create new business opportunities for the DFSG. The Bank offers customers the opportunity to slash operational costs through its advanced technological infrastructure and cash management products, while receiving the maximum return from the economic cycle.

Portal Approach

The Corporate Banking Group's marketing approach rests on the following pillars: The capacity to create high-quality assets, adapt rapidly to economic change, generate synergy with other business lines and subsidiaries, and employ well experienced personnel who embody DenizBank's "collective wisdom" approach.

The Corporate Banking Group has over 70 products in areas such as loans, deposits, securities, cash management, project finance, leasing, factoring, insurance, foreign trade, and investment banking. The Group expanded the active corporate client base by 4%, and increased its average cross sales ratio to 3.59 in 2014.

Corporate Banking increased total loans by 20% with 27% in cash loans and 10% in non-cash loans; the Group's total deposits rose by 20% in 2014. DenizBank Corporate Banking Group contributed to the investment and privatization processes through its know-how in project finance and financial strength, thus reinforcing its position in the market. The Corporate Banking Department is keen to continue activities focused on cash management and the portal approach in 2015.

Cash Management

By focusing on the cash management and supply chain demands and requirements of clients, the Cash Management Group strives to make DenizBank the main bank customers turn to for cash flow. Keen to establish multi-faceted and long-term customer relationships, the Group launched new products and services by capitalizing on the latest technologies in 2014, thus continuing to grow and differentiate itself in the sector.

In 2015, the Cash Management Group plans to implement initiatives designed to increase commission revenues, while continuing to provide support to customers with innovative goods and services.

Electronic Collection Services

In electronic collection services, the Bank contracted 86 new companies in the Direct Debit System (DDS) and corporate collection projects in 2014.

As of year-end 2014, the number of parent companies to have signed up to DDS and Card Payment System projects had grown by 29% to 315, and the total number of dealers by 44% to 9,232, while total collection volume stood at TL 4 billion.

Striving to provide solutions for the entire supply chain through its integrated assessment of clients and suppliers, DenizBank has completed the infrastructure work for Supplier Finance and Direct Debit System (DDS) products. In 2015, these products will allow the Bank to establish deeper relationships with clients.

Electronic Payment Services

The number of clients of payment services increased by 86% over 2013. During 2014, the Bank intermediated approximately 3.7 million in payment transactions through the Wholesale Payment System, and increased the electronic payment transaction volume by an annual 82% to TL 50.1 billion.

As part of the Foreign Currency Wholesale Payment System, launched to facilitate DenizBank customer domestic and overseas wholesale foreign currency transfers, the Bank signed agreements with 74 new clients in 2014.

Collections from Institutions and Municipalities

In 2014, DenizBank executed agreements with 34 new institutions and continued to expand the number of delivery channels it uses to serve customers.

Commercial Banking and Public Finance Group

The Commercial Banking and Public Finance Group ensures that the following operations are carried out in such a way so as to create synergy and coordination with other business lines of the Bank:

- › Commercial Banking,
- › Public Finance, and
- › Bancassurance.

Targeting a client base consisting of commercial enterprises, local government and affiliated agencies, as well as state economic enterprises and subsidiaries, the Group carries out the following core operations:

- › Development of products and services for commercial companies and public agencies,
- › Execution, monitoring, budgeting and reporting of marketing activities in line with targets and strategies,
- › Development of marketing, sales and campaign models to win new clients and promote growth,
- › Coordination of the Bank's marketing activities in commercial and public finance branches,
- › Establishment of bancassurance strategies and selection, evaluation, and monitoring of the productivity of insurance companies that the Bank will partner with in line with these strategies,
- › Development and coordination of the marketing operations of marketing/sales/campaign models geared towards sparking growth and winning new clients in bancassurance operations for DenizBank's all business segments.

In 2014, DenizBank executed agreements with 34 new institutions and continued to expand the number of delivery channels it uses to serve customers.

DenizBank targeted specializing in public finance as one of its strategic working fields.

Commercial Banking

Differentiated Services with a Wide Range of Products

The Commercial Banking Group, which has revenue criteria between TL 25 and 200 million, provides tailor-made and proactive solutions to meet all the financial needs of its clients. Through its financial supermarket approach, the Group offers clients from different sectors a wide range of products and services such as project financing, cash management, insurance, leasing, factoring, foreign trade and treasury and investment products, as well as loans. Also, the Group aims to create synergy with other business lines and subsidiaries under its “collective wisdom” strategy.

The Commercial Banking Group boasts an expert sales team that operates across 18 provinces via 52 branches, including eight mixed and 44 commercial branches.

In 2014, with more than 20 thousand customers continuing to make DenizBank their main bank, the Group’s total loans amounted to TL 26.3 billion and deposit volume was TL 10.3 billion.

Public Finance

Specialized and Highly-experienced Staff

Defining public finance as a business line on January 1, 2009, DenizBank broke new ground in Turkish banking history and targeted specializing in public finance as one of its strategic working fields. The Public Finance Department was established to service a target group that comprises local government, its subsidiaries and economic enterprises, as well as state economic enterprises, their establishments and subsidiaries.

The Public Finance Department has reached loan agreements with the European Investment Bank (EIB) and Agence Francaise de Développement (AFD) respectively, earmarked for only local government financing, and to date has provided low-cost and long-term financing to more than 300 projects.

Providing the full range of banking services to local governments with its specialized and highly-experienced staff at its Head Office, regional offices, and branches, the Public Finance Department posted a total loan volume of TL 1,341 million, on a consolidated basis as of 2014.

The Public Finance Group provides financing to society-at-large in the areas of education and social responsibility. The Group organizes domestic training programs for local government officials as well as visits to overseas municipalities with Turkish mayors to analyze municipal projects in place. The Group also implements various sponsorship programs and student support schemes.

Bancassurance

Insurance and Individual Pension Products

As part of its insurance operations, DenizBank provides life insurance, non-life insurance and individual pension products to customers. The Bank’s wide product range offers all insurance and individual pension products and services including fire, agriculture, accident, engineering, liability, unemployment personal accident, and life insurance plans, as well as pension plans.

Individual pension products are available in different options, such as retail products, corporate products, or customized plans for specific segments.

DenizBank has joined forces with Axa Insurance in non-life insurance operations, and with MetLife regarding life insurance plans and individual pension products.

The Department cooperates with other DenizBank departments to provide insurance for those Bank customers already enjoying such services as loan, deposit, credit card, salary payment, merchant services, project finance and commercial and corporate banking.

DenizBank Bancassurance Performance

(TL million)

	Premiums		Commissions	
	2013	2014	2013	2014
Life Insurance	193.0	210.0	43.2	48.0
Non-Life Insurance	77.4	85.9	14.5	17.1

	Contributions		Commissions	
	2013	2014	2013	2014
Individual Pensions	8.9	7.5	4.5	4.7

Project Finance

The Project Finance Department's core business includes providing structured finance for:

- › projects in target sectors,
- › industrial investments, and
- › privatization transactions.

The Project Finance Department focuses on those large-scale investments that play a key role in developing the economy, and thus necessitate medium and long-term financing. The Department provides funds to such top priority sectors as telecoms, energy, infrastructure (e.g. ports, airports and motorways), Public-Private Partnerships (PPP), healthcare and education that form the backbone of economic and social development. It also conducts long-term transactions including industrial investment, privatization and acquisition finance, as well as so-called "club-loans" featuring multiple banks.

Diligent Efforts to Finance Eco-friendly Investment Projects

Keen to focus on and provide maximum leverage to the sectors driving economic growth at acceptable risk levels, DenizBank has always played a key role in financing investment projects in the energy sector. The Bank prioritizes corporate investment projects in wind energy and hydro-energy, and also continues to grant loans for other power generation and distribution projects. Work is underway to allocate the MidSEFF loan of EUR 150 million jointly provided by the European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB) to finance renewable energy projects, in particular mid-sized renewable energy projects. The Project Finance Department has again played an active role in the allocation of the TurSEFF fund, which targets similar, yet smaller projects in renewable energy and energy efficiency. These diligent efforts to finance such eco-friendly investment

projects have brought DenizBank two prestigious and important awards. The first is the "Sustainability Award", which the EBRD grants after an assessment of financial corporations worldwide that fund energy projects. The second is the "Excellence in Sustainable Energy Financing Award" given by the TurSEFF fund.

DenizBank plays a prominent role in creating investment and employment in Turkey by financing a total of 130 such projects, amounting to an aggregate project finance portfolio of USD 3.7 billion.

Looking at 2015, the Project Finance Department continue to reinforce its pioneering position in large-scale infrastructure projects, further bolstering growth in such core sectors as energy, mining, transportation, healthcare and education. DenizBank will also continue to channel its expertise in project and structured finance towards privatization tenders in various industries, as well as large-scale infrastructure investments including ports, airports and hospitals, undertaken through public-private partnerships.

DenizBank plays a prominent role in creating investment and employment in Turkey with an aggregate project finance portfolio of USD 3.7 billion.

DenizBank added innovative products to the debit card, credit card and prepaid card portfolio in 2014.

PAYMENT SYSTEMS AND NON-BRANCH CHANNELS GROUP

The Payment Systems and the Non-Branch Channels Group make up the following functions with in the coordination and synergy with other business lines at DenizBank:

- › Credit and Bank Cards Product Management,
- › Credit Cards Portfolio Management,
- › Call Center,
- › Telemarketing and Customer Retention, and
- › Direct Sales.

Credit Cards

Throughout 2014, DenizBank continued to expand of its vast credit card portfolio specially designed for a wide range of customer segments and preferences. Keen to respond to all client needs related to the card payment systems while enriching its products and services in line with changing market conditions, DenizBank added innovative products to the debit card, credit card and prepaid card portfolio in 2014.

As of year's end, the Bank's credit card unit market share had risen from 4.8% to 5.4%. Credit card turnover increased 43%, from TL 17.8 billion in 2013 to TL 25.4 billion in 2014; meanwhile, DenizBank's share of the sector's turnover went up from 4.2% to 5.4% in 2014.

Bonus and Co-Branded Cards

In order to offer credit card products which will play a role in the life cycles of customers and to help meet their daily needs, DenizBank continued to undersign successful Co-Branded Projects with brands from various sectors, in addition to its privileged Bonus offerings.

From city cards to travel miles cards, market cards to no annual fee cards, DenizBank offered customers a wide range of alternatives and rolled out two new initiatives in 2014:

- › A new credit card without annual fee, the Net Card offers clients discounts, extra bonus points and special solutions for their cash requirements in the sectors they specify.
- › The recently launched Promotion Packages allow customers to create their own promotional options.

Segment Cards

DenizBank's extensive credit card offering is designed for customers from various segments and different stages of the life cycle. Synergy is achieved with the Retail Banking segment to provide clients a 360-degree banking experience.

The Bank added an innovative, interactive and dynamic dimension to the lives of young people with D-Şarj Bonus, while providing services and campaigns to retirees with the Pensioner Bonus in line with the objective of making their lives easier.

The Bank offers Private Banking clients the Deniz Private Card, which features personalized advantages for shopping, travel and lifestyle services. Meanwhile, Affluent Bonus Platinum offers high-end clientele not only the features of a standard Bonus card, but also a 30% discount for Sunday breakfast menus across Turkey, 30% discount for weekend theater/cinema tickets, as well as a 50% discount on parking and valet parking services at İstanbul, Ankara, Izmir and Antalya Airports.

Keen to establish long-term cooperation with select brands to provide clients a rich lifestyle experience and provide all manner of solutions, DenizBank signed a sponsorship agreement with Hillside Leisure Group in May 2014.

Football Fan Cards

With the recent addition of Gözgöz Bonus and Kafkaf Bonus for the fans of two domestic football teams, DenizBank now has 17 football clubs under contract. As a result, the Bank continued to strengthen its pioneering and market leading position in cards co-branded with football teams.

Debit Cards / PTT Cards

New clients who have joined the DenizBank family via the online banking portal Digital Deniz were offered the special Digital Deniz Paracard debit card. In addition to all the standard features of the Paracard, Digital Deniz Paracard also gives customers the opportunity to win bonus points when shopping.

In order to reduce card printing costs, the maturity term of debit cards was increased from five to 10 years.

Debit cards were integrated with the web site www.DenizAmerikada.com, which enables DenizBank clients to conduct e-commerce transactions with sites from the US, and www.indirimkartimda.com, which offers discount products to the Bank's customers.

An additional agreement was signed with Cyprus-based NovaBank, which provides bank identification number (BIN) services. An agreement was also executed with Koopbank to renew the existing contract, so as to allow for the collection of an annual fee from debit cards as well. DenizBank also entered into an agreement with İktisat Bankası to sign a contract.

Work on a monthly bulletin, which provides information on debit card features and promotional campaigns to Paracard holders, was completed and the first edition was sent out in November 2014.

The collaboration agreement signed with PTT, a well-established entity in Turkey, was extended for another year. In 2014, various activities and promotions were implemented to increase the shopping turnover of PTT debit cards.

Campus Cards

The Campus Card is now available at Ankara, Marmara, Uludağ and TED universities. At Ankara University, a cafeteria subscription scheme was launched in October 2014 to allow Campus Card holder students to dine at discounted rates. In order to expand the debit card activation rate of Campus Card holders, campaigns were carried out targeting students as well as academic and administrative personnel at Uludağ and TED universities. Additionally, the D-Şarj Paracard product was launched to reach out to young individuals.

Pre-paid Cards

In order to reduce card printing costs, the maturity term of pre-paid cards was increased from three to five years.

The fastPay Taxi pre-paid card launched in 2014 for use by customers. The money added on the pre-paid cards will be used in taxis via the fastPay or mobile payment systems.

The Kiler pre-paid card launched at year-end 2014 to allow discounts at the Kiler chain of supermarkets.

Call Center

The Call Center provides clients with top quality, non-stop services 24/7. All processes and the individual performance system are designed to maximize customers' experience in customer communications.

The Bank's Interactive Voice Response (IVR) System utilizes user-friendly, functional and advanced technology. It is able to recognize customers by their voice, mobile phone number, or the data they enter; then they are diverted toward menus best suited to meet their needs. Approximately 52% of customers complete their transactions via the user friendly IVR system without needing the help of a customer representative.

Customer representatives can easily access customer data over the advanced dashboard within the centralized authorization system, and offer rapid and perfectly customized solutions to customers demanding their services. The user-friendly dashboard helps customer representatives maximize operational productivity, and creates immense advantage in a team's job training and initiation process. Customers may also access the Call Center via the Internet branch, in the live chat room.

Keeping pace with changes in technology and the new generation's habits, DenizBank enhanced the fastPay application in 2014, enabling direct connections and Skype calls to the Call Center. DenizBank is the only Turkish bank whose call center offers clients access via Skype.

Also providing services in English and Russian, DenizBank Call Center utilizes specific communication strategies for different segments; accordingly, it implements specialized service models such as KOBİ Ümit and Deniz Özel that serve only special customer groups.

As an extension of the Bank's segment-specific service strategy, DenizBank launched the Central Customer Management scheme for Affluent Banking clients in 2014, in 12 branches designated as pilot areas. Call Center customer service representatives appointed to this Affluent Banking initiative were matched with clients. As a result, client needs were efficiently met by the Call Center.

The organizational structure is designed in order to provide the internal communication and continuous development of this large team. The organization is managed by teams of 17 customer representatives and team leaders responsible for the performance and development of each team.

The Call Center's revenue-oriented business culture is focused on optimizing the customer experience and maximizing productivity. Systems were established at the Center to monitor its overall performance and issue warnings whenever problems arise. The General Service Performance of the Call Center (percentage of answered call, speed of answer, overage call quality score) is measured by monthly scorecard and the results are reflected in Call Center employees' performance system. Studies on incoming call projections and shift organizations and efficient performance monitoring allowed the Center to reach its numerical and quality targets. As of year-end 2014, the response period was brought down to 15 seconds for 11 million incoming calls, with 97% of all calls answered.

The Call Center screening used to serve inbound customers is capable of presenting the best offer and next best offer, determined according to the needs of the customer through analytical CRM models. The call blending infrastructure allows the Center to maximize productivity and enables respondent personnel to function as a telemarketing team. In 2014, the Call Center's top priorities included systems and technological enhancements, productivity improvements in sales automation, customer service representative staff increases, and deeper integration of sales activities with the business culture. As a result of these improvements and the special focus on sales efforts, product sales at the Call Center climbed to 2 million in 2014.

After winning the "Best Business Culture Inspiring Excellence" and "Year's Most Creative Customer Service" awards in 2013, Denizbank Call Center was presented with the Gold Prize in the "Customer Service Team of the Year" category of the 2014 Stevie International Business Awards. Additionally, in the ninth edition of the prestigious IMI Turkey Call Center Awards, the only competition of its kind in Turkey, DenizBank Call Center was designated "The Most Creative Call Center of the Year" for its "Proactive Call Center" concept centered on customer experience. At the same event, DenizBank also won the "Team Leader of the Year" award.

The monthly outbound call capacity of DenizBank was around 1.2 million in 2014.

Telemarketing and Customer Retention

The Telemarketing and Customer Retention Group is a key sales channel that fulfills the following functions:

- › Sales by outgoing calls (Internal and External Resource Management), and
- › Customer retention through incoming and outgoing calls.

All outbound telemarketing and customer retention and reacquisition activities were carried out by this channel.

The core business of the sales channel, which aims to serve all business lines of DFSG with efficient and profitable sales projects, is to carry out sales via outgoing calls. In addition, the channel fulfills customer retention and reacquisition functions with its well-experienced team.

Outbound calls account for 95% of the channel's activities; a strong automatic call system allows it to reach high numbers of such calls. The monthly call capacity is around 1.2 million. The channel strives to increase the Bank's profitability through cross-sales, activation, and allocation and customer reacquisition activities. It also plays a key role in acquiring new customers. In 2014, the Bank sold a total of 760 thousand units.

Business lines communicate their demands for outbound calls to the channel via Operational CRM, whether it concerns in-sourcing or out-sourcing activities. All the promotional campaigns planned are uploaded to the automated call system and no out-going calls are made manually.

Depending on the type of contact established with the customer, different levels of security (confirmation) questions are utilized. In transactions which might lead to financial liability, the entire transaction is presented for the approval of the customer on the phone. All calls are recorded and later regularly analyzed by Performance Management and Sales Management for sales performance and quality assessment.

Another responsibility of the channel is the management of companies offering outsourcing call center services (outbound calls) which are purchased as a support service.

The management of such outsourcing activities, as well as performance monitoring, service quality checks, contractual compliance assessment, and coordination are all under the responsibility of the channel.

Outbound calls by outsourced call centers concern marketing operations such as personal data update, product promotion, notifications, surveys, and demand collection. In 2014, as a result of various promotional campaign demands from business lines, approximately 11 million outbound calls were completed.

Direct Sales

The Direct Sales Group is a dedicated sales team focused on the marketing of payment systems, retail, SME and digital banking products in line with segment-specific targets. The Group also lends support to the Bank's business partnerships as well as to general sales initiatives.

The Group's four departments include: Retail Direct Sales, SME Direct Sales, Business Partnerships Direct Sales and Project Direct Sales.

The Direct Sales Group's primary goal is to acquire new customers through multiple sales efforts, while also making the best use of technology to conduct highly efficient sales transactions.

Promptly responding to the sector related needs of customers in projects such as business partnerships, the team makes on site visits to individuals who have not met with DenizBank yet and aims to meet their needs in the fastest way possible with a wide range of products and services. Besides acquiring new customers, the team provides support to the customer activation rate and the Bank's profitability by also offering different products to existing customers which the team encounters in the field.

Active across 19 sales offices, the Direct Sales team is comprised of teams of approximately 15 customer representatives and a team manager in charge of performance and development of each team. To ensure continuity of sales in the field, the Direct Sales Coordination team provides support to the above mentioned Direct Sales teams in terms of performance management (reporting), technical support, procurement and supply, training and various promotional campaigns management, among others.

Sales representatives use the Direct Sales application downloaded to their tablet computers. This application enables the marketing of credit cards, consumer loans, cash advance with installment repayment, and credit card-related insurance products. In 2015, the Direct Sales team will also be able to receive and process SME Card applications via tablet computers.

In 2014, some 600,000 approved products were sold. With the improvement of the sales performance by its teams, the Direct Sales Group has come to account for 32% of the Bank's total credit card sales, 30% of SME Card sales, and 20% of all retail loan sales from all distribution channels including the branches.

DenizBank effectively makes asset-liability management in volatile markets.

TREASURY, FINANCIAL INSTITUTIONS, PRIVATE BANKING GROUP

The Treasury, Financial Institutions and Private Banking Group undertakes the following activities in such a way so as to create synergy and coordination with other business lines of DenizBank. Private Banking activities also are one of the responsibilities of this group as matrix:

- › Treasury,
- › Financial Institutions,
- › Structured Finance,

The core activities of the Group are as follows:

- › Treasury: managing short-term liquidity, pricing treasury products, implementing the treasury-related aspects of asset-liability decisions, and performing profit-oriented trading activities,
- › Financial Institutions: initiating, approving, managing, monitoring, tracking, and reviewing correspondent relations,
- › Structured Finance: corresponding with foreign banks and other financial institutions as regards medium and long-term borrowing activities, structuring and monitoring transactions, as well as coordinating these with other Bank units.

Treasury

In addition to managing the Bank's short-term liquidity in foreign and local currency, the Treasury Department performs treasury product pricing, implements those decisions of the Assets and Liabilities Committee related to the Treasury, and carries out profitable trading activities. The Treasury Department makes active use of risk measurement techniques in order to balance risks, and bases its activities on the principle of attaining sustainable profit, rather than short-term gain. Moreover, the Treasury Department carries out its activities in line with the targets set by the Assets and Liabilities Committee and implements the decisions made at the weekly Committee meetings.

The Treasury Department monitors the terms and costs of items on and off the Bank's balance sheet that will be exposed to risk, monitors economic developments in terms of risk and ensures that improvements are performed in line with the Bank's risk management strategy.

The Treasury Department consists of four sub-units: Treasury Marketing and Pricing, Money Markets, Fixed-Income Securities, and Derivative Transactions. The Department engages in money market transactions, foreign and local currency borrowings and placements, and ensures the effective management of the Bank's short-term funds by means of such instruments as FX swaps, repos and reverse repos. The Department carries out the pricing of all treasury and financial market products such as spot and forward exchange in international markets, all kinds of fixed-income securities, commodities, and derivative products. The Department is also in charge of profit-oriented trading activities within defined limits.

Treasury Sales

In addition to its primary function of establishing coordination between the branches and the Treasury Group, the Treasury Sales Department provides pricing services via branches to the Bank's customers, and directly to a limited number of corporate customers. The Treasury Sales Department's fundamental strategy consists increasing the volume of financial market instruments. By providing its clients products related to balance sheet management and offsetting possible financial risks, the Treasury Sales Department ensures the structuring of financial instruments. Moreover, the Treasury Sales Department assumes responsibility for identifying the sales strategies and targets of investment products. The Treasury Sales Department coordinates transactions that are performed by branches in new treasury instruments.

The Treasury Sales Department creates and markets products in line with client needs and thus bolsters the growth of product diversity, cross-sales, transaction number, and transaction volume as a result of coordinated efforts with branches and Head Office departments.

The Department visits potential clients in person in order to expand the client base and increase transaction volume. The Department has also taken an active role in managing institutional investor relations, and in the issuance of bonds and bank bills, which stood at TL 1.1 billion as of year-end 2014.

The Department has also taken an active role in the issuance of bonds and bank bills, which stood at TL 2.3 billion as of year-end 2014.

The Financial Institutions Department has a correspondent bank network that includes more than 1,600 banks from 126 countries.

Financial Institutions

According to Turkish Statistical Institute (TÜİK) data, Turkey's foreign trade volume in 2014 fell by 1% year-over-year. Meanwhile, DenizBank expanded its foreign trade transaction volume by 29% and increased the Bank's market share from 3.4% to 4.4% in the same period.

Spearheading DenizBank's relations with international financial institutions, the Financial Institutions Department has a vast product suite and a correspondent bank network that includes more than 1,600 banks from 126 countries. DenizBank has also maintained its position as one of Turkey's most prominent and active banks in Turkish foreign trade in 2014.

In response to this rise in transaction volume and in line with the sector's requirements, the operations of the Financial Institutions Department were restructured in November 2013 into three departments: Correspondent Relations, Foreign Trade Finance and Financial Institutions Credit Analysis.

The main responsibility of the Foreign Trade Finance Department is to carry out sales and marketing in order to increase the Bank's foreign trade volume and market share. The Department also offers consultancy and support services to customers, DenizBank sales teams and other related personnel about the changing foreign trade legal and regulatory environment and products available in Turkey and across the world. The Foreign Trade Finance Department also carries out efforts to ensure that the Bank captures a bigger share of Turkey's foreign trade with countries where Sberbank and its subsidiaries are based.

The main function of the Credit Analysis Department is to carry out credit analyses of correspondent banks whose risk will be assumed by the Bank in line with its requirements, initiate the credit allocation process and follow it up until its completion. The Credit Analysis Department works in coordination with the Credit Allocation Department.

In an effort to offer new financing alternatives and funding in the area of imports, DenizBank has increased its market share in letters of credit for imports from 10% to 11.3%, thanks to the Bank's customized solutions and vast correspondent network. Furthermore, DenizBank has become a solution partner of various companies in long-term financing by creating strategic partnerships with export loan institutions in the Americas, China, Malaysia, and Hungary, among others.

In 2014, DenizBank provided special support to clients keen to enter new export markets, while continuing to expand its correspondent bank network in such markets. As a large portion of Turkish exports continued to shift towards different countries and markets beyond the European Union, the Financial Institutions Department remained the strongest supporter of exporters in these markets and implemented game-changing projects through its solution-oriented customer relations.

DenizBank solutions offered to export companies include export pre-financing loans secured from foreign lenders, confirmation and discount of export letters of credit, and the opportunity to trade in 146 different currencies for customers operating in different regions of the world. DenizBank has always met the external guarantee requirement of construction companies active across the Middle East, North Africa, Russia and the CIS region. The Bank provided clients in Central and Western Africa the support and know-how they need, and once again proved that it stands by its clients under any conditions.

Structured Finance

The main activities of the Structured Finance Department consist of maintaining relationships with foreign banks and other financial institutions to meet the medium- and long-term borrowing needs of DenizBank Financial Services Group, managing the financing process, monitoring and structuring transactions, as well as establishing coordination with the Bank's other business lines.

As one of the most active players in the securitization market, DenizBank obtained a new long-term facility in June 2014 in line with the Bank's securitization program based on money transfer flows. DenizBank was extended a USD 410 million syndicated loan, with EIB and EBRD as the international investors under the lead of HSBC Bank Plc, Standard Chartered Bank and Sberbank Europe AG and Wells Fargo Bank, N.A. Some USD 240 million of this long-term facility will be allocated to DenizBank's agriculture and public finance customers, two of the Bank's strategically important business areas.

On July 31, 2014, DenizBank executed a loan agreement with the European Fund For Southeast Europe S.A. SICAV-SIF (EFSE) amounting to EUR 25 million with a seven year term to be used for financing by SMEs.

DenizBank continued to provide loans for the agricultural sector, SMEs and the public sector secured from the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), International Finance Corporation (IFC), German Development Bank (DEG), Japanese Bank for International Cooperation (JBIC), French Agency for Development (AFD), Dutch Development Bank (FMO), Development Bank of Austria (OeEB), and Development Bank of Turkey (TKB), which intermediates for World Bank loans.

In 2015, DenizBank plans to continue cooperating with international investment and development banks to secure such loans, thereby maintaining its position as the market leader, and supporting the real economy with low-cost and long-term funds.

In line with its “boutique service approach”, the Private Banking Department devises personalized and competitive investments for each customer.

PRIVATE BANKING

DenizBank Private Banking named “The Best of Turkey” during its 10th anniversary year.

Adding value to the lives of customers with innovative services and applications in line with the mission of meeting their complete banking needs like a financial supermarket, the Private Banking Group once again demonstrated its success in 2014, during its 10th anniversary year. DenizBank Private Banking was named “Turkey’s Best - Private Banking” by Global Banking and Finance Review, one of the most prestigious, globally renowned publications of the financial world.

Offering multi-faceted, customized services and solutions, the Private Banking Group has the widest private banking network in Turkey with 24 Private Banking Centers, 10 in İstanbul and 14 in other locations in the country. These Centers operate in İstanbul, Ankara, İzmir, Antalya, Bursa, Adana, Kayseri, Samsun, Denizli, Bodrum, Diyarbakır, Eskişehir and Çorlu. Among these, the Private Banking Group opened the very first Private Banking Centers in Kayseri, Samsun, Denizli, Bodrum, Diyarbakır, Eskişehir and Çorlu, differentiating itself from the competition.

The Private Banking Group’s total assets increased 25% compared to year-end 2013, climbing to TL 20 billion as of end-of-year 2014. DenizBank’s track record of success, which gained momentum in 2012 when it became a part of the Sberbank family, was extended in 2013 when it acquired Citibank Turkey’s Consumer Banking Unit. Operating as a single financial services gateway in harmony and close collaboration with other business lines, the Private Banking Group offers customers all DenizBank Financial Services Group products and services with myriad advantages, benefits and privileges through its 130 portfolio directors. DenizBank signed a sponsorship agreement with Hillside Leisure Group under the Deniz Private brand in 2014. With this partnership, Private Banking clients were offered various exclusive privileges at Hillside Beach Club, Hillside City Club, Deniz Private Cinecity Movies and Sanda Spa.

As the prestigious, high-end credit card of DenizBank, Deniz Private provides a number of exclusive advantages in Turkey and overseas to private banking clients.

Deniz Private Card was designed as a top-tier card after due consideration of the expectations and needs of Private Banking customers. Since its launch in May 2012, Deniz Private Card has stood out in the sector due to its multiple advantages. The Private Banking Group’s event management related activities aim to provide experiences to clients that will make them feel special and privileged.

By prioritizing knowing its customers well and placing maximum customer satisfaction at the center of its operations, the Group has targeted customers who have specific areas of interest, such as art lovers, bibliophiles, and cinema enthusiasts. Special film screenings and workshops for the children of customers are among the events held in 2014 by the Group.

The Private Banking Group plans to increase its assets under management and enhance its service offering, and to provide personalized solutions with its specialized workforce to meet customers’ needs and expectations in 2015. The Group will also continue to stand by its clients with special activities, seminars, and other non-banking services.

Digital Generation Banking played an important role in DenizBank being named as the “Most Innovative Bank of the Year” in USA.

DIGITAL GENERATION BANKING

The Digital Generation Banking Group undertakes the following activities in such a way so as to create synergy and coordination with other business lines of DenizBank:

- › Internet and Mobile Banking Management,
- › Web, Social Media and New Generation Banking,
- › Digital Payment Systems, Cloud Banking Platforms and Customer Practices Management.

The Group’s core activities are as follows:

- › Delivering banking products and services via the current channels, increasing the sales capacity of these channels and monitoring and measuring the transactions undertaken,
- › Monitoring technological developments which concern the channels and adapting innovative projects and new products to the channels,
- › Developing new business model solutions based on digital media for all subsidiaries and business lines, analyzing user behavior to develop new applications, and helping the Bank gain new customers and enhance customer loyalty,
- › Expanding the number of individuals who benefit from products and services in digital media, as well as shifting products and services from more to less costly channels.

The Digital Generation Banking Group was established on March 1, 2012 in order to rapidly adapt to banking needs coming from the changing motivations and preferences of the new generation, which spends much of its time in the digital world.

The Digital Generation Banking Group is in charge of managing, disseminating and developing alternative distribution channels, as well as managing and implementing new digital media, social media channels and special projects in alternative channels.

In 2014, DenizBank received numerous awards from prestigious institutions. Digital Generation Banking received a Bronze Medal in the “Product Development” category at the Stevie Awards, one of the world’s leading business award competitions.

DenizBank made significant investments in Digital Banking and innovation, undersigning groundbreaking firsts in the sector. DenizBank’s efforts were recognized with the “Most Innovative Bank of the Year” award at the 2014 BAI Banking Innovation Awards, organized by the US-based Bank Administration Institute (BAI) and American Bankers Association (ABA), two of the most renowned institutions in bank management today. DenizBank was also the only financial services institution to represent Turkey in the finals with five innovation projects in three different categories.

Internet and Mobile Banking Management

AçıkDeniz Internet Banking

In addition to offering customers advanced functionality before and after login, AçıkDeniz Internet Banking features innovations in terms of marketing and cross-sales, and gives users the chance to monitor and apply for products via the new personal welcome page. Furthermore, it allows easy access to such mobile applications as MobilDeniz and fastPay, and features improvements in numerous investment channels from stocks to the Futures and Options Market (ViOP). As a result these many innovations, AçıkDeniz Internet Banking captured a 4.2% market share in 2014 while increasing the active user base by 58% as of year’s end.

In 2014, the Bank closely monitored all technological innovations so as to produce market appropriate and beneficial products in line with changing needs. DenizBank plans to continue along this line in the coming period.

Mobile Banking

In 2014, the Mobile Banking Management Department was presented with the Silver Stevie Award in the “Utilities and Services” category with its new generation mobile application MobilDeniz, which enhances customer satisfaction and the user experience.

DenizBank’s new generation mobile banking app MobilDeniz, launched on platforms such as iOS, Android, Windows Phone and iPad in 2013, became available for Android tablets in 2014. In May, MobilDeniz was enhanced with the single password feature TekŞifre and the alternative login option ÇizGir. TekŞifre allows clients to easily access MobilDeniz without an SMS confirmation code. In just six months, two-thirds of all active MobilDeniz clients started to use the ÇizGir feature. Mobile signature login, and demand and time deposit transactions were among the other features added.

As of end-2014, MobilDeniz captured a 3.87% market share while its user and active user bases increased 219%, and 129%, respectively.

During 2014, in order to allow users to conduct transactions without having to download applications, the Bank expended efforts to completely revamp its web site for mobile devices, including the menu structure and overall design. In 2015, the MobilDeniz app will be enhanced with Customer Services and Online Chat features; as a result, the MobilSite will relaunch with an enhanced customer experience.

Web, Social Media and New Generation Banking

www.denizbank.com

In 2014, the DenizBank website welcomed more than 2.7 million visitors monthly. Year-on-year, the volume of retail loans extended via the web rose 20%, and the online channel accounted for 4% of all DenizBank loans. Meanwhile, credit card applications via the web site grew 50% over the prior year.

Social Media

In 2014, DenizBank's social media accounts continued to operate with a special focus on brand building, reputation management, marketing and customer satisfaction.

The Twitter account @denizkredi accepts credit applications with various advantages, while the DenizBank Facebook page collects loan and credit card applications with special interest rates.

The account @DenizDinliyor ("Deniz is Listening") fields inquiries of social media users, gives a response within one hour, turns negative situations to positive experiences swiftly, and works to favorably enhance brand recognition.

DenizBank's LinkedIn page ranks among the top three of its kind in the banking sector.

In 2014, DenizBank loan applications via social media platforms rose 8% over the previous year. The number of likes of the DenizBank Facebook page exceeded 1 million as of year-end 2014, while the number of DenizBank Twitter followers passed the 55 thousand mark.

ATM Project Management

2014 also saw projects developed for the ATM channel in order to enhance user experience, boost non-interest revenues and increase the Bank's innovative brand recognition.

Customers became able to view the fees charged during foreign currency exchange transactions, which increased customer satisfaction while boosting the Bank's revenues.

Exchange rate differentiation at ATMs raised additional revenues, and customers were offered the option of conducting foreign exchange transactions through different channels. ATMs were enhanced with the motor vehicles tax (MTV) payment infrastructure, which enabled customers to make payment by credit card in transactions with or without using the card. Customers were also given the opportunity to make MTV payments at ATMs with a credit card, without having to wait in line.

Numerous infrastructure upgrades at ATMs made it easier to intervene in case of ATM related problems and accuracy was increased in ATM performance measurements. As a result, the workloads of the ATM Operations Department and at the branches were lessened.

It is now possible to remove SIM card blocks at ATMs, which not only allows customers to carry out transactions faster, but also alleviates the workload of the Call Center. Additionally, plans were made to use the same money safe in withdrawals and deposits at ATMs so as to boost profitability and efficiency. As a result of improvements to ATM screens, user experience and customer satisfaction were enhanced significantly.

Digital Payment Systems, Cloud Banking Platforms and Customer Practices Management

The Digital Payment Systems, set up in 2014 to develop payment systems projects, specializes in new generation payments systems, especially fastPay. During the year, important steps were taken to turn DenizBank's mobile wallet application fastPay -available to everyone regardless of their bank and operator choice- into a payment platform, in addition to its money transfer functions.

Designed to add comfort and speed to users' lives with its mobile payment feature, fastPay allows credit cards issued by any bank to be added to its mobile wallet, a first in the Turkish banking sector. Now, users can freely make payments via fastPay, with a credit card from the bank of their choice, at over 70 thousand physical locations and at contracted e-commerce web sites.

In line with the Bank's vision of becoming a brand which sets rather than follows trends, DenizBank enhanced the fastPay application with the Money Withdrawal by Voice Command feature, allowing customers to withdraw cash without having to touch a single button - a first in the world. Previously, fastPay had introduced the Money Transfer via Voice Command feature.

A pioneer in the use of Beacon and BLE (Bluetooth Low Energy) technologies, DenizBank utilizes marketing notifications to inform fastPay users of discounts and special offers, channeling them to various retailers and giving users the option of making hands-free payments. In yet another breakthrough, the Beacon devices installed at DenizBank branches invite customers to the branch via mobile phone notifications and issues them queue numbers, without the customer having to do anything more.

The Opportunity Management Infrastructure also launched in 2014 to make instant discounts and to facilitate differentiated marketing strategies.

In 2014, DenizBank loan applications via social media platforms rose 8% over the previous year.

DenizBank's online services were enhanced with the addition of Digital Deniz: "Don't worry, your money will come to you."

The Orange 24 application was developed for SME Banking customers, to help SME Card holders to swiftly obtain a loan via their mobile phones, round-the-clock. New efforts to enhance the customer experience in this app had a positive impact on the uptake of the product by users.

DenizBank's fastPay received the First Prize in the category of "Best Customer Experience" at the Efma - Accenture Distribution and Marketing Awards, one of the most important events of the global finance and banking industries, and organized by the world renowned consulting firm. At the Stevie Awards, fastPay was presented with two awards in different categories; it also captured the Market Mover prize at the PayBefore Awards. Furthermore, fastPay made it to the finals of the Financial World Innovation Awards, one of the world's leading competitions, in the categories "Most Innovative Technological Application" and "Best Payment Initiative."

At the 2014 BAI Banking Innovation Awards, granted by the US-based Bank Administration Institute (BAI) and American Bankers Association (ABA), fastPay was a finalist in the categories "Channel Innovation" and "Hands-free Payment Technology Product/Services," where 200 applications by 105 financial institutions competed.

DenizBank's original online services were enhanced with the addition of the cloud banking platform Digital Deniz. In line with its slogan "Don't worry, your money will come to you," Digital Deniz is positioned as a digital channel which brings retail banking products to customers via its web site, enabling them to open accounts and obtain loans without having to visit a branch. Thanks to the low operational costs, Digital Deniz offers general purpose loans and deposit products to clients with attractive rates and without added fees. Digital Deniz not only meets customer needs, but also aims to provide an unmatched branch-free banking experience. As soon as they fill out a short application form in the Digital Deniz channel, customers have the opportunity to receive a visit from experienced DenizBank sales team members to open accounts and secure general purpose loans as swiftly as possible. The application process is completed at the customer's address, and customers are offered various promotional campaigns and advantageous offers, thus adding value to the banking service and presenting customers a hassle-free banking experience. The Digital Deniz web site and mobile site are also designed to offer the best user experience in line with the habits of the new generation of customers, and are enhanced regularly.

In 2014, DenizBank signed various partnership agreements with world-renowned chain stores with vast networks across the country, as well as leading domestic e-commerce sites. As a result of these efforts, the volume of fastPay payments at contracted merchants climbed 60-fold, the total number of fastPay users increased two-fold due to various customer-specific campaigns, and the number of active users rose three-fold from the prior year.

The volume of funds transferred to fastPay accounts via EFT as well as the volume of card-free money withdrawals from ATMs via fastPay rose 50 times over the previous year. Meanwhile, the number of money transfers to GSM lines via fastPay increased four-fold over 2013 and the volume of money transfers via fastPay rose three-fold.

As a first in the Turkish banking sector, DenizBank established the Customer Practices Department in 2014. The Department regularly monitors the measurable value of the Group's products and services, provides substantive feedback to business owners about their quantitative performance and analyzes the ways of transferring products to clients and potential clients, in order to differentiate products and create a competitive edge.

Learning from the customer, while looking directly in the eye of the customer, is the Group's most important source of intelligence.

OPERATIONS GROUP

The Information Technology and Support Operations Group, the Branch and Central Operations Group, and Intertech report to the Chief Operating Officer (COO).

Information Technology and Support Operations Group

The Information Technology and Support Operations Group, undertakes the following activities in such a way so as to create synergy and coordination with other business lines of DenizBank:

- › Organization,
- › Service Quality,
- › Customer Relationship Management (CRM),
- › Digital and Card Payment Operations,
- › Credits Project Management,
- › Branch and Central Operations,
- › Intertech.

The core business activities of the Group include the following:

- › Supporting the operations of the Bank and its subsidiaries by improving process efficiency and managing organizational changes, both of which are achieved through development and implementation of process improvement methodologies,
- › Increasing service quality and standardizing services offered through all channels as well as enforcing and managing business development, process improvement, branch support and data quality,
- › Determining strategies to provide the products and services that suit client needs by segmenting clients in DenizBank's business lines, and updating and managing the analytical and operational CRM platform in line with these strategies,
- › Managing Digital, Merchant, POS and ATM operations and relevant business development functions,
- › Developing and implementing the methodology, process and other IT projects of credit, allocation and risk units and managing of similar integrations with Sberbank.

The Information Technology (IT) and Support Operations Group acts in the awareness that in today's increasingly competitive world, the quality of the customer experience is key to making a real difference, in addition to the actual products or services on offer. Learning from the customer, while looking directly in the eye of the customer, is the Group's most important source of intelligence. Accordingly, DenizBank IT and Support Operations Group focuses on operational excellence.

Aware of the fact that the unique path to brand loyalty passes through high-quality services reflecting the client's daily life, we firmly believe in the importance of the following dimensions in process design:

- › Simplicity,
- › Consistency,
- › Multi-channel services,
- › Empathy, and
- › Automation.

The Bank constantly improves its processes with advanced Business Process Management (BPM) techniques and tools based on feedback from clients, client surveys, operational assessments and benchmarking results.

In 2014, the number of SLAs on the Deniz SLA platform rose to 3,845.

Organization

The Department focuses on establishing the best organizational structure and ensuring the implementation of business processes in standardized and efficient ways, to help DenizBank provide top quality services to clients. By checking the Process Performance Trends reports, each unit can clearly see which step of which process requires how much time, and can thus compare service durations with regional and overall averages. And with the help of dashboards that track productivity, managers can access the productivity trends of operations, sales and control functions.

In 2014, service level agreements continued and the number of SLAs on the Deniz SLA platform rose to 3,845.

In order to monitor process performance in a healthy fashion, statistical methods were used to enhance reporting quality.

In 2014, DenizBank received the following awards in the area of Business Process Management (BPM):

- › LACP, “Best Organizational Communications,”
- › Stevie Awards, “Most Innovative Company of the Year,”
- › Best Business Awards, “Best Customer Focus,”
- › European Business Awards, “The Award for Customer Focus,”
- › BIZZ AWARDS, “The World’s Most Important Business Excellence Award.”

The Authorization Management team started managing all definitions of authorizations related to computer programs used at the Bank and its subsidiaries, cancellations and changes in authorizations. Authorization standards were set and authorization groups were created for all programs managed by the team.

In order to improve the quality of relations between DenizBank and its customers and to minimize risk, the management and follow-up of client agreements and documentation is coordinated from a single center in the Organization Department.

In order to offer clients services at the same quality and standard levels, the DenizBank Product Tree platform launched on the Portal. The Product Tree allows access to all required information from a single point. Similarly, department and task definitions were rendered accessible via DenizPortal’s organizational charts and the “Our Modus Operandi” platform was created on the Portal.

As part of DenizBank’s enterprise resource planning efforts, work continued on the calculation of staffing patterns for Branch Operations, Portfolio Management and Central Operations Departments. Both staffing pattern calculations and process measurements for activity-based costing were completed. Capacity modeling was carried out for the Central Operations Departments and the input was generated for the PUPA premium model. In keeping with the Bank’s strategic targets, alternative work patterns and service delivery models are developed to boost efficiency and shared with the relevant departments for implementation.

In line with the vision of operational excellence, the performance of operations employees is measured according to productivity, customer data and satisfaction, risk management and the promotion of alternative distribution channels.

Service Quality

To uphold DenizBank’s strategic targets, the Service Quality Department focuses on improving processes and developing competitive, efficient and productive business methods to make progress toward operational excellence. Accordingly, its main targets are as follows:

- › Achieve simplicity and productivity in processes,
- › Maximize automation,
- › Convert all service points (in branches or non-branch channels) into sales-focused platforms without operations,
- › Ensure standardization, and
- › Maximize internal and external customer satisfaction.

As part of development and improvement efforts, process analysis modeling is applied and the Lean Sigma methodology is employed.

As the projects are put into practice, the departments strive to ensure that processes are defined and interconnected and that responsibilities and roles are clearly identified. In parallel with the continuous follow-up and improvement efforts, experiences yielded by each project are reflected upon in other projects and processes with a view to establishing a learning organization.

On the performance management side, performance modeling efforts are carried out as regards operational employees, based on key measurable criteria such as efficiency, client data and satisfaction, risk management and encouraging the use of alternative distribution channels.

Standardization work is carried out to ensure that developments and improvement across the entire organization work in a harmonious fashion. The aim here is to standardize business methods throughout the entire Bank.

To boost branch productivity with a customer-focused perspective and to minimize and control risk, the improvement needs of branches are identified, turned into projects and resolved; legal projects concerning the branches are implemented within the legal deadlines.

In order to implement the projects, training, notification and coordination related activities are carried out. The purpose of these activities is to spread and reinforce the innovations that will make DenizBank more competitive and customer-oriented. To this end, the necessary methodology for extending and systematically implementing these training programs is outlined.

By way of branch visits, new practices are communicated to the field personnel and thus reinforced. In these visits, inquiries, opinions and demands from the branches are collected and processed.

In order to offer customers the most efficient services, all questions and problems coming from branches on applications, procedures and business methods - excepting certain technical issues- are resolved within a maximum of two hours. The Department communicates with concerned departments to settle all malfunctioning business practices.

CRM - Customer Relationship Management

In today's world, where competitors provide similar products and services, companies can create the highest added value possible solely by offering the best experience and delivering superior products or services.

For this reason, focusing on customers' experiences and improving these experiences became as important as the functions and benefits of services which became almost a standardized commodity.

Data and customer communication management related activities were geared up in line with the goal of delivering DenizBank's personalized financial services at the right time, through the right channel, at high quality and as quickly as possible. The customer communication and marketing applications developed in 2014 have allowed the Bank to offer personalized and proactive solutions based on customer preferences, at every point of contact. Resource management strategies that maximize efficiency have laid the groundwork for various departments to operate at top productivity levels.

The welcome programs and long-term customer communication programs, which serve to deepen the relationship on the basis of the customer's life cycle, were automated thus bringing resource efficiency to the highest maximum level.

In line with the strategy of offering accessible services that make the lives of customers easier, DenizBank customers were instantly delivered e-mail and SMS messages related to over 70 banking actions such as money deposits and withdrawals, investment accounts, credit card transactions and cheque transactions, in accordance with individual customer preferences.

Using online CRM applications, the Bank continued to make instant, personalized offers to customers by identifying their needs during various banking transactions. The integration of the application with trend models has allowed the Bank to present on-the-spot proposals based on analytical data at points of contact.

This CRM-based innovation in customer experience and resource management was internationally recognized at the Stevie Awards 2014 with a Bronze Stevie.

In order to comprehend and improve the DenizBank experience of clients in different segments, a six-monthly customer satisfaction survey was initiated during the year. Based on the customer opinions and thoughts revealed by the survey, the Bank identified areas of improvement and implemented experience-enhancing measures.

Customer complaints and suggestions remained a key focal point in 2014. In order to meet customer demands at the very first moment and channel of contact, DenizBank analyzes all customer experiences in detail and introduces new processes wherever the need arises.

The Bank's online CRM application received a Bronze Stevie at the Stevie Awards.

DenizBank has almost doubled its number of POS devices, with 193 thousand deployed.

The central service management model, which helps provide top-notch services in line with customer expectations at the same standard in all the distribution channels, enables customers to enjoy the same high quality experience at every point of contact with the Bank.

DenizBank initiated the following optimization projects in 2014 to enhance customer experience while cutting operational costs:

- › By blending location identification data and analytical data, a model was set up to determine the best location for ATMs in regions with high customer and transaction intensity. The application will maximize customer service quality.
- › The collection optimization application, meanwhile, helps the Bank communicate with customers at the right time, through the right channel, minimizing the number of delays and retaining customers with loan restructuring.

The collection optimization studies led to creation of the inter-Collect application, which was highly commended in the international arena and presented with a First Prize at the BAI awards and a Gold Stevie at the Stevie Awards, surpassing strong rivals.

Emphasis was placed on innovative channels created in line with the channel habits of new generations of Bank customers. The latest technologies were deployed to communicate with and serve customers in social networks. To enhance the experience in these channels, customer interactions with the Bank were analyzed and the information collected was used to further improve customer experience at DenizBank.

The Bank's exemplary social media management performance was recognized with a Bronze Stevie at the Stevie Awards, and the social media management application became the first of its kind to advance to the finals at BAI Finacle, the top competition in the field.

Digital and Card Payment R&D/Operations

Card payment systems, very well-developed in Turkey, certainly affect clients' choice of bank with the ease of use and the comfort they bring to their lives. As such, card payments form a critical service that creates a competitive difference. Cognizant of the fact that card payment systems are a key component of its competitive edge, DenizBank aims to be the best service provider in the sector in terms of all card payment services provided to customers.

In order to provide clients the best satisfactory experience while striving to achieve operational excellence, DenizBank has become the bank that delivers credit and debit cards in the fastest and most accurate manner in the sector.

DenizBank is the Turkish bank with the highest level of completeness and accuracy in terms of customer address structure. Cards are sent to customers with a 90% successful delivery rate, reflecting the Bank's operational accuracy.

The Bank maintains a close watch on technological advances, and offers clients innovative products (NFC, prepaid) which break new ground in the domestic sector and worldwide. By adding anonymous prepaid and preauthorized prepaid cards to its existing credit/debit cards portfolio, DenizBank has succeeded in providing banking services to an even larger customer base. DenizBank's card services reach out to a vast population in Turkey by means of cards specially designed for transportation use, sports events and campus projects. Payment automation systems set up at Marmara, Uludağ, TED and Ankara universities offer students and academics secure payment and safe access at these locations. Likewise, prosecutors, attorneys and judges working in the Istanbul and Anadolu courthouses were offered indoor card payment options.

DenizBank has almost doubled its number of POS devices, with 193 thousand deployed over the past two years; according to statistics of the Interbank Card Center, of Turkey the Bank ranked fifth in the sector. DenizBank offers the fastest online/offline provision by switching to ISO 8583 new messaging software. And thanks to POS services enabling customers to receive 24/7 support, DenizBank has achieved the service quality level required to become their preferred bank.

The Bank participated in the design and manufacture of New Generation Payment Registration Devices (ÖKC) demanded by the Ministry of Finance. It became the first bank in the world to launch these devices at contracted merchants. The Bank now enjoys an 8.1% market share in this segment.

Projects devised for the current POS models were also integrated with payment recording device terminals. In 2014, the Producer Card Project was integrated with Vera Payment Recording Devices. Payment recording devices were also enhanced to integrate with the multi-bank operation system. This process is expected to have a positive impact on customer satisfaction.

The ATM Cash Flow Management application was enhanced to minimize the funding cost of money transfers to ATMs, and render their operation more efficient.

At the Bank's ATMs, supply and breakdown monitoring was automated. Individuals and institutions in charge of ATMs are now notified via online and mobile platforms and steps are taken to reach the expected customer service level.

The Recycle support, which allows the money deposited in ATMs to be used in withdrawals, has allowed ATMs to run for longer periods without being supplied and costs were cut as a result.

DenizBank initiated foreign currency exchange transaction functionality on its ATMs, transforming the Bank's ATMs into veritable exchange bureaus.

Over the past two years, the number of DenizBank ATMs has increased more than 1.3 times to 3,989. To alleviate the workload of branch tellers, advanced Express Gişe Kiosks were devised for money deposit and withdrawal purposes. Close to 321 of these kiosks were later launched across retail chains as an alternative distribution channel. ATMs have become a channel that not only provides services, but also sells products. Fed entirely by the CRM infrastructure, this channel offers clients the unique products and services for which they have an inherent preference.

The Chargeback project and the Visa-MC foreign barter accounting automation project have minimized the operations-related loss of time and labor and operational failure risk, and reports have started to be stored in a digital format.

Actions in response to payment system fraud, increasingly widespread across the world, were analyzed, with proactive and reactive measures adopted according to customer lifestyles. As a result, DenizBank clients, who carry out transactions in all channels via the Bank's systems, were provided with the most secure payments services in Turkey.

In the area of Customer Information and Security, the Bank took measures against financial losses of customers in line with recent trends and total loss was lowered despite a rise in the number of attacks.

Credits Project Management

The Credits Project Management Department's teams draft projects to ensure that DenizBank remains more competitive, customer-focused, and productive vis-a-vis rivals, in line with the strategic goals of the Group.

The Project Management team provides support to the strategic and tactical projects of the Credit, Allocation and Risk departments of DenizBank. Projects concern the implementation of new methodologies, the development of corresponding processes, and creation of relevant IT solutions.

Branch and Central Operations Group

The Branch and Central Operations Group undertakes the following activities in such a way as to create synergy and coordination with the other business lines of DenizBank:

- › Central Operations,
- › Branch Operations and Foreign Trade Center Operations,
- › Fund Management, Payment Systems and Private Banking Operations,
- › Investment Banking and Custody Services Operations.

The Branch and Central Operations Group ensures that the banking products previously or currently purchased by DenizBank customers and their after-sales aspects are in accordance with national, international and in-house regulations.

The objective is to reach operational excellence and provide the best operational service in the sector by focusing on risk-averse, efficient and customer-focused approach.

During 2014, the training programs “MİÇÖ” and “Önyüzler” were administered to the entire field staff.

The core functions of the Branch and Central Operations Group include:

- › Responding to inquiries, investigations and garnishee orders from official institutions, submitting data and documents to the banking system,
- › Carrying out domestic and overseas wire transfers, foreign trade transactions, domestic and overseas letter of guarantees,
- › Archiving physical documents,
- › Coordinating branch operations, establishing and updating of operational procedures,
- › Bookkeeping for checks and promissory notes, as well as related clearing and follow-up transactions,
- › Performing data entry and follow-up of loan products,
- › Bookkeeping and follow-up of investment and custody services,
- › Conducting fund management, payment systems and private banking operations, including collateral and documentation,
- › Performing all securities operations, bookkeeping, settlement and cash related functions.

The Branch and Central Operations Group is in charge of the following activities:

- › Establishing efficient monitoring mechanisms at departments and branches reporting to the Branch and Central Operations Group, monitoring and enhancing operational processes, and thus minimizing operational risk and boosting productivity,
- › Carrying out the activities of the Group headquarters, ensuring that any relevant systemic changes are undertaken in due time, formulating proposals in areas that require systemic changes, establishing scope and carrying out user tests during the system development phase,
- › Identifying the training needs of Branch and Central Operations staff, working in coordination with the Training Department and Deniz Academy to organize training seminars, establishing guidelines, procedures and work flows and training branch personnel.

Branch Operations and Foreign Trade Center Operations

Branch Operations and Foreign Trade Center Operations staff works to offer clients the best operational service at the highest level of efficiency.

Managers of the Regional Operations and New Applications departments play a key role in implementing new applications across the field, as well as informing and training field staffers. During 2014, the training programs “MİÇÖ” and “Önyüzler” were administered to the entire field staff.

- › Bank tellers not only service clients, but also play an increasing role in sales; a result of which the number of products available to be sold via tellers increased to 14 in 2014.
- › Corporate branch clients were given priority in all Central Operations units. In corporate banking branches, the Corporate Coordination Department was set up to increase the time dedicated by the sales staff to customers and sales efforts, and all corporate branches were centralized under the umbrella of the new department.
- › Systematic improvements were carried out to increase automation and create a paper-free environment, in line with the strategy of increasing operational efficiency.
- › Incoming remittance automation was provided (STP 77.5%).
- › Import, free transfers and invisible transfers were provided by unique and integer monitor.
- › New export module was put into use.

In accordance with the strategies of the Operations Group, the Branch Operation underwent an organizational restructuring and new job titles were created in teller staffing. The teller staff position was eliminated from commercial branches.

- › To ensure the advancement of operational staff and increase their numbers, certification programs were set up in parallel with the new title structure; promotion criteria and career maps were also completed through joint efforts with relevant departments and shared with personnel.
- › To support specialization in Foreign Trade and enrollment in certification programs, the total number of employees to obtain CDCS on the international ICC test taken after intra-departmental training programs was brought up to 18.
- › To increase the personal awareness of Central Operations staff and to create highly motivated and productive teams composed of articulate individuals who listen to each other attentively, all Central Operations departments underwent specially designed training programs.
- › To detect operational risks more effectively, all branch operations personnel received risk training from Regional Operations and New Applications department managers.
- › To bolster the Bank’s spirit of dynamic mobilization, the operation staff gave full support to the sales staff during the Producer Card promotional campaign.
- › To abide by the Bank’s paper-free office strategy, procedures were scrutinized, paper printing processes were revised and resources started to be used more efficiently.

Central Operations

With a special focus on operational productivity, the following actions were taken in 2014:

- › Work continued on the automation of collection payments.
- › Restructuring of discount loans, which started with Discount Loan Flow and later extended to Collection/ Collateral and Cheque Flow, has helped lower the Bank's risk, increase user-friendliness, avoid transaction errors and gain time.
- › Systematic controls on SME Loan Allocation processes were enhanced and branches became capable of allocating loans.
- › In March 2014, the Avcılar Archive Building and Scanning Centers opened in the Bank's seven regions. This structuring allows the Bank to carry out multiple documents scanning in a much faster and more efficient manner, while cutting scanning and archive costs by around 50%.
- › All operational transactions such as reconciliation and approval of branches in the "Green Drop" category, which mainly focus on the agricultural segment, were carried out by Central Operations.
- › Letters demanding certificates of acquaintance and special guarantee letters started being issued by Central Operations loan teams.
- › Management of customer transaction orders, checks of authorization and signature, and customer confirmation actions started to be carried out by Central Operations in order to increase operational efficiency and lower costs in branches.
- › The Disaster Recovery Center's scope of activity was expanded with the addition of the management and audit of the national lottery company Milli Piyango İdaresi.
- › In order to deliver banking services via non-branch channels, the Central Operations team started offering loans at MediaMarkt stores. The data entry and checks of loan applications collected at the stores are processed by Central Data Entry from 9:00 am to 10:00 pm seven days a week, including national holidays.
- › The Risk Center, established to centralize DenizBank reporting, correspondence and coordination with legal authorities, continued to operate in 2014.
- › The checks for authorized signatures list, authorization, letters of dismissal and letters of proxy carried out in customer transactions are managed in the digital environment.
- › Cash Management, institutional collections and all kinds of reconciliation were automated.

In 2014, Central Operations initiated the Pool Project to increase productivity and service quality, and to render cost management more effective. The structure which used to function in separate departments started transformation into an organization which operates as a single team.

Career maps were drawn up and issued for Central Operations employees.

In 2014, operational efficiency, service level agreements, transaction numbers, returns and cancellations, teller productivity, data quality and centralization rates continued to be measured for branches, regions and DenizBank in general and shared over the Operational Control Panels.

Fund Management, Payment Systems and Private Banking Operations

Fund Management, Payment Systems and Private Banking Operations implemented the following improvements in 2014 to carry out operational transactions more efficiently and flawlessly:

- › Interbank transactions received from electronic platforms were rendered end-to-end STP, in line with the predetermined criteria.
- › The Fund Management Middle Office Module was completed. A parametric structure was created and the approvals required were defined on the system according to various criteria such as product type, currency, amount and transaction platform.
- › The systems infrastructure was created to realize central group demand/transfer transactions online via the reconciliation system with Bantaş.
- › International holidays were defined in the Bank's system, which started to take these dates into consideration in various transactions.
- › Integration was established with the Central Bank of Turkey and the reconciliation of the Bank's accounts at the Central Bank were transferred to the Bank's system.
- › A systems interface was created to transfer to the system the new products received from Fund Management.
- › A simulation screen was set up for Bank limits.

Career maps were drawn up and issued for Central Operations employees.

The custody program is continuously updated in line with customer demands and needs.

Investment Banking and Custody Services Operations

Investment Banking

To maintain DenizBank's competitive edge in securities operations, in addition to the standard services offered in the market, DenizBank's exclusive securities projects are developed and automated in the securities system. The Investment Banking Operation Department carries out the following transactions:

- › Trading in liquid and short term investment funds via branches and alternative distribution channels, 24/7,
- › Automatic trading for the "Captain Account" application of the Liquid Fund,
- › Automatic terminating of Liquid Funds during cash withdrawal from ATMs,
- › Carrying out "transfer between funds" in all funds with due date except the Liquid Fund,
- › Performing automatic fund sales in line with the criteria of the "DepositFund" project,
- › Conducting public offering of Umbrella Funds, termination of these funds according to certain criteria, and repayment on maturity date,
- › Issuing DenizBank Asset-Backed Securities, related Central Registry Agency transactions and customer transactions,
- › Issuing DenizBank Bank Bonds, related Central Registry Agency transactions, distribution, trade, repayment of principal and coupons.

Since the beginning of 2013, DenizBank has enjoyed market-maker status in the government debt securities (DİBS) market. The Bank's transactions on the Stock Exchange and the OTC market have expanded in terms of number and volume. Due to this market-maker status, the Bank also participates in Open Market Transactions (API) tenders and direct trading tenders. An automatic tender notification infrastructure has been established to communicate with the Central Bank of Turkey regarding weekly DİBS tenders.

The Investment Funds Project was completed in 2014 and the Inter-Securities Module was implemented in all branches, channels, the Head Office and DenizPortfolio simultaneously.

Custody Services

DenizBank's Custody Services Department provides custody services to portfolio management companies and individual customers in line with Capital Markets Board communiqués. The main products that fall within the scope of custody services include:

- › Stocks,
- › Government debt securities (DİBS),
- › Eurobonds,
- › Investment Fund Participation Certificates,
- › Domestic and foreign currency deposits,
- › Foreign currency exchange transactions,
- › OTC derivative transactions,
- › Futures and Options Market (VİOP).

The custody program is continuously updated in line with customer demands and needs. Enhancements relate to new products as well as automation processes. Portfolio management companies and their customers are sent bank statements in the frequency they choose. Bank customers can also monitor their assets online via the Internet Branch.

The Local Custody project initiated at end 2013, which concerns the custody of transactions in Turkey by foreign banks and brokerage firms, was completed.

A Corporate Custody Department was set up for the custody of investment funds and mutual funds (collective investment companies) in 2014.

DenizBank AG is the third biggest bank in Austria in terms of direct banking client portfolio.

FOREIGN SUBSIDIARIES

DenizBank AG (Austria) - JSC DenizBank Moscow (Russian Federation) - EuroDeniz International Banking Unit Ltd. (TRNC)

DenizBank AG (Austria)

Established in 1996 by the former Esbank in Vienna, Esbank AG was acquired by DenizBank A.Ş. in 2002, and renamed DenizBank AG in 2003.

DenizBank AG operates with an extensive range of deposit and loan products in Retail and Commercial Banking, and serves corporate, commercial, SME and retail clients by focusing on products such as investment loans and project and foreign trade finance based on market needs and identified opportunities. Headquartered in Austria, DenizBank AG has a network of 42 branches; 26 in Austria, and 16 branches in Germany as of year-end 2014. DenizBank AG closely follows global development trends, and is the third biggest bank in Austria in terms of direct banking client portfolio.

DenizBank AG also provides retail banking services to many Turkish citizens living abroad. Synergy between DenizBank AG and DenizBank is attained by pooling resources such as the extensive branch network, the increasing number of money transfer points, and easy access to services. These resources bring about a positive customer experience that reflects well on both companies, and thereby expands their respective customer bases.

As of year-end 2014, the total assets of the bank amounted to EUR 8.3 billion, and with total shareholders' equity of EUR 782 million.

In the coming period, DenizBank plans to expand its branch network and the scope of its Internet banking services in the Euro Zone.

JSC DenizBank Moscow (Russian Federation)

DenizBank acquired Iktisat Bank Moscow in 2003 and changed name to "CJSC DenizBank Moscow". This company name was changed to "JSC DenizBank Moscow" on December 3, 2014. The bank offers a full array of banking services to corporate and commercial customers from its head office in Moscow.

The opportunities for economic partnership between Turkey and Russia generate new investments, primarily in foreign trade and tourism; as such, the number of Turkish entrepreneurs investing in Russia is on the rise. By establishing close relationships with these entrepreneurs, JSC DenizBank can identify the needs of these businesses accurately and bring all financial services offered by DFSG to its clients, while responding quickly to requests by way of DenizBank's financial power.

DenizBank clients perform their foreign trade transactions in Russian rubles with the support of the subsidiary. Moreover, clients can perform many other banking transactions like money transfers, account openings, external guarantees, foreign exchange transactions, Russian ruble purchasing, as well as forwards and arbitrage.

As of year-end 2014, the total assets and shareholders' equity of the bank amounted to USD 342 million and USD 43 million, respectively.

EuroDeniz International Banking Unit Ltd. (TRNC)

Acquired by DenizBank from the Savings Deposit Insurance Fund of Turkey in 2002, the bank was renamed EuroDeniz International Banking Unit (IBU) Limited in February 2009. The bank is an off-shore company licensed to undertake all commercial banking operations, and offers various deposit and loan products to the corporate and commercial customer segments.

Headquartered in Nicosia in the Turkish Republic of Northern Cyprus, the bank serves DFSG subsidiaries and customers using DenizBank's correspondent bank network in all markets in which the Group operates. As of year-end 2014, the bank's total assets stood at USD 385 million and its shareholders' equity amounted to USD 6.5 million.

INFORMATION TECHNOLOGY (IT) SERVICES

Intertech provides cutting edge IT solutions-recognized by multiple international awards- for DenizBank to achieve its targets of operational excellence and unique client experience.

INTERTECH

Established to provide much needed IT services to the financial sector, Intertech continues to report to the DenizBank COO, under the umbrella of the DenizBank Financial Services Group (DFSG), by designing innovative and efficient solutions for 22 institutions in seven countries, in particular the finance sector, its field of expertise, with superior service quality.

Intertech provides cutting edge IT solutions-recognized by multiple international awards- for DenizBank to achieve its targets of operational excellence and unique client experience. Presented with numerous awards since its inception, Intertech advanced to the finals of the Bank Administration Institute (BAI) competition, the Oscars of the global finance world, in five categories. Intertech received the top prize in the "Innovation in Internal Process Improvement" category for inter-Collect, the first application in the world to use optimization algorithms in the collection of overdue debt. Covering both early and late collections, inter-Collect offers excellent flexibility and functionality due to its speed and optimization features. At the 15th edition of the Banking Technology Awards 2014, held by "Banking Technology" magazine, Intertech's inter-Dashboard product was named "Best Use of IT in Retail Banking."

In 2014, in recognition of the innovative products and solutions it offers to the banking sector, Intertech was presented with three gold and six bronze Stevies at the International Business Awards by Stevie Awards, one of the world's premier business competitions, where participants from 60 countries, including Turkish banks, compete. Of the awarded applications, inter-Collect and inter-Dashboard each received a Gold Stevie, while fastPay received the Bronze. These contributions of Intertech to the finance world have turned into veritable brands themselves, generating buzz across the sector.

1. *International Business Awards 2014 - Gold Stevie:* inter-Collect
2. *International Business Awards 2014 - Gold Stevie:* inter-Dashboard
3. *Customer Service Team of the Year - Gold Stevie:* DNA of Excellent Customer Experience
4. *Best New Product or Service of the Year - Bronze:* CRM Revolution
5. *Best New Product or Service of the Year - Bronze:* Social Customer Care
6. *Most Innovative Company of the Year in Europe - Bronze:* Business Process Management Excellence (inter-Rota+)
7. *Best New Product or Service of the Year - Bronze:* fastPay (Mobile Wallet Application)
8. *Best New Product or Service of the Year - Software - Electronic Commerce Solution - Bronze:* fastPay (Mobile Wallet Application)
9. *Product Development/Management Department or Team of the Year - Bronze:* fastPay (Mobile Wallet Application)

Intertech identifies the most advanced technology in terms of service-oriented architecture and provides user-friendly solutions. Intertech developed the DFSG IT strategy in parallel with its own business strategies, in areas where DenizBank interacts directly with its clients. The IT sector showed great interest in the MS SQL Server 2014 launch held on April 16, 2014 at Swissotel Istanbul where Intertech was the main sponsor. Intertech showcased its inter-Vision integrated finance platform and the innovations brought by the MS SQL Server 2014 at the event.

The next generation banking platform, inter-Vision Integrated Banking Platform, was developed in line with DFSG's IT strategy. It is a web-based banking application built entirely on Service Oriented Architecture to assure scalable solutions through the quick application and unique combination of the best IT infrastructure in its field. The inter-Vision Integrated Banking Platform links DenizBank's corporate marketing strategy with banking processes in a manner that places Client Process Management at the center, thus allowing DenizBank to execute its activities in line with client needs and expectations. Information retrieved from consolidated and central data feeds marketing applications to provide dynamic access to decision support models and turns its operational employees into a fully equipped sales force.

DenizBank has achieved the following results via the inter-Vision Integrated Banking Platform:

- › *Customer Relationship Management for a Customer-Oriented Perspective:* Customers are offered high-quality products and services aligned with their preferences and financials.
- › *Business Process Management for Operational Productivity:* The platform was provided to design, automate, implement and optimize customer-oriented business processes, achieve low training costs and inject agility across all levels of the organization.
- › *Financial Solutions for Agility:* Intertech's fields of expertise are not limited to basic banking operations, but also include financial topics that appeal to all institutions. As such, the relevant companies in DFSG not only utilize Intertech's solutions in basic banking, but also in factoring and leasing.

- › *Business Intelligence Solutions for Efficient Decision Support:* This platform has strengthened the management of financial data storage and created an integrated decision support structure.
- › *Alternative Distribution Channels Management for Banking, Anytime and Anywhere:* The platform has provided uninterrupted 24/7 financial services through all distribution channels and has developed IT solutions and infrastructure in line with business growth.
- › In addition, Intertech develops innovative and mobile applications such as fastPay, Sıramatik, My DenizBank, MobilDeniz, Direct Sales Tablet Apps and Facebook and Twitter Banking, which users can check their accounts, assets and credit card receipts with ease, make money transfers to any recipient anytime on social media platforms. These applications work on platforms such as Windows 8 RT, Windows 8 Pro and Windows Phone 8 and are a first of their kind in Turkey and in the international arena.

Intertech designs a continuous, robust and flexible IT development infrastructure for DFSG. The company has also established the Disaster Recovery Center in Ankara, outside operational areas, with a view to providing continuous services in cases of emergencies and disasters. Twice a year, Intertech controls the operations expected to be delivered by the Disaster Recovery Center to ensure the continuation of banking services.

As the expansion of online services across the world brings about a parallel increase in IT security threats, Intertech has expanded its IT security team. As such, Intertech provides the following security measures:

- › Development of security policies and procedures,
- › Training of code security and techniques for secure code development,
- › Training of security awareness,
- › Audit for IT security,
- › Application security audits,
- › Network weakness analyses and penetration tests,
- › Installation of public key infrastructures,
- › Encryption and electronic signature applications,
- › IT security risk analyses.

Intertech implements processes based on the global ITIL and COBIT standards to continuously improve and sustain the quality of IT services provided to DFSG, and to keep its services in line with defined Service Level Agreements (SLAs).

With the belief that service quality can be guaranteed only with a quality life cycle, Intertech continuously improves and sustains its service quality by including the quality life cycle into all process within its projects, developed through the total quality management-approach.

In its DenizBank/Intertech IT infrastructure (storing units, servers and network equipment, cooling systems), DenizBank prefers green hardware which uses energy effectively. In the evaluation of the bid offers costs and sensitivity for the environment are important criteria. When calculating the total cost of ownership, energy costs are also included in the calculation.

Energy consumption figures of DenizBank's systems are monitored and IT infrastructure was virtualized by 70%. Green cooling systems and high efficiency UPS systems are utilized. In order to control the Data Center's energy consumption, air-conditioning is made at the optimum temperature the systems can tolerate. The right space for energy optimization is where there are too many devices. For this purpose, all PCs and monitors are managed remotely by Microsoft SCCM and when they are not in use, standby mode is activated and thus energy savings are achieved.

As the expansion of online services across the world brings about a parallel increase in IT security threats, Intertech has expanded its IT security team.

INVESTMENT BANKING AND BROKERAGE SERVICES

Since its establishment, DenizInvest Securities has assumed a leading role in capital markets and works towards becoming the sector leader in terms of financial yield and service quality.

DENİZINVEST
EKSPRESSECURITIES
DENİZPORTFOLIO MANAGEMENT
DENİZ REAL ESTATE INVESTMENT TRUST

DenizInvest

Boasting all operation certifications in capital markets since 1998, DenizBank Financial Services Group provides financial supermarket services. The Group's know-how in brokerage services and corporate finance are offered to retail and institutional investors.

In 2014, DenizInvest ranked fourth among all brokerage houses in the stock market with TL 81 billion in transaction volume and a 4.6% market share, and sixth in the Futures and Options Market (VİOP) with TL 35 billion in transaction volume and a 4.1% market share. Thanks to high quality service delivery and sound customer relationship management, the company's customer base exceeded 170 thousand during the year. DenizInvest retained its title of "The Most Extensive Brokerage Firm" in Turkey, providing services through its 101 agencies located across the country.

Firsts and Achievements

- › In 2007, DenizInvest undersigned a groundbreaking achievement by offering institutional investors direct electronic access to the Istanbul Stock Exchange and the company continued to expand in this area.
- › DenizInvest was the first institution in Turkey to offer brokerage services for international derivatives exchanges in accordance with its authorization certification received from the Capital Markets Board.
- › Since 2007, brokerage services have been offered for Turkish firms active in the metals industry that want to hedge their risk on the London Metals Exchange.
- › As part of the Investor Protection and Rewards Program, designed and implemented for the first time in Turkey, the incentive mechanisms Repurchase Guarantee and Bonus Shares were offered to the public. In 2012, the Daily Purchasing Order Guarantee and Financial Performance Guarantee mechanisms followed, and were designed to support IPO markets.
- › In IPOs carried out in Turkey since 2004, DenizInvest has collected one-sixth of the total IPO demand and has served one-sixth of all investors.
- › In the period 2000-2014, the company underwrote key IPOs such as Zorlu Enerji, Fenerbahçe Sportif, Trabzonspor Sportif, DenizBank, Bank Asya, Vestel Beyaz Eşya, Türk Telekom, Anel Elektrik, Katmerciler, Kiler REIT, Bilici Yatırım, Özak REIT, Polisan Holding, Tümosan and Panora REIT, serving as either lead underwriter or co-lead.
- › Also active in the rapidly developing market for private sector borrowing instruments, the company underwrote bond issues of many companies from the financial services sector and the real economy.
- › DenizInvest commenced margin trading operations after receiving the relevant license from the Capital Markets Board in 2012, with total margin trading volume of over USD 100 billion at year-end 2014.
- › In parallel with the increasing use of technology and digital channels, DenizBank continued to invest in these areas; the number of electronic delivery channels rose to 11 and 52% of the orders communicated were received electronically.

In the final quarter of 2013, it was decided to merge the operations of EkspresInvest and DenizInvest under a single umbrella; the merger was completed by year-end. As a result of the merger, all domestic and foreign clients of DFSG started to receive services under a single roof.

The Research Department provides swift and accurate information flow to domestic individual/institutional investors and foreign institutional investors related to their investments on the Istanbul Stock Exchange (BİST); the Department also makes recommendations to clients. In 2014, integration with the Sberbank CIB Research Department geared up and research reports started to be issued with the brands of both Sberbank CIB and DenizInvest. Additionally, the Research Department significantly enhanced its communication during the year with DenizInvest's branch network and field teams, and with DenizPortfolio.

DFSG plans to continue keeping a close watch on the world and Turkey, assuming the right positions in the face of market developments, and pioneering technological advancement. The extensive investor portfolio will be expanded further with DFSG's synergy, and customer needs and expectations will continue to be met at the right time, with the right method.

EkspresSecurities

EkspresSecurities joined DenizBank Financial Services Group at the end of 2002 and focuses on offering equity investment services for foreign institutional investors.

In the final quarter of 2013, it was decided that EkspresInvest and DenizInvest would merge under the trade name of the latter and the merger was finalized by year's end. With the more robust structure yielded by this merger, all domestic and foreign customers of DFSG will receive their brokerage and corporate finance services from a single source.

DenizPortfolio Management

In May 2003, DenizInvest Securities made the decision to conduct its mutual fund and portfolio management activities under a separate entity, taking the first step in this direction by acquiring EgePortfoy Yonetimi A.Ş. (Ege Portfolio Management) from the Savings Deposit Insurance Fund of Turkey. The trade name of the company was changed to DenizPortfoy Yonetimi A.Ş. (DenizPortfolio Management) in June 2003.

Committed to offering top quality services and innovative products in response to changing market conditions, DenizPortfolio manages 15 DenizBank investment funds, providing investors both high performance and consistent returns. Boasting a specialized and well-experienced team of professionals, DenizPortfolio plays a key role in international capital markets with world-class services that include domestic and foreign investment funds, pension funds and portfolio management. In addition, DenizPortfolio offers international investors the opportunity to invest in Turkey by managing the Candriam Bonds Turkey and Candriam Equities L Turkey funds owned by Luxembourg-based Candriam Asset Management and marketed in 11 European countries.

In 2014, DenizPortfolio Management focused on funds investing in private sector bills and bonds in tandem with DenizBank and came to enjoy a prominent standing in the sector, bringing its market share up to 3.7%. In due consideration of the investment preferences of its clients, the company aims to offer new products to the public and increase its market share by focusing on individual/corporate portfolio management in 2015.

Deniz Real Estate Investment Trust

The company joined the DenizBank Financial Services Group under the trade name of DenizInvest Ortaklığı A.Ş. (DenizInvestment Trust) as a subsidiary of DenizInvest Menkul Kıymetler A.Ş. (DenizInvest Securities) at the end of 2001. At its Ordinary General Assembly on December 20, 2013, the company transformed itself into a real estate investment trust and changed its trade name to Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz REIT).

After the transition, in order to create its real estate investment trust portfolio, Deniz REIT acquired the DFSG company Pupa in its entirety on December 31, 2013. On June 11, 2014, Deniz REIT created its real estate portfolio by acquiring Pupa's assets and liabilities in their entirety and merging with it.

Deniz REIT's real estate portfolio consists of 68 independent sections at İstanbul Bahçeşehir 3. Cadde AVM shopping mall, 38 independent sections at Ankara Eryaman Gökkuş AVM shopping mall, 23 independent sections at Ankara Eryaman Metrokent AVM shopping mall and 26 independent sections and a kindergarten block at Metrokent Konsept Mağaza department store in Ankara Eryaman. According to 2014 appraisals, Deniz REIT's portfolio is valued at TL 128 million.

LEASING, FACTORING AND ASSET MANAGEMENT SERVICES

DenizLeasing ranked fifth in net leasing receivables, with a market share of 7%.

DENIZLEASING
DENIZFACTORING
DESTEKASSET MANAGEMENT

DenizLeasing

DenizLeasing provides financial and operational leasing services to corporate, commercial and SME customers in the Turkish economy, which is in need of modern financing methods due to its rapid development. Established in 1997 with a customer-oriented approach and a strategy to launch new products in response to customer needs, DenizLeasing is committed to becoming the leading provider in the field. The company maintains its pioneering position in financial leasing by providing the right financing method for the right investment, establishing customer relationships based on trust, and meticulously evaluating the financial requirements of client projects.

In order to maximize customer satisfaction, DenizLeasing established the Customer Relations Department, allowing clients to receive all leasing services from a single hub, and thus continuing to implement innovative practices in the sector. Another company innovation is the recently created Market and Business Development Department, which develops creative and customer based financial solutions towards renewable energy and health sectors taking customer satisfaction well beyond financial gain. With the activities it has been carrying out for niche sectors, the Market and Business Development Department ensures rapid penetration into potential sectors.

Keeping the organization's internal dynamics fresh with a specialized staff, continuous improvement and ongoing restructuring, DenizLeasing strives to offer added value to its solutions partners and the sector as a whole. DenizLeasing manages its sales operations with 18 branches across the country. In addition to this management approach that covers the entire country, DenizLeasing diversifies customer experience with regional differentiation. To its solution partners from different sectors, DenizLeasing provides various long- and medium-term payment schemes for financing of all manner of investment goods in foreign currency or TL, according to the respective sector's cash flow qualities. The company also makes active use of DenizBank's distribution network.

With an active sales policy, and the customer-specific financial solutions it has developed in energy and health sectors, and fleet leasing services it has launched under DenizFleet brand, DenizLeasing has been deepening its

relationships with existing customers as well as gaining new ones as a result, the company has rapidly increased its market share with the value-added it has created.

DenizLeasing initiated operational leasing activities, the first in Turkey among leasing companies, upon the coming into effect in 2012 of Law No. 6361 on Leasing, Factoring and Financing Companies, and has set up its new brand **DenizFleet** which stands out as a pioneering enterprise in the sector.

Ranked Fifth in Net Leasing Receivables

DenizLeasing continued to provide services for investment financing in line with its strategy of productivity and profitability, and reinforced its place among sector leaders in terms of assets and shareholders' equity. As of 2014 year-end, continuing its leadership in the sector, DenizLeasing ranked fifth in net leasing receivables of TL 2,015 million with a market share of 7%.

In 2015, DenizLeasing plans to maintain its position among the pioneering companies of the sector, with a consistent and prudent growth strategy. The company will enhance its differentiation by offering the advantages of operational leasing to customers in need of leased car fleets, further improve performance in the SME segment by providing special financing facilities, boost market share by offering a specialized service approach to commercial and corporate enterprises on the basis of each specific client and project. As a result, DenizLeasing will continue advancing toward its goal of becoming a company that leads and shapes the sector with innovative practices.

DenizFactoring

Set up in 1998 under the umbrella of DenizBank Financial Services Group (DFSG) to offer customers guarantee, collection and financing services, DenizFactoring is a pioneer in the field with products that include Collection Management System, Supplier Finance Application, Public Sector Factoring, SME Factoring and Export Factoring.

A full member of the Turkish Union of Financial Corporations (Union of Financial Leasing, Factoring and Finance Companies) and Factors Chain International (FCI), DenizFactoring has 18 branches across Turkey. DenizFactoring delivers its products and services to customers via a highly qualified, 124-strong team at the Head Office and via the DFSG network, in a rapid and accessible fashion. DenizBank employees branches support DenizFactoring within the legislative framework established. In line with the vision of becoming the sector leader in terms of total assets and profitability by guaranteeing sustainable and profitable growth, the company strives to expand DenizBank's product range with factoring products and to contribute significantly to DenizBank Financial Services Group's success.

Some 95% of DenizFactoring's transaction volume originates from domestic factoring transactions while 5% is derived from international.

In 2014, DenizFactoring's profit increased 104% and the company's market share rose from 14% to 16%. As a result, DenizFactoring became the most profitable factoring company in Turkey.

Having posted strong growth in 2014, DenizFactoring also kept its ratio of non-performing loans significantly lower than the sector average.

For the year, DenizFactoring carried out nearly 20 thousand transactions with clients to post TL 6.5 billion in turnover, TL 1.8 billion in receivables and TL 105 million in profit.

As of year-end 2014, DenizFactoring recorded the following market shares:

- > 7% in factoring receivables,
- > 7% in total assets, and
- > 16% in profitability.

As a result, DenizFactoring became the most profitable factoring company in the sector and one of the top three companies in terms of factoring receivables and total assets.

Already among the top three in the FCI export factoring rankings, DenizFactoring plans to maintain its strong market position in 2015.

In the "Favorite Companies" survey conducted by the Turkish business magazine Capital in 2013 and 2014, DenizFactoring ranked among the top three brands.

At the FCI 2014 awards, in the "The Year's Export Factoring" category, DenizFactoring placed seventh among 277 companies from across the world with a service score of 95.83%.

In 2015, DenizFactoring will build upon its current strengths to advance towards its goal of becoming sector leader.

DestekAsset

Established in May 2013, Deniz Varlık Yönetim A.Ş. (Deniz Asset Management) started operations in December 2013, following approval by the Banking Regulation and Supervision Agency. The company was renamed DestekAsset Yönetim A.Ş. (Destek Asset Management) which was entered into the Trade Registry on April 9, 2014. The company's core functions are as follows:

- > Acquiring, purchasing, collecting, liquidating or restructuring the receivables and other assets of banks, Security Deposit Insurance Fund, other financial institutions and credit insurance companies,
- > Operating, leasing or investing in real estate and other properties, rights and assets with a view to collecting receivables,
- > Providing additional funding to debtors with a view to collecting the receivables,
- > Providing consultancy or brokerage services as regards the restructuring or sale to third parties of the receivables and other assets of banks, Security Deposit Insurance Fund, other financial institutions and credit insurance companies.

DestekAsset initiated operations in 2014 by purchasing an SME portfolio of TL 50.7 million from ING Bank, a credit card portfolio of TL 180.8 million from Asya Katılım Bankası, and a credit card portfolio of TL 54.3 million from Yapı ve Kredi Bankası. Currently, the company is collecting the portfolio acquired in the second quarter of the year, continuing infrastructure activities related to the personnel and software, and is taking the necessary measures to participate in new bank portfolio tenders.

DestekAsset provides services such as purchasing nonperforming receivables from banks and other financial institutions while offering relevant support to the DFSG, within the asset management sector that dates back eight years in Turkey. DestekAsset aims to become one of the most successful companies in the sector, obtain a 10% market share and create a strong brand value.

CULTURAL SERVICES

DenizKültür represents the Group's corporate and social mission through educational, cultural, arts and sporting events.

DenizKültür

Established in 2004 to organize and support scientific research, arts, literature and other cultural activities, DenizKültür represents the Group's corporate and social mission through educational, cultural, arts and sporting events. DenizKültür's activities include the following:

- › Publishing books on science, arts and literature,
- › Producing audio and visual cultural materials,
- › Staging arts events,
- › Organizing collection/exhibition projects geared towards the plastic arts and handicrafts,
- › Organizing campaigns in line with the Bank's social mission, as well as other cultural activities to emerge from new ideas

Arts Productions and Publications in 2014

Travelers of Culture

Three experts, writers, and documentary filmmakers, Nebil Özgentürk, Can Dündar and Coşkun Aral, have followed the trails of our heritage, which are threatened with extinction, within and beyond Turkish borders.

The DenizKültür publication entitled "Travelers of Culture" features a book and DVD of treasures collected from beyond our borders including the Balkans, Bosnia, Macedonia, as well as from locales within Turkey such as Mardin, Sait Faik's island Antigonu, the violent waves of the Black Sea, the mountains of Artvin, Yaşar Kemal's Çukurova, Garo Mafyan's Akdamar island in Van, Neşet Ertaş's Kırşehir and the Land of Saints.

As a supplement to the publication, 10 documentary DVDs were published in 2014 and will be screened on TV in 2015. After the television broadcast, the set will be marketed together with the book.

Istanbul Songs

An album by the harpist Bahar Göksu has been completed.

Book of Opera and Ballet Posters, 1941-2011

Authored and edited by Murat Katoğlu and Aslı Ayhan, the 441-page volume features a collection of opera and ballet posters of the seven decades from 1941 until 2011.

White Russians in Pera

The volume "White Russians in Pera," edited by the Russian Consulate in Istanbul, was reprinted in 2014.

BOARD OF DIRECTORS

Name/Surname	Title	Executive/ Non- executive/ Independent Member	Education	Professional Experience (years)	DenizBank Titles Held in the Last Five Years	Other Non-DFSG Titles Currently Held	Shareholding (%)
Herman Gref	Chairman of the Board of Directors	Non-executive	Ph.D.	23	Chairman of the Board of Directors	Member of Sberbank Board of Directors, CEO of Sberbank	-
Deniz Ülke Arıboğan	Vice Chairman of the Board of Directors, Corporate Governance and Nomination Committee Member	Independent Member	Ph.D.	28	Vice Chairman of the Board of Directors, Corporate Governance and Nomination Committee Member	Member of Bilgi University's Board of Trustees	-
Hakan Ateş	Member of the Board of Directors, President and CEO, Credit Committee Member	Executive	Bachelor's Degree	33	Member of the Board of Directors, President and CEO, Credit Committee Member	Member of TED University's Board of Trustees, Member of TED Ankara College Association Board of Directors, Member of THK University's Board of Trustees, Member of MetLife's Board of Directors, Member of TED İstanbul College Foundation's Board of Trustees, Permanent Member of the Board of the Turkish Tourism Investors Association	0,000002
Nihat Sevinç	Member of the Board of Directors, Audit Committee Member, Remuneration Committee Member	Independent Member	Bachelor's Degree	28	Member of the Board of Directors, Audit Committee Member, Remuneration Committee Member	-	-
Wouter Van Roste	Member of the Board of Directors, Audit Committee Member	Non-executive	Bachelor's Degree	25	Member of the Board of Directors, Audit Committee Member, Credit Committee Member, Executive Vice President	-	-
Derya Kumru	Member of the Board of Directors, Credit Committee Member	Executive	Master's Degree	22	Member of the Board of Directors, Credit Committee Member, Deputy General Manager	-	-
Alexander Vedyakhin	Member of the Board of Directors, Credit Committee Member	Executive	Ph.D.	15	Member of the Board of Directors, Credit Committee Member	-	-
Vadim Kulik	Member of the Board of Directors	Non-executive	Master's Degree	16	Member of the Board of Directors	Sberbank Deputy Chairman of the Board of Directors	-
Denis Bugrov	Member of the Board of Directors, Audit Committee Member	Non-executive	Master's Degree	19	Member of the Board of Directors, Audit Committee Member	Sberbank Deputy Chairman of the Board of Directors	-
Timur Kozintsev	Member of the Board of Directors, Corporate Governance and Nomination Committee Member, Credit Committee Associate Member	Non-executive	Ph.D.	15	Member of the Board of Directors, Corporate Governance and Nomination Committee Member, Credit Committee Associate Member	Sberbank Managing Director	-
Sergey Gorkov	Member of the Board of Directors, Remuneration Committee Member, Credit Committee Associate Member	Non-executive	Master's Degree	20	Member of the Board of Directors, Remuneration Committee Member, Credit Committee Associate Member	Sberbank Deputy Chairman of the Board of Directors	-
Igor Kondrashov	Member of the Board of Directors	Non-executive	Master's Degree	22	Member of the Board of Directors	Director of Sberbank Legal Department	-
Alexander Morozov	Member of the Board of Directors	Non-executive	Master's Degree	22	Member of the Board of Directors	Sberbank Deputy Chairman of the Board of Directors	-
Artem Dovatov	Member of the Board of Directors	Non-executive	Ph.D.	13	Member of the Board of Directors	Director of Sberbank International Network Development	-



HERMAN GREF
CHAIRMAN OF THE BOARD OF DIRECTORS

Born in 1964, Mr. Herman Gref graduated from Omsk State University, Faculty of Law with a degree in Jurisprudence. Subsequently, he did postgraduate studies at the Faculty of Law of Leningrad State University. He received a Ph.D. in Economics from the National Academy of Economics, established by the government of the Russian Federation. He started his professional career in 1991 as a first rank legal adviser on the Committee for Economic Development and Property, Administration of Petrodvoretz. From 1992 to 1994, he served as Chairman of the Property Committee and Deputy Head, Administration of Petrodvoretz, St. Petersburg Mayor's Office. Until 1998, he served as Deputy Chairman, First Deputy Chairman, Vice Governor and Chairman of the Municipal Property Committee of St. Petersburg Mayor's Office. After holding the post of First Deputy Minister of the Ministry of State Property of Russia from 1998 to 2000, Mr. Gref assumed the position of Minister for Economic Development and Trade of Russia in 2000 and served as Minister for seven years. Mr. Gref has a Citation and Certificate of Honour from the President of Russian Federation and is a holder of Order for Distinguished Service of Grade IV and the Stolypin Medal. Mr. Gref was awarded the degree of Officer of the Legion d'Honneur, the highest decoration in France, for his contribution to the development of cooperation between Russia and France. Since November 2007, Mr. Gref has been a Member of the Supervisory Board and Chairman of the Executive Board & CEO of Sberbank. He was appointed Chairman of the Board of Directors of DenizBank in September 2012.

Term of office on the Board of Directors: 2 years



DENİZ ÜLKE ARİBOĞAN
VICE CHAIRMAN OF THE BOARD OF DIRECTORS
(INDEPENDENT MEMBER)

Born in 1965, Ms. Deniz Ülke Arıboğan graduated from TED Ankara College Foundation High School. She received an undergraduate degree in International Relations from Ankara University, Faculty of Political Sciences and M.A. and Ph.D. degrees from Istanbul University. In 1995, Professor Arıboğan participated in the International Security and Terrorism Studies School at the University of St. Andrews in Scotland. She became Associate Professor and Professor in 1998 and 2003, respectively. Professor Arıboğan has authored various articles for domestic and international publications, as well as eight books including Geleceğin Haritası ("Map of the Future"), Uluslararası İlişkiler Düşüncesi ("Reflections on International Relations"), Dil İnsanı Konuşur ("Language Speaks of People"), and Tarihin Sonundan Barışın Sonuna ("From the End of History to the End of Peace"). Professor Arıboğan began her academic career at Istanbul University and went on to work at Istanbul Bilgi University and Bahçeşehir University. In 2007, she was appointed Rector of Bahçeşehir University, a position she held until 2010. Since 2010, Prof. Dr. Deniz Ülke Arıboğan has been a member of the Board of Trustees of Istanbul Bilgi University and currently continues her academic work. She is also a member of the World Academy of Arts and Sciences founded by Albert Einstein. Prof. Arıboğan was appointed Deputy Chairman of the Board of Directors at DenizBank in December 2012.

Term of office on the Board of Directors: 2 years



HAKAN ATEŞ
MEMBER OF THE BOARD OF DIRECTORS,
PRESIDENT AND CEO

Born in 1959, Mr. Hakan Ateş graduated from Middle East Technical University, Faculty of Business Administration. He started his banking career in 1981 as Internal Auditor at İşbank. Following various positions at different Interbank departments from 1985 to 1994, he worked as Branch Manager at the Elmadağ, Şişli, Bakırköy, İzmir and Main branches. He established Interbank's cash management system and was promoted in 1993 to Executive Vice President responsible for Central Operations. Mr. Ateş worked as Executive Vice President for Financial Affairs and Operations at Bank Ekspres between December 1994 and July 1996; there, he led the bank's restructuring project with Bank of America. He established Garanti Bank Moscow in Russia and worked as CEO there for one year starting in June 1996. He currently serves as President & CEO at DenizBank, where he started in June 1997 as the Founding President. During his tenure, DenizBank shares became publicly listed in October 2004 and were 5.5 times oversubscribed with 68% sold to institutional clients abroad. In addition, under his management, the Bank sold Zorlu Holding's 75% DenizBank shareholding to Dexia S.A. in May 2006 and 99.85% of DenizBank's shares to Sberbank six years later in June 2012. Mr. Ateş is also Chairman of the Board of Directors at DenizBank subsidiaries DenizBank Moscow, DenizInvest Securities, DestekAsset Management and Intertech.

Term of office on the Board of Directors: 17 years



NİHAT SEVİNÇ
MEMBER OF THE BOARD OF DIRECTORS
(INDEPENDENT MEMBER)

Born in 1952, Mr. Nihat Sevinç graduated from Istanbul University, Faculty of Literature, English Language and Literature. He began his banking career at Interbank in 1986 and held various positions at Branches, in Central Operations and Investment Banking until 1994. Mr. Sevinç served as Department Head at Branch Operations, Internal Control and Legislation Departments at the headquarters of Bank Ekspres until 1996. He worked as Deputy General Manager at Garantibank Moscow between 1996 and 1997. He joined DenizBank in 1997, served as Executive Vice President of Operations until 2002 and as Executive Vice President of Foreign Subsidiaries until 2007. Mr. Sevinç was appointed Independent Member of the Board of Directors of DenizBank in December 2012.

Term of office on the Board of Directors: 2 years



WOUTER VAN ROSTE
MEMBER OF THE BOARD OF DIRECTORS

Born in 1965, Mr. Wouter Van Roste graduated from Limburg University (Belgium), Marketing Department and has continued his MBA. Starting his banking career at Bacob Bank Belgium in 1989, he held several positions at Paribas Bank Belgium and Artesia BC, respectively, as Head of Corporate Sales, Structured Products, FC Derivatives Departments before joining Dexia in 2002. He worked in the Financial Engineering and Derivative Products Departments of the Treasury and Financial Markets Group, and in the Structured Finance and Export Finance Departments of the Public and Project Finance Group at Dexia. He joined DenizBank in November 2006 as Executive Vice President of the Public Banking and Project Finance Group. In April 2007, he became the EVP in charge of the Public Banking, Project Finance and Corporate Banking Group at DenizBank. Mr. Van Roste was appointed Member of the Board of Directors at DenizBank in June 2009.

Term of office on the Board of Directors: 5 years



DERYA KUMRU
MEMBER OF THE BOARD OF DIRECTORS

Born in 1964, Mr. Derya Kumru graduated from Ankara University, Faculty of Political Sciences and earned an M.A. degree in Public Administration from Istanbul University. He began his banking career in 1987 at Esbank and worked in various positions there, serving as Executive Vice President until 1999. Mr. Kumru joined DenizBank Financial Services Group in 1999. After serving as Executive Vice President of DenizBank's Corporate Banking Group, General Manager of DenizLeasing and DenizFactoring, he was appointed General Manager of DenizBank Moscow in 2004. Since 2009, he has served as Executive Vice President at DenizBank. Mr. Kumru was appointed Member of the Board of Directors at DenizBank in December 2012.

Term of office on the Board of Directors: 2 years



ALEXANDER VEDYAKHIN
MEMBER OF THE BOARD OF DIRECTORS

Born in 1977, Mr. Alexander Vedyakhin graduated from Volgograd State Technical University, Department of Global Economy. He obtained a Ph.D. in Economics from Volgograd State University and an MBA in Banking from the Academy of National Economics established by the government of the Russian Federation. In 2011-2012, he attended and graduated from a special program for Sberbank's executives at London Business School. Mr. Vedyakhin started his banking career as a Specialist at a Sberbank branch in 1999. In 2001, he was appointed Head of the Retail Banking Unit and subsequently as Head of the Operational Department at the Volgograd Branch of Sberbank. Mr. Vedyakhin continued his career at Sberbank as Head of the Credit Department between 2004 and 2006, and as Deputy Chief Executive of the Volgograd Branch of Sberbank between 2006 and 2008. From 2008 to 2012, he served as First Deputy Chairman of the Management Board at PJSC Subsidiary Bank Sberbank of Russia (Ukraine). Mr. Vedyakhin was appointed Member of the Board of Directors and CRO of DenizBank in November 2012.

Term of office on the Board of Directors: 2 years



VADIM KULIK
MEMBER OF THE BOARD OF DIRECTORS

Born in 1972, Mr. Vadim Kulik obtained undergraduate and master's degrees in Chemical Technology from Mendeleev Institute of Chemical Technology. Starting his management career in 1998 at Probusinessbank AKB as Head of the Risk Analysis Department, Mr. Kulik held the positions of Vice-President of Credit Risk and Banking Technologies and Head of the Division for Commercial Risk Analysis until 2004. Serving at VTB CJSC as Senior Vice-President (Head of the Risk Department) until 2009, Mr. Kulik worked as the Head of the Retail Risk Department at Sberbank between 2009 and 2010. Subsequently, he served as Head of the Risk Department at Sberbank until 2013. Since January 2013, he has been Deputy Chairman of Executive Board of Sberbank. Mr. Kulik was appointed Member of the Board of Directors of DenizBank in September 2012.

Term of office on the Board of Directors: 2 years



DENIS BUGROV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1974, Mr. Denis Bugrov graduated from London School of Economics and Political Sciences, Department of Economics and obtained undergraduate and master's degrees from Moscow State Institute in International Economic Relations. He started his management career as Founding Partner at McKinsey & Company in 1995. Since February 2008, Mr. Bugrov has served as member of the Executive Board, Senior Vice President at Sberbank. He was appointed Member of the Board of Directors of DenizBank in September 2012.

Term of office on the Board of Directors: 2 years



TIMUR KOZINTSEV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1972, Mr. Timur Kozintsev graduated from Moscow State University with a Ph.D. in Economics. He began his professional career in 1996 at Bayerische Hypo Vereinsbank and worked at Unicredit Bank as Head of the Corporate Customers Department and Deputy Head of the Financial Institutions Department from 2000 until 2007. After holding the position of Debt Capital Markets Director at Unicredit Securities between 2007 and 2008, he served as Investment Banking Director at IFD Kapital and Board Member of a Houston based oil exploration company. He joined Sberbank in April 2013 as Managing Director. Mr. Kozintsev was appointed Member of the Board of Directors in July 2013.

Term of office on the Board of Directors: 1.5 years



SERGEY GORKOV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1968, Mr. Sergey Gorkov graduated from the Academy of the Federal Counter-Intelligence Service of Russia and Plekhanov Russian Academy of Economics. He started his management career in 1994 at Menatep Bank and headed the HR Department until 1997. From 1997 to 2005, he worked at Yukos OAO and Yukos Moscow oil companies, as Head of HR Department and Vice President of Human Resources Policy and Organisational Activity of Yukos Moscow. From 2005 to 2008, he was a member of the Board of Directors at Fesco Transportation Group. In 2008, Mr. Gorkov joined Sberbank of Russia as the Head of HR Policy Department. Since October 2010, Mr. Gorkov has worked as Deputy Chairman of Sberbank's Executive Board for International Business. He was appointed as Member of the Board of Directors of DenizBank in September 2012.

Term of office on the Board of Directors: 2 years



IGOR KONDRASHOV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1973, Mr. Igor Kondrashov graduated from Moscow State University, Faculty of Law. He started his professional career in 1992 as an Attorney with the law firm of YUST where he worked for 19 years. Since June 2011, Mr. Kondrashov has served as Director of the Legal Department at Sberbank. He has been holding the title of Sberbank Vice President starting 2014. He was appointed Member of the Board of Directors at DenizBank in December 2012.

Term of office on the Board of Directors: 2 years



ALEXANDER MOROZOV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1969, Mr. Alexander Morozov graduated from Lomonosov Moscow State University, Department of Economics and completed the Advanced Management Executive Education Program at Harvard Business School. He started his professional career as Acting Deputy Head of the Currency Operations Department at Commercial Bank Rodina in 1992 and continued to work there for one year. Between 1994 and 2007, Mr. Morozov served as Head of Treasury and General Manager at International Moscow Bank (UniCredit Bank since 2007). From 2007 to 2008, he worked as Executive Vice President and CFO at Renaissance Capital Bank. He joined Sberbank in May 2008 as Executive Board Member, Head of the Finance Department and became Executive Vice President in 2009. Since January 2013, Mr. Morozov has served as Deputy Chairman of the Executive Board. He was appointed Member of the Board of Directors at DenizBank in December 2012.

Term of office on the Board of Directors: 2 years



ARTEM DOVLATOV
MEMBER OF THE BOARD OF DIRECTORS

Born in 1979, Mr. Artem Dovlatov obtained an undergraduate degree and a Ph.D. in Economics from Moscow State University of Management. He started his professional career in 2001 at Aeroflot where he last served as Head of Investor Relations. From 2003 to 2006, he worked for ZTL Power Machine as Head of Investor Relations and Director of Corporate Affairs. Between 2006 and 2009, he assumed the position of Vice President for Financial Communications of PBN Company. He then worked as Managing Director and Vice President at VTB Bank until 2012. Joining Sberbank in 2012, Mr. Dovlatov currently serves as Head of the International Network Development Department. In March 2014, he was appointed Member of Board of Directors at DenizBank.

Term of office on the Board of Directors: 1 year

RESIDENT BOARD MEMBERS



Left to right: Wouter Van Roste, Hakan Ateş, Derya Kumru, Alexander Vedyakhin.

EXECUTIVE BOARD

HAKAN ATEŞ

President, CEO and Member of the Board of Directors

Born in Ankara in 1959, Ateş is a graduate of Middle East Technical University, Faculty of Administrative Sciences. He began his banking career in 1981 as an Internal Auditor at İşbank. He continues to serve as Board member, President and CEO at DenizBank, since joining the Bank in June 1997 as the Founding President and CEO.

WOUTER VAN ROSTE

Member of the Board of Directors

Born in 1965, Van Roste graduated from Limburg University (Belgium), Marketing Department, and has continued his MBA. He began his banking career in 1989 and joined DenizBank in 2006.

ALEXANDER VEDYAKHIN

Member of the Board of Directors

Born in 1977, Vedyakhin graduated from Volgograd State Technical University, Department of Global Economy and holds a Ph.D. in Economics and an MBA degree. He began his banking career in 1999 and joined DenizBank in 2012.

DERYA KUMRU

Member of the Board of Directors

Born in 1964, Kumru is a graduate of Ankara University, with a degree in Political Science and holds an M.A. in Public Administration from Istanbul University. He began his banking career in 1987 and joined DenizBank in 1999.

BORA BÖCÜGÖZ

Treasury, Financial Institutions, Private Banking Group, Executive Vice President

Born in 1967, Böcügöz is a graduate of Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration. He began his banking career in 1989 and joined DenizBank in February 2002.

GÖKHAN SUN

SME and Agricultural Banking Group, Executive Vice President

Born in 1970, Sun holds an undergraduate degree in Electrical-Electronics Engineering from Bilkent University and an M.A. in Economic Law from Bilgi University. He began his banking career in 1992 and joined DenizBank in 2003.

SUAVİ DEMİRCİOĞLU

Financial Affairs Group, Executive Vice President

Born in 1967, Demircioğlu is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration. Demircioğlu began his banking career in 1990 and joined DenizBank in January 2005.

MUSTAFA ÖZEL

Branch and Central Operations Group, Executive Vice President

Born in 1966, Özel is a graduate of Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He began his banking career in 1988 and joined DenizBank in 1997.

İBRAHİM ŞEN

Credits Follow-up and Risk Monitoring Group, Executive Vice President

Born in 1967, Şen is a graduate of Middle East Technical University, Department of Industrial Engineering. He began his banking career in 2000 and joined DenizBank Financial Services Group in 2007.

MEHMET AYDOĞDU

Commercial Banking and Public Finance Group, Executive Vice President

Born in 1968, Aydoğdu is a graduate of Dokuz Eylül University Faculty of Economics and Administrative Sciences. He began his banking career in 1996 and joined DenizBank Financial Services Group in 2002.

TANJU KAYA

Administrative Services Group, Executive Vice President

Born in 1964, Kaya is a graduate of Gazi University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He began his banking career in 1986 and joined DenizBank in 1997.

DİLEK DUMAN

Information Technology and Support Operations Group, Executive Vice President

Born in 1967, Duman is a graduate of Boğaziçi University, Department of Computer Engineering. She began her professional career in 1989 and joined DenizBank Financial Services Group in 1997. Since March 2008, Duman has served as Executive Vice President in the Information Technology and Support Operations Group.

MURAT ÇELİK

Digital Generation Banking Group, Executive Vice President

Born in 1968, Çelik is a graduate of Boğaziçi University, Department of Computer Engineering. He began his professional career in 1992 and joined DenizBank Financial Services Group in 2004.

SELİM EFE TEOMAN

Corporate and Commercial Credits Group, Executive Vice President

Born in 1970, Teoman is a graduate of Hacettepe University, Faculty of Economic and Administrative Sciences, Department of Economics. He began his banking career in 1994 and he joined DenizBank in 2003.

HAYRİ CANSEVER

Corporate Banking Group, Executive Vice President

Born in 1974, Cansever is a graduate of Istanbul Technical University, Department of Machine Engineering and holds an M.A. in Banking and Finance from Yeditepe University. He began his banking career in 1998 at DenizBank Financial Services Group.

AYŞENUR HIÇKIRAN

Payment Systems and Non-Branch Channel Group, Executive Vice President

Born in 1969, Hıçkiran is a graduate of Ege University, Faculty of Letters, Department of English Language and Literature. She began her banking career in 1996 and joined DenizBank in July 2013.

AYPERİ KARAHAN

Retail - SME and Agricultural Banking - Credit Allocation Group, Executive Vice President

Born in 1962, Karahan is a graduate of Boğaziçi University, Department of Business Administration. She began her banking career in 1987 and joined DenizBank in 2004.

YAVUZ ELKİN

Human Resources and Deniz Academy, Executive Vice President

Born in 1971, Elkin is a graduate of Marmara University, Department of Business Administration in English. He started his banking career in 1993 and joined DenizBank in 2004.

BURAK KOÇAK

SME Banking Group, Executive Vice President

Born in 1970, Koçak is a graduate of Dokuz Eylül University, Department of Econometrics. He started his professional career in 1996 and joined DenizBank in 2006.

OĞUZHAN ÖZARK

Retail Banking Sales Group, Executive Vice President

Born in 1976, Özark is a graduate of Istanbul Technical University, Department of Mathematical Engineering. He began his banking career in 1997 and joined DenizBank in 2004.

CEM ÖNEÇ

Private Banking Group, Executive Vice President

Born in 1971, Öneç is a graduate of Yıldız Technical University, Department of Mechanical Engineering. He holds an MBA from New York's Pace University and a Ph.D. in Banking from Marmara University. He began his professional career in 1997 at DenizBank.

ÖNDER ÖZCAN

Management Reporting and Budget Planning Group, Executive Vice President

Born in 1971, Özcan is a graduate of Middle East Technical University, Department of Business Administration. He began his banking career in 1998 and joined DenizBank in 2004.

EXECUTIVE BOARD MEMBERS



Standing (left to right): Hayri Cansever, Sinan Yılmaz, Oğuzhan Özark, Selim Efe Teoman, Mehmet Çitil, Önder Özcan, Kahraman Günaydın, Ruslan Abil, Hakan Turan Pala, Mehmet Aydoğdu, Cem Öneç, İbrahim Şen, Ege Gültekin, Ayperi Karahan, Fatih Arabacıoğlu, Kürşad Taçalan, Burak Koçak, Mustafa Şahan, Edip Kürşad Başer, Mustafa Özel, Yavuz Elkin, Cem Demirağ, Ramazan Işık.

Seated (left to right): Mustafa Saruhan Özel, Ali Murat Dizdar, Gökhan Sun, Bora Böcügöz, Dilek Duman, Derya Kumru, Wouter Van Roste, Hakan Ateş, Alexander Vedyakhin, Tanju Kaya, Cafer Bakırhan, Suavi Demircioğlu, Ayşenur Hıçkırın, Murat Çelik.

DenizBank



RUSLAN ABİL

Group Reporting and ALM Group, Executive Vice President

Born in 1975, Abil is a graduate of Middle East Technical University, Department of International Relations. He began his professional career in 1997 and joined DenizBank in 2013.

HAKAN TURAN PALA

Corporate and Commercial Credits Analysis Group, Executive Vice President

Born in 1967, Pala is a graduate of Middle East Technical University, Department of Business Administration. He began his banking career in 1994 and joined DenizBank in 2004.

EDİP KÜRŞAD BAŞER

Corporate Credit Policies, Executive Vice President

Born in 1967, Başer is a graduate of Middle East Technical University, Department of Electrical-Electronics Engineering. He began his banking career in 1990 and joined DenizBank in 2004.

KÜRŞAD TAÇALAN

Secretary General and General Accounting Group, Executive Vice President

Born in 1965, Taçalan is a graduate of Istanbul Technical University, Faculty of Management Engineering. He began his banking career in 1992 and joined DenizBank in 2005.

MUSTAFA SARUHAN ÖZEL

Economic Research, Strategy and Project Management Group, Executive Vice President and Chief Economist

Born in 1967, Özel is a graduate of Boğaziçi University, Department of Business Administration. He obtained an M.A. in Finance and a Ph.D. in Economics from Virginia Tech. He began his professional career in 1996 and joined DenizBank in 1997.

RAMAZAN IŞIK

Internal Audit Group, Head of Internal Audit

Born in 1977, Işık is a graduate of Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Economics. He began his career in 1999 and joined DenizBank in 2013.

ALİ MURAT DİZDAR

Legal Affairs Group, Chief Legal Advisor

Born in 1960, Dizdar is a graduate of Istanbul University, Department of Law and he holds an M.A. in Private Law from the same institution. He began his career in 1982 and joined DenizBank in 2002.

CEM DEMİRRAĞ

Internal Control Center and Compliance Group, Head of Internal Control and Compliance

Born in 1968, Demirağ is a graduate of Middle East Technical University, Faculty of Administrative Sciences, Department of Public Administration. He began his career in 1991 and joined DenizBank in 2010.

SİNAN YILMAZ

Risk Management Group, Head of Risk Management

Born in 1974, Yılmaz is a graduate of Istanbul Technical University, Department of Management Engineering. He began his banking career in 1998 at DenizBank.

CAFER BAKIRHAN

DFSG Investment Companies, Executive Board Member

Born in 1963, Bakırhan is a graduate of Ankara University, Faculty of Political Sciences, Department of Economics; he holds an MBA from the same institution. He began his professional career in 1985 and joined DenizInvest Securities in 1999. Since June 2005, Bakırhan has served as an Executive Board Member at DFSG Investment Companies.

KAHRAMAN GÜNAYDIN

DenizLeasing, General Manager

Born in 1966, Günaydin is a graduate of Middle East Technical University, Department of Geological Engineering; and holds an MBA from Bilkent University. He began his professional career in 1990 and joined DenizBank in 2002. Günaydin has worked as General Manager at DenizLeasing since February 2011.

*Resigned his duties as of January 16,2015

** Resigned her duties as of February 13,2015

MUSTAFA ŞAHAN

DenizFaktoring, General Manager

Born in 1965, Şahan is a graduate of Istanbul University, Faculty of Political Sciences. He began his banking career in 1991 and joined DenizBank in 2002. Şahan has worked as General Manager of DenizFaktoring since February 2011.

HÜSEYİN SAMİ ÇELİK

DenizInvest Securities, General Manager

Born in 1965, Çelik is a graduate of Middle East Technical University, Department of Metallurgical Engineering. He began his professional career in 1990 and joined DenizInvest Securities in 1999.

HÜSEYİN MELİH AKOSMAN

Executive Member, DenizInvest Securities

Born in 1971, Akosman is a graduate of Marmara University, Faculty of Economics and Administrative Sciences, Department of Business Administration; he also holds an MBA from the same university. He began his professional career in 1991 and joined DenizBank Financial Services Group in 2004.

CEVAT SONER İNANÇ*

Executive Member, DenizInvest Securities

Born in 1974, İnanç is a graduate of Bilkent University, Department of Economics. He began his professional career in 1998 and joined DenizInvest Securities in 2014.

ÖMER UYAR

Intertech, General Manager

Born in 1977, Uyar is a graduate of Istanbul Technical University, Department of Electrical and Electronic-Computer Engineering. He began his professional career in 1996 and joined DenizBank Financial Services Group in 2000. Uyar has served as General Manager of Intertech since March 2012.

AHMET MESUT ERSOY

DenizBank AG, General Manager

Born in 1973, Ersoy is a graduate of Istanbul University, Faculty of Business Administration and he received an MBA from Bahrain University. He began his banking career in 1995 and joined DenizBank Financial Services Group in 2002. Ersoy has served as General Manager of DenizBank AG since September 2011.

FATİH ARABACIOĞLU

DenizPortfolio Management, General Manager

Born in 1966, Arabacıoğlu is a graduate of Ankara University, Faculty of Political Sciences. Subsequently, he received an M.A. in International Banking and Finance from Heriot-Watt University in Edinburgh. He began his professional career in 1988 and joined DenizInvest Securities in 1999. Arabacıoğlu has served as General Manager of DenizPortfolio Management since June 2004.

OSMAN OĞUZ YALÇIN

JSC DenizBank Moscow, General Manager

Born in 1975, Yalçın is a graduate of Boğaziçi University, Faculty of Economic and Administrative Sciences, Department of Political Sciences and International Relations. He began his banking career in 1998 and he joined DenizBank in 2002. Yalçın has served as General Manager of JSC DenizBank Moscow since January 2013.

EGE GÜLTEKİN**

DestekAsset Management, General Manager

Born in 1969, Gültekin is a graduate of Middle East Technical University, Department of Economics and she holds an M.A. in Information and Telecommunication Systems from Johns Hopkins University. Having started her banking career in 1992, Gültekin has served as General Manager of DestekAsset Management since September 2013.

MEHMET ÇİTİL

Deniz Real Estate Investment Trust, General Manager

Born in 1966, Çitil is a graduate of Istanbul Technical University, Department of Architecture and he holds an M.A. in Business from Istanbul University, Faculty of Economics and Administrative Sciences. He began his banking career in 1988 and joined DenizBank in 1997. Çitil has served as General Manager of Deniz Real Estate Investment Trust since December 2013.

EXECUTIVE MANAGEMENT

Title	Name/ Surname	Position	Education	Professional Experience (Years)
CEO	Hakan Ateş	CEO	Bachelor's Degree	33
Executive Vice Presidents	Mehmet Aydođdu	Commercial Banking and Public Finance Group-EVP	Bachelor's Degree	17
	Bora Böcügöz	Treasury, Financial Institutions, Private Banking Group-EVP	Bachelor's Degree	25
	Suavi Demirciođlu	Financial Affairs Group-EVP, CFO	Bachelor's Degree	24
	Dilek Duman	Information Technology and Support Operations Group-EVP, COO	Bachelor's Degree	25
	Murat Çelik	Digital Generation Banking Group-EVP	Bachelor's Degree	22
	Ayperi Karahan	Retail, SME and Agriculture Credits Group-EVP	Bachelor's Degree	25
	Tanju Kaya	Administrative Services Group-EVP	Bachelor's Degree	28
	Hayri Cansever	Corporate Banking Group-EVP	Master's Degree	16
	Mustafa Özel	Branch and Central Operations Group-EVP	Bachelor's Degree	26
	Saruhan Özel	Economic Research, Strategy and Project Management Group-EVP	Ph.D.	18
	Gökhan Sun	SME and Agricultural Banking Group-EVP	Master's Degree	22
	İbrahim Şen	Credits Follow-up and Risk Monitoring Group-EVP	Bachelor's Degree	21
	Selim Efe Teoman	Corporate and Commercial Credits Group-EVP	Bachelor's Degree	20
	Ayşenur Hıçkırın	Payment Systems and Non-Branch Channel Group-EVP	Bachelor's Degree	18
	Ali Murat Dizdar	Chief Legal Advisor	Master's Degree	23
	Yavuz Elkin	Human Resources and Deniz Academy Group-EVP	Bachelor's Degree	21
	Burak Koçak	SME Group-EVP	Bachelor's Degree	19
	Oğuzhan Özark	Retail Banking Sales Management Group-EVP	Bachelor's Degree	16
	Cem Öneç	Private Banking Group-EVP	Ph.D.	17
	Önder Özcan	Managerial Reporting and Budget Planning Group-EVP	Bachelor's Degree	16
Ruslan Abil	Group Reporting and Asset Liability Management Group- EVP	Bachelor's Degree	17	
Hakan Turan Pala	Corporate and Commercial Credits Analysis Group-EVP	Bachelor's Degree	20	
Edip Kürşad Başer	Corporate Credit Policy Group-EVP	Bachelor's Degree	24	
Secretary General	Kürşad Taçalan	Secretary General	Bachelor's Degree	22
Internal Systems	Ramazan Işık	Head of Internal Audit	Master's Degree	15
	Cem Demirağ	Head of Internal Control Unit and Compliance	Bachelor's Degree	23
	Sinan Yılmaz	Head of Risk Management	Bachelor's Degree	17

COMMITTEES

Committee	Name/Surname	Title	Education	Professional Experience (years)
Audit Committee	Nihat Sevinç	Member	Bachelor's Degree	28
	Wouter G.M. Van Roste	Member	Bachelor's Degree	25
	Denis Bugrov	Member	Master's Degree	19
Corporate Governance and Nomination Committee	Deniz Ülke Arıboğan	Member	Ph.D.	28
	Timur Kozintsev	Member	Ph.D.	15
	Yeliz Koraşlı Özdemir	Member	Master's Degree	14
	Tanju Kaya	Member	Bachelor's Degree	28
Remuneration Committee	Sergey Gorkov	Member	Master's Degree	20
	Nihat Sevinç	Member	Bachelor's Degree	28
Credit Committee	Alexander Vedyakhin	Member	Ph.D.	15
	Derya Kumru	Member	Master's Degree	22
	Hakan Ateş	Member	Bachelor's Degree	33
	Sergey Gorkov	Associate Member	Master's Degree	20
	Timur Kozintsev	Associate Member	Ph.D.	15

Executive Committees

Management Board
 Executive Committee
 Assets and Liabilities Committee
 Executive Credit Risk Committee
 Disciplinary Committee
 Purchasing Committee
 Communications Committee
 Promotions Committee
 Recommendation Committee

Committee Meetings

Committee Members fully and regularly attended all meetings held during the reporting period.

SUMMARY REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL ASSEMBLY

Dear Shareholders,

2014 was a year that DenizBank continued to march towards its financial and operational goals with determination. By growing in line with the sector averages of balance sheet size, DenizBank achieved successful financial and operational results without compromising on asset quality in accordance with its sustainable and profitable growing strategy. DenizBank has also integrated well into the Sberbank Group in 2014.

In 2014, DenizBank's consolidated net profit was TL 939 million and non-consolidated net profit was TL 566 million. Despite the increasing funding costs, DenizBank's consolidated net interest income increased by 20% and non-consolidated net interest income increased by 16%. As another result of the focus on real banking activities, DenizBank's consolidated fee, commissions and banking services revenues increased by 33% and non-consolidated fee, commissions and banking services revenues increased by 34%, recording the highest growth rate in the sector. Consequently, DenizBank's consolidated and non-consolidated total operating revenue increased by 5% and 9%, respectively. In 2014, DenizBank recorded the same increases with the sector average in terms of consolidated non-performing loans and provisions.

In 2014, DenizBank successfully managed risks and seized opportunities in both domestic and international markets, achieving favorable financial and operational results. And having become the fifth largest Turkish private bank in terms of consolidated asset size, the Bank channeled all of its resources to the real economy to help boost national economic growth, and continued to expand its loans, assets, deposits and shareholder equity with a performance above the sector average.

As of year-end 2014, DenizBank's consolidated and unconsolidated assets reached TL 94,403 million and TL 69,474 million, indicating 18% and 17% rises compared to last year, respectively. Our consolidated shareholders' equity including subordinated loans grew by 31% to TL 11,084 million, and the consolidated capital adequacy ratio stood at 12.87%. Unconsolidated shareholders' equity including subordinated loans rose to TL 9,606 million, while the unconsolidated capital adequacy ratio stood at 14.09%.

With a view to recycling the funds it generates to the real economy, DenizBank succeeded in expanding its consolidated loans by 14% over 2013 to TL 64,564 million. The Bank also preserved its pioneering position in turning deposits to loans, with a loan/deposit ratio of 104%. Meanwhile, on an unconsolidated basis, loan volume grew by 12% to TL 43,096 million.

Further enhancing its service network in line with the Bank's core principles of unconditional customer satisfaction and continuous improvement, DenizBank opened 45 new branches during the year and increased its branch network 758 locations, workforce of 14,979 and the number of customers to 8.2 million with 15% rise. In tandem with this, its consolidated customer deposits soared 24% to TL 61,831 million, well above the sector average. Meanwhile, on an unconsolidated basis, customer deposits grew by 21% to TL 41,552 million.

As a reflection of these positive financial results, DenizBank shall reimburse DFSG personnel with approximately 2.58 salaries in bonuses. Proud of its broader contributions to the nation, and viewing corporate social responsibility activities as an integral part of its core business, DenizBank continued its efforts towards social advancement by supporting culture, the arts, sports and education in 2014. Within this scope, in 2014, DenizBank has continued its name sponsor of the most elite club championship of the World volleyball, "CEV Volleyball Champions League" and the main sponsors of the Bodrum International Ballet Festival and the Istanbul International Opera Festival, and also 10-year partnership with the Istanbul State Symphonic Orchestra.

Adopting an innovative management approach, DenizBank continued its technology investments in order to increase the diversity and quality of products and services in 2014. DenizBank was designated "The Most Innovative Bank of the Year" at BAI Banking Innovation Awards and "Bank of the Year in Turkey" at The Banker magazine Awards.

We take this opportunity to extend our gratitude to our customers, shareholders, business partners and employees for their unfaltering support during the year 2014, and to our esteemed shareholders and social partners for gracing our General Assembly with their presence.

Board of Directors

DONATIONS MADE IN 2014

INSTITUTION	AMOUNT (TL)
THE TURKISH EDUCATION ASSOCIATION	635,856.00
BOĞAZİÇİ UNIVERSITY FOUNDATION	13,789.00
GALATASARAY SPORTS CLUB	4,162.50
CERRAHPAŞA MEDICAL FACULTY	4,000.00
ISTANBUL TECHNICAL UNIVERSITY FOUNDATION	2,500.00
TURKISH EDUCATION FOUNDATION	1,730.00
OTHER	782.00
TOTAL	662,819.50

RELATED PARTY TRANSACTIONS

Please see Notes to the Independently Audited Financial Statements, Section Five-VII.

HUMAN RESOURCES

DenizBank received “Biggest New Job Creator” awards.

In line with the strategies and goals of the Bank and in cooperation with all organizational units, the Human Resources Department provides guidance to employees, DenizBank Financial Service Group’s most important asset. The Department strives to create a pleasant and productive working environment while significantly contributing to employee development.

DenizBank’s 14,979 employees offer services through a total of 758 domestic and international branches, 45 of which opened in 2014. As a result of meticulous workforce planning, DenizBank is one of the banks with the lowest number of employees per branch.

DenizBank’s groundbreaking human resource practices in the banking sector garnered first place at the prestigious British competition, the HR Excellence Awards 2014, in the category of “Best Human Resources Strategy from Overseas.” In addition, the Bank received a silver award in the “Best Talent Acquisition Process” category at the Excellence Awards held by Brandon Hall, one of the world’s leaders in training and development.

At the awards ceremonies of Turkey’s best-known recruitment web sites Kariyer.net and Yenibiris.com, DenizBank received “Biggest New Job Creator” awards.

In order to increase the efficiency of recruitment and career management processes and provide services to employees with technological support, the HR Self Service system launched within the DenizBank portal. Employee requests related to additional personnel, transfers, staffing pattern changes or resignation notifications are collected on the system, and subsequently resolved by Human Resources.

The software and visual work on the DenizBank Human Resources career and job application management pages was completed and kariyer.denizbank.com went live.

DenizBank Human Resources added the video sharing site YouTube to its social media management portfolio. DenizBank has thus become the first bank ever to create a career channel on YouTube.

“The Pearls of Deniz” internship program received nearly 13 thousand applications in 2014. After evaluations were completed, over 400 students interned in the Bank’s branches and at the Head Office. In another initiative targeting university students, the Network Campus Online training project was implemented. Career Library activities were organized via the DenizBank Human Resources Twitter account. In a competition held via the DenizBank HR Twitter account that week’s human resources related books are presented as gifts to five individuals. As a result of posts on LinkedIn where DenizBank has acquired a large number of followers, the Bank ranked first among all banks operating in Turkey, according to LinkedIn’s Employer Brand Talent Brand Index Report. In another LinkedIn report, the Content Marketing Score, DenizBank was chosen as the Turkish bank with the most popular content on LinkedIn.

Employee Loyalty

The results of The Survey of Employee Loyalty, which reflects the people-oriented corporate culture and the management approach seeing the people as the most valuable asset, recognized higher from the average of sector in 2014.

In a clear indication of employee satisfaction, DenizBank’s employee turnover ratio is below the sector average. With a view to enhancing employee satisfaction, the fundamental factor underlying customer satisfaction, The Survey of Employee Loyalty for all employees of DFSG is applied, one-to-one meetings with employees and managers are held, which allow the Bank to better assess its employees’ expectations and implement action plans geared towards improvement. In 2014, Recruitment and Career Management staff held such one-to-one meetings with a total of 1,215 employees at the Head Office, as well as at regional offices, branches and subsidiaries.

Career Opportunities

Besides adding qualified and skilled employees to its workforce, the DenizBank Financial Services Group cultivates the future’s managers from within its ranks, to provide equal opportunities to its employees and give preference to existing employees when filling vacancies. Within this scope, in the four promotion periods of fiscal year 2014, a total of 2,756 individuals advanced to the upper job level, while 193 Bank employees were appointed to managerial positions, amounting to 74% of all management promotions for the year.

Manager candidates are included in the Development Center Application to ensure fair and objective assessment, correct identification of their competencies, and to provide the right environment for honing their skills. In 2014, the Development Center Application came to include the appointments of Team Leaders to DenizBank’s Direct Sales, Call Center and Telemarketing departments.

In 2014, some 162 Auxiliary Employees including Secretaries and Operations Support Personnel took the career group transition exam. Successful candidates will be offered positions in the Bank’s career group.

Reward System

In 2014, the Performance Development Program (PDP), which aims to improve employee performance and qualifications, started being implemented twice a year. The objective is to increase the frequency of feedback provided to the employee and to offer guidance throughout the process.

The Group offers competitive salaries and fringe benefits in line with current market conditions. Manager and employee salaries are determined according to ethical values, internal balance, strategic goals and levels of responsibility.

All indemnity payments which function as incentives to reward the performance of managers are assessed with due consideration of the past performances of employees, and their contribution to the long term performance of the Bank. In 2014, the premium system was expanded to include career group employees in the Head Office and regional offices.

Within the scope of managers’ bonus payments GM Premiums and the PUPA Premium system, performance based premium payment of approximately 2,58 salaries were made to DFSG personnel in 2014.

DenizBank aims to strengthen communications and employer brand with candidates using social media, career websites, and other external communication activities also in 2015. It plans to strengthen collaborations with universities by means of integration with business lines, increase employee loyalty, further reduce the employee turnover ratio and appoint current employees to 74% of managerial vacancies.

TRAINING

Deniz Academy crowned its success in the area of education and development with international awards.

Deniz Academy

Deniz Academy structures the personal and professional development of all DFSG employees in a planned way. The training needs of all employees are analyzed in line with the importance of training in career improvement. Deniz Academy prepares training maps for field employees according to their level, and structures their development throughout their career with compulsory and elective courses, thus allowing them to enjoy a faster moving and more satisfying career path. Head Office employees are offered boutique courses following the annual training needs analyses. Additionally, Deniz Academy issued the first edition of its six-monthly curriculum of elective courses for the employees of the Head Office and subsidiaries.

Deniz Academy sees the training of managers as a mission guiding the corporate culture, and develops training projects spread over a period of time by utilizing different teaching methods to make learning by practice more stimulating. Deniz Academy has the capacity to provide training to 1,300 people simultaneously, and organizes seminars, hobby workshops and many other activities in addition to employee training, also playing host to many of DFSG's events.

In 2014, via Deniz Academy, DFSG increased and improved its investment in human resources - its most important asset. Throughout the year, Deniz Academy reached every employee and became one of the top institutions in the sector by organizing an average of 8.1 days of training per employee. Moreover, the "Development Center" continued to identify the strengths and any improvable areas in the role of vice presidents. Vice presidents who attended this program furthered their personal development through participation in the "Vice President Development Program." Indeed, the Vice President Development Program is scheduled to continue in 2015 with an even richer content currently under development. Deniz Academy has a 15-day Leadership Program called the "New Captains Club" designed for the employees who have been recently promoted to the positions of branch manager and department head. The New Captains Club programs are also set to continue in 2015.

In addition to classroom training programs, DenizBank added virtual instruction to its alternative learning portfolio, including e-learning, mobile learning and Deniz TV. Deniz Academy has thus implemented a multifaceted training model and provides an average of 16 hours of training per employee. Since the start of 2014, some 1,500 different materials were offered for use by all employees. These include personal development, professional, technical and management training programs, as well as book summaries and various digital library options. In 2014, e-training programs started to be produced within Deniz Academy and applied monitor simulations were put into practice. Pertinent developments within the Bank, as well as training schemes, projects and activities within the Academy are announced via Facebook and Twitter.

In 2014, Deniz Academy's distinctive training and development practices continued to be recognized with international awards.

Deniz Academy received awards in two different categories at the Excellence Awards by Brandon Hall, one of the world's most prestigious institutions in training and development. In the "Best in Competencies and Skill Development" category, Deniz Academy won the Silver Award for the "Manage Your Business and Stress, Uncover Your Potential" training designed for specific business lines. In addition, the Academy received the Bronze Award in the "Best in Learning Technology Implementation" category for efforts to integrate education technologies with existing systems infrastructure.

SUPPORT SERVICES

SUPPORT SERVICES PROVIDERS	BUSINESS LINE
Method Araştırma Danışmanlık ve Mühendislik San. Tic. Ltd. Şti.	Research Service
Iron Mountain Arşivleme Hizmetleri A.Ş.	Archive
Active Bilgisayar Hiz. ve Tic. Ltd. Şti.	
Hewlett-Packard Teknoloji Çözümleri Ltd. Şti.	
Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	
Kartek Kart Ve Bilişim Teknolojileri Ltd. Şti.	
V.R.P Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizmetleri tic. A.Ş.	
TMOB Bilişim Yazılım Teknoloji Sistemleri A.Ş.	IT Systems
ATP Bilgisayar Ağı ve Elektrik Güç Kaynakları Üretim Paz. ve Tic. A.Ş.	
DRT Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	
etcBASE Yazılım ve Bilişim Teknoloji A.Ş.	
Fineksus Bilişim Çözümleri A.Ş.	
CHS Telekomünikasyon ve Çağrı Hizmetleri San. ve Tic. A.Ş.	
Collection Platform Yazılım ve Danışmanlık A.Ş.	
Global Bilgi Pazarlama Danışma ve Çağrı Servisi Hizmetleri A.Ş.	Call Center
CMC İletişim Bilgisayar Reklam ve Danışmanlık Hizmetleri Sanayi Ticaret A.Ş.	
Metlife Emeklilik ve Hayat A.Ş. ve Callpex Çağrı Merkezi Ve Müşteri Hizmetleri A.Ş.	
Atos Bilişim Danışmanlık Ve Müşteri Hizmetleri Sanayi ve Tic. A.Ş.	Call Center / Marketing
Tempo Çağrı Merkezi ve İş Süreçleri Dış Kaynak Hizm. Tic. A.Ş.	
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	
Brink's Güvenlik Hizmetleri A.Ş.	Security
G4S Güvenlik Hizmetleri A.Ş.	
Inviso Destek Hizmetleri A.Ş.	Intelligence Services
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. Tic. A.Ş.	
ETB Elektronik Teknoloji ve Bilişim Hiz. San. ve Tic. Ltd. Şti.	
Kurye-Net Motorlu Kuryecilik ve Dağıtım Hizmetleri A.Ş.	
E-Kart Elektronik Kart Sistemleri San. ve Tic. A.Ş.	
Plastik Kart Akıllı Kart İletişim Sis. San. Tic. A.Ş.	
Printaş Basım ve Sanayi Tic. A.Ş.	
Austria Card Turkey Kart Operasyonları A.Ş.	
Asseco SEE Teknoloji A.Ş.	
Etisan Barkod ve Bilgisayar Sistemleri Ltd. Şti.	
İstanbul Altın Rafinerisi A.Ş.	
BBS Danışmanlık Gayrimenkul ve Eğitim A.Ş.	
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	
Tagar Tapu Garanti Hizmetleri A.Ş.	Operational Services
AVİ Gayrimenkul Yatırım Değerleme ve Danışmanlık A.Ş.	
Kriter Gayrimenkul Değerleme ve Danışmanlık Ltd. Şti.	
İpoteka Gayrimenkul Yatırım Danışmanlık A.Ş.	
Sistem Kurye Hiz. Taş. Tekstil Deri Tic. Ltd. Şti.	
Hayat Teknoloji Bilgisayar Sis. Kart Basım Hiz. San. ve Tic. Ltd. Şti.	
Mapikart Tanıtım Hizmetleri ve Dış Tic. Ltd. Şti.	
Konfides Bilgi Teknolojileri Tic. A.Ş.	
Logista Kurye ve Lojistik Hizmetleri Ltd. Şti.	
Uz Gayrimenkul A.Ş.	
Aras Kurye Servisi A.Ş.	
Cankurt İş Sağlığı ve Güvenliği Hizmetleri Ortak Sağlık Güvenlik Ticaret Ltd. Şti.	
Zeta İnsan Kaynakları ve Kurumsal Çözümler Ltd. Şti.	Operational Services / Marketing

SUPPORT SERVICES PROVIDERS	BUSINESS LINE
Kent Otomotiv San. ve Dış Tic. Ltd. Şti.	
Enuygun Com İnternet Bilgi Hizmetleri Teknoloji ve Tic. A.Ş.	
Finzoom İnternet ve Danışmanlık Hizmetleri Tic. Ltd. Şti.	
Hangisi İnternet ve Bilgi Hizmetleri A.Ş.	
Doksanaltı İnternet Danışmanlık Hiz. Tic. Ltd. Şti.	
Konut Kredisi Com Tr Danışmanlık A.Ş.	
Verkata LLC	
Kiler Alışveriş Hizmetleri Gıda San. ve Tic. A.Ş.	Marketing
Klon Ödeme ve İletişim Teknolojileri Ltd. Şti.	
ETTS Elektronik Tic. Tah. Sis. San. ve Tic. Ltd. Şti.	
ABC Otomobilcilik ve Turizm Tic. A.Ş.	
Ata Otomotiv Tic. A.Ş.	
Derindere Otomotiv San. Tic. A.Ş.	
Efe Motorlu Araçlar Tic. A.Ş.	
Posta ve Telgraf Teşkilatı A.Ş.	

DENİZBANK CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART I: CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

PART II: SHAREHOLDERS

- 2.1 Investor Relations Department
- 2.2 Exercise of Shareholders' Right to Information
- 2.3 General Assembly Meetings
- 2.4 Voting Rights and Minority Rights
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- 2.6 Transfer of Shares

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- 3.1 Corporate Website and Contents
- 3.2 Annual Report

PART IV: STAKEHOLDERS

- 4.1 Informing Stakeholders
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PART V: BOARD OF DIRECTORS

- 5.1 Structure and Formation of the Board of Directors
- 5.2 Operating Principles of the Board of Directors
- 5.3 Number, Structure and Independence of Board Committees
- 5.4 Risk Management and Internal Control Mechanism
- 5.5 The Company's Strategic Objectives
- 5.6 Remuneration of the Board of Directors

PART I: CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Prior to its IPO, DenizBank voluntarily conducted studies for compliance with the Capital Markets Board's (CMB) Corporate Governance Principles in line with international principles and sectorial practices; the "Corporate Governance Report" was published upon approval by the Board of Directors at

its meeting dated September 16, 2004. DenizBank views Corporate Governance Principles as a dynamic field open to further improvement, and works to enhance its operations in this spirit.

DenizBank operates with a management approach built on the principles of transparency, equality, responsibility and accountability, and exercises maximum care to comply with the principles outlined in the annex to BRSA's Regulation on Corporate Governance Principles (Regulation) and expends maximum effort to comply with CMB's Corporate Governance Communiqué (Communiqué) no. II-17.1, Corporate Governance Principles as regards the management of relations with shareholders, as well as the determination of the duties, authorities and responsibilities of the Board of Directors and the management tiers that report to the Board. Differences between CMB Corporate Governance Principles and the Bank are outlined under the relevant sections of this report.

PART II: SHAREHOLDERS

2.1 Investor Relations Department

Established in 2004 with the aim of taking necessary measures to comply with the existing legislation, the Articles of Association, and other in-house regulations regarding the protection and exercising of shareholders' rights, and the right to obtain and review information in particular, the Department has been carrying out its activities with name of Investor Relations and Financial Communication Department within the structure of Financial Affairs Group, under the supervision of Suavi Demircioğlu, Financial Affairs Group-EVP, CFO. After the Communiqué entered into force, the tasks of the Department were expanded and revised within the 5th Clause of the 11th Article of the Communiqué. The tasks within this scope are carried out in coordination with the Secretary General, Corporate Compliance and Treasury and Financial Institutions departments. Names and contact info regarding the staff members of the Department are given below. Due to the fact that the portion of shares in public float is 0.15%, the number of inquiries made by investors within the period was limited, and thus all inquiries were answered verbally or in writing.

Yeliz Koraşlı Özdemir-Department Head-Capital Market Activities Basic and Advanced Level Licenses

yeliz.korasliozdemir@denizbank.com
Tel: +90 212 348 59 95

Çağrı Canbal-Vice President-Capital Market Activities Advanced Level License

cagri.canbal@denizbank.com
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Fax: +90 212 336 61 68
+90 212 336 30 80

Upon the last amendments made to the Communiqué, the name of the Department was renewed as the "Investor Relations Department". Due to the fact that most of the tasks specified in the 11th Article of the Communiqué are carried out by our Bank's Investor Relations and Financial Communication Department; the Department Manager Yeliz Koraşlı Özdemir was appointed as the "Director of Investor Relations Department" upon the Board of Directors decision

dated June 20, 2014. Furthermore, within the scope of the 1st Clause of the 11th Article of the Communiqué she was appointed as a member to the Corporate Governance and Nomination Committee.

Activities during the Period

- › Material event disclosures,
- › Preparation of the annual report, interim activity reports, and press releases on financial data,
- › Updating relevant information on the Bank's website,
- › Examination of sector data and preparation of market share reports,
- › Examination and comparative analysis of reports by other banks,
- › Responding to questions received by email and telephone,
- › Organization of Ordinary General Assembly Meeting,
- › Presentation of analysis and assessment reports to the Executive Management along with recommendations,
- › Communicating with credit rating agencies, reviewing and evaluating reports,
- › Providing assistance to the documentation made within the scope of bonds/bills issuance, making necessary announcements and disclosures,
- › Coordinating the practices developed in the Bank within the scope of Corporate Governance Practices

The report regarding the activities carried out within the scope of the Communiqué was prepared in coordination for the first time for 2014 and was submitted to the Board of Directors on February 2015.

2.2 Exercise of Shareholders' Right to Information

The Investor Relations and Financial Communication Department treats all shareholders equally. All shareholder and other stakeholders' inquiries were first assessed to determine whether or not they concerned trade secrets, and then answered accordingly either in written form, or else verbally. Queries made to the Investor Relations and Financial Communication Department concerned the following topics:

- › The Bank's financial statements,
- › Activities in business lines,
- › General Assembly Meetings,
- › Forecasts regarding the Bank and the banking sector,
- › Main shareholder,
- › The Bank's goals for the upcoming year,
- › Bonds/bills issued,
- › Project finance

DenizBank exercises maximum care to release information that may impact the exercising of shareholders' rights and the decisions of investors, in the most rapid and effective manner. Disclosures are considered within the scope of the CMB's Communiqué and Guide on Principles Regarding Public Disclosure of Material Events, announced via the Public Disclosure Platform and also published on the Bank's website as in both Turkish and English. The Bank's website is itself used actively to provide shareholders, investors and other stakeholders' easy access to information. The information published on our website is explained in detail under "Part III/3.1 Company Website and Contents."

Request for the Appointment of a Special Auditor

Shareholders' right to request the appointment of a special auditor is stipulated as an individual right in Article 14 of the Articles of Association, as per the Turkish Commercial Code, Article 438 and onwards. During the period, no request from shareholders for the appointment of a special auditor was received.

2.3 General Assembly Meetings

Invitation to and Information about the General Assembly

DenizBank issues the invitation to the Annual General Assembly at least 3 (three) weeks before the meeting date, as stated in Articles 11 and 35 of the Articles of Association. The announcement/invitation on/to the General Assembly is published in the Trade Registry Gazette, in a daily newspaper printed in Istanbul where the Bank is headquartered, on the Central Registry Agency's (MKK) Electronic General Meeting System (e-GEM), Public Disclosure Platform (PDP) as well as on the DenizBank website. Furthermore, the agenda items, proxy forms, Annual Report, Articles of Association, financial statements and their footnotes, old and new versions of the Articles of Association in case of any amendments, information stated on principles on Board Members and candidate Members in case the agenda items include the dismissal, replacement or election of Board Members, any requests from the shareholders to add items to the agenda, and all other documents regarding the agenda are submitted for shareholder scrutiny at the Bank's Head Office and on the Bank website as of the date of the announcement. Documents regarding the agenda items are also published via the e-GEM. Proxy voters do not have to be shareholders. It is no longer necessary to place voting shares under participator's blockage in the General Assembly Meeting. Shareholders can now participate in the meeting via the e-GEM, until 00:00 hours the day before the meeting. All shareholders whose names are included on the Shareholders List obtained from the e-GEM prior to the meeting can participate in person.

Although not stipulated in the Articles of Association, DenizBank's Board of Directors can decide to open General Assembly meetings to the wider public, including stakeholders and the press, although the latter do not have the right to take the floor. The meeting minutes of the General Assembly and the Attendance List are published on the e-GEM, Public Disclosure Platform (PDP) and the Bank's website. In 2014, DenizBank held an Ordinary General Assembly Meeting.

Date: 27.03.2014

General Assembly: 2013-Ordinary

Participants: Shareholders, Representatives of Legal Authorities, Stakeholders

Participation Rate: 99.85%

Form of Invitation: Trade Registry Gazette, Hürses newspaper, and announcement on the e-GEM, PDP and the Bank website.

Shareholders' Right to Add Items to the Agenda and Ask Questions

As indicated in Article 11 of the Articles of Association, minority shareholders may add items to the agenda and request the Board of Directors to call an Extraordinary General Assembly via justifiable written requests. At the Ordinary General Assembly held in 2014, shareholders did not propose such new agenda items.

As per Article 14 of the Articles of Association, all shareholders have the right to express their opinions and ask questions during General Assemblies. Questions directed at the Board of Directors shall be answered immediately and verbally, if possible. Otherwise, these will be answered in written form within 15 (fifteen) days of the General Assembly. In line with recent amendments to the Communiqué, questions posed during General Assembly meetings and their answers shall be published in 30 (thirty) days on the Bank's website. At the Ordinary General Assembly held on March 27, 2014, shareholders did not pose any questions.

The Bank makes donations and gives aid in line with the Donation Policy and relevant procedures defined by the Social Responsibility Policy. The sum of donations made during the period and the benefactors of these donations are listed in the Annual Report and presented to the shareholders at the General Assembly as a separate agenda item with the policy changes if existed.

2.4 Voting Rights and Minority Rights

DenizBank shares do not have any preferential rights. As per Article 12 of the Articles of Association, each share carries one vote. Obstructions to the exercising of voting rights are avoided. Shareholders can be represented at the General Assembly by other shareholders, or an external proxy.

The Bank does not have any cross-shareholding relationships with any company. As stipulated by the Article 29 of the Capital Market Law No. 6362, minority rights shall be exercised by shareholders representing at least one-twentieth of the paid-in capital as per Article 411 of the Turkish Commercial Code, and this condition is met by Article 11 of the Articles of Association.

2.5 Dividend Rights

The Bank's dividend distribution policy is outlined in Article 32 of the Articles of Association and published on the website. Prior to being presented by the Board of Directors to the General Assembly, the dividend distribution proposal is announced as a material event disclosure to shareholders and published on the Bank's website and e-GEM. The dividend distribution policy and the dividend distribution proposal for the relevant year are published in the Annual Report. There are no privileges concerning the distribution of dividends. Pursuant to the decision of the General Assembly held in March, no dividend is being paid for the year 2013.

2.6 Transfer of Shares

There is no provision in the Bank's Articles of Association restricting the transfer of shares. According to Article 8 of the Articles of Association, the transfer of shares is allowed in accordance with Turkish Commercial Code, Banking Law no.5411, Capital Market Law and the Articles of Association.

PART III: PUBLIC DISCLOSURE AND TRANSPARENCY

3.1 Corporate Website and Contents

In accordance with the public disclosure and transparency principles of the Corporate Governance Principles, DenizBank has created an effective website which is updated periodically to provide timely, accurate, complete, comprehensible, easy to analyze, low-cost and accessible information. The Bank's web address is www.denizbank.com. The website, available in Turkish and English, contains all the information stipulated in CMB's Corporate Governance Principles.

The following information is available on the website:

- › Trade Registry and share information, shareholding and management structure,
- › The latest version of the Bank's Articles of Association, information about the changes,
- › Material event disclosures,
- › Press releases,
- › Annual reports and interim activity reports, financial reports,
- › Documents concerning securities issued,
- › General Assembly forms,
- › Information on the internal control system and risk management,
- › Curricula Vitae of the Board of Directors and the Executive Management team,
- › Policies,
- › Corporate Governance Principles Compliance Report,
- › List of social responsibility activities.

3.2 Annual Report

The Annual Report is published in sufficient detail to provide complete and accurate information about the Bank's operations, and in accordance with BRSA and CMB regulations. The Annual Report features all topics listed in the relevant regulations. Following its release on the Public Disclosure Platform, it is also published on the Bank's website.

PART IV: STAKEHOLDERS

4.1 Informing Stakeholders

The rights earned through legislation and the reciprocal contracts of DenizBank's stakeholders (employees, clients, correspondent banks, entities participating in syndication loans, public agencies, borrowers, lenders, credit rating agencies, suppliers, the social environment, and other interest groups the Bank is in contact with) are protected by DenizBank. If these rights are violated, the injured party is compensated. Relationships with all stakeholders are maintained with respect to the Code of Ethics. Employee rights have been determined through the Bank's approach, and through its human resources policy, remuneration policy, employee, disciplinary, and other regulations. Stakeholders are provided with information related to the Bank within the framework of the disclosure policy and other in-house regulations. Stakeholders are regularly informed through General Assembly minutes; material event disclosures; press releases; internal bulletins; in-house announcements; "Team Spirit" magazine; emails to clients; announcements via SMS, the call center, web platforms and social media channels; annual and interim reports; financial reports; and all notifications made via the Bank website.

In addition, information is provided via meetings organized upon request and in written statements. Easy access to up-to-date information is facilitated by posting all the aforementioned information on the Bank's website.

Several mechanisms have been set up by which stakeholders can share complaints and suggestions regarding the Bank's activities and transactions with the management. While employees can use the suggestion system to share their wishes, requests, suggestions and complaints with the executive management, other stakeholders can share their requests and complaints with the Bank's management via the customer satisfaction system.

4.2 Stakeholder Participation in Management

To ensure optimum satisfaction while preserving the balance between customers, employees, shareholders and other stakeholders, the Bank strives to improve its product and service quality, and to fulfill the expectations of domestic and foreign customers. To this end, DenizBank acts in accordance with the "collective wisdom" concept and gears its systems towards continuous improvement.

Stakeholders can participate in the Bank's management by attending various committee meetings and the General Assembly, as well as by using the suggestion system and by exercising their right (as stated in Article 20 of the Articles of Association) to demand from the Chairman in writing the placing of an item on the agenda of the General Assembly meeting. Furthermore, as per Article 11 of the Articles of Association, minority shareholders may request in written form that the Board of Directors add an item to the agenda of the General Assembly through justifiable written requests prior to the creation of said agenda. Moreover, shareholders may request the Board of Directors to call for an Extraordinary General Assembly through justifiable written requests and create the agenda for discussion.

Below is a list of systems that facilitate employee, customer and shareholder participation in management. The output of these systems is presented to the Executive Management after being analyzed by related departments.

Employees

- > Committees
- > Suggestion System

Customers

- > Customer Satisfaction System
- > Suggestion System

Shareholders

- > General Assembly
- > Board of Directors
- > Management Meetings

4.3 Human Resources Policy

General human resources policies designed for the Bank and its subsidiaries to perform their functions in the most effective fashion are based on the principles summarized below. These principles are posted as related procedures and processes on the Bank's website and intranet portal "DenizPortal", and are accessible by all members of staff.

Respect for Individuals: Recognizing that the first criterion for success is respect for the individual, and providing all employees, without discrimination, with the harmonious professional environment and physical means necessary for them to fully utilize and improve their abilities and skills.

Transparency in Management: Facilitating new ideas within the framework of mutual trust, understanding and communication; and problem solving through collective wisdom. Establishing and developing user-friendly technological systems that give employees the opportunity to communicate their demands, suggestions and opinions by further informing them on the applications that concern them.

The Opportunity for Training and Development: Keeping in mind that the Bank's most valuable investment is the development of employees using every available training tool, as well as managing their careers in accordance with their accomplishments and competencies, and aiming to select the managers and directors of the future from among Bank employees.

Fair and Reliable Remuneration Management: Implementing a compensation management system that provides fair and reliable salaries and benefits that encourage and reward success and excellence in line with market and prevailing conditions.

Practices and attitudes related to matters such as hiring criteria, salaries, training and health, in accordance with the general approach adopted within the framework of the human resources policy, are documented through guidelines, procedures and policies, all of which are available to employees.

Announcements that are of interest to Bank employees are communicated over the intranet (DenizPortal) and by email. A Suggestion System was developed through which the employees can transmit all of their suggestions and opinions. Suggestions submitted through "I Have an Idea" on DenizPortal are evaluated and pre-assessed by the Organization Department. Suggestions deemed viable after the pre-assessment by the relevant group/ department are submitted to the Suggestions Committee. Evaluation and rewarding of relevant suggestions are carried out by the Suggestions Committee. The recording and follow-up of the suggestions chosen for implementation are coordinated by the Organization Department. Furthermore, all employee concerns and problems regarding working practices are evaluated by their supervisors and brought to the attention of the Executive Management, where necessary. There have been no complaints from employees regarding discrimination in the workplace.

We believe that development is the most important factor of our human resource policy, and we support the personal development and career path of every DenizBank Financial Services Group employee with a policy of equal opportunity. All related programs are carried out at Deniz Academy, with training needs analyzed. Modern training tools and methods like e-Deniz Academy, Deniz TV, mobile training and social media are used in training projects.

The Bank's employee remuneration policy was designed to establish the principles governing "payroll and social benefits". The Remuneration Committee was established to audit and monitor pay policies and practices on behalf of the Board of Directors. Salaries, factors significant in determining increase rates, the performance based pay system and criteria used in assessments have been identified within the scope of the policy. The policy has been made available to employees via the website and intranet portal.

4.4 Code of Ethics and Social Responsibility

DenizBank carries out its activities within the framework of the Banking Code of Ethics it has adapted and published on its corporate website. Taking and implementing management decisions necessary for compliance with the Banking Code of Ethics published by The Banks Association of Turkey, constitute the basis of the activities. Furthermore, the Bank published the "DenizBank Compliance and Integrity Policy" in order to establish respect for laws and regulations, ensure trust among customers, employees and shareholders, and prevent misconduct and fraud.

In addition to contributing to the national economy through its financial activities, DenizBank supports projects designed to raise public awareness, mainly in the fields of education, culture and the arts and sports, in line with its social responsibility approach. DenizBank Financial Services Group's Corporate Social Responsibility has also been published on the website.

As part of its social responsibility activities, the Bank makes donations, supports projects, organizes cultural events and publishes works via DenizKültür.

The list of activities conducted to this end is presented on the Bank's website.

PART V: BOARD OF DIRECTORS

5.1 Structure and Formation of the Board of Directors

The Annual Report includes the names and short biographies of the Bank's executive, non-executive and independent Board Members. The formation, duties, and responsibilities of the Bank's Board of Directors, as well as its meeting format, are described in detail in Articles 17, 18, 19, and 20 of the Articles of Association. The Board of Directors consists of 14 members, four independent members of which three are also the Members of the Audit Committee (as per Articles 4.3.6 of the CMB's Corporate Governance Principles, two are independent members), 11 are non-executive and three are executive members. In line with Article 17 of the Articles of Association, the duties of Chairman and CEO are performed by different individuals. The term of office for all members of the Board of Directors is defined within the scope of Article 18 of the Articles of Association as three years. A member whose term of office expires can be re-elected. There are no quantitative limits as to the Board Members' taking office in the Bank's subsidiaries. In order to ensure efficient management, in principle, Board Members are asked not to take up more than three duties beyond the Bank's subsidiaries. A "Statement of Independence" has been received from the independent members pursuant to Articles 4.3.6 of the CMB's Corporate Governance Principles to fulfill the criteria of independence.

Investigating the independence of the independent Board Members and identifying any conflicts of interests are among the duties and responsibilities of the Corporate Governance and Nomination Committee. Within the framework of the principles in force during the period of activity, there were no circumstances which could compromise the independence of the Board Members. In line with the revision of Communiqué criteria, the statements from independent Board Members were renewed in 2014 according to CMB principles.

One of the Bank's 14 Board members is female. According to the objective set by CMB's Corporate Governance Principles, Article 4.3.9, at least 25% of the members need to be female, which corresponds to four women in DenizBank's case. Women account for 38% of the Bank's managers; the Bank is keen on attaining this objective concerning the Board of Directors.

5.2 Operating Principles of the Board of Directors

Principles and quorum for Board of Directors meetings have been established in Article 20 of the Articles of Association. Although the Articles of Association state that the Board of Directors should meet at least four times per year, the Board meets as frequently as required to fulfill its duties effectively. The Board of Directors is convened by the Chairman of the Board or by the Vice

Chairman if the Chairman is not present. The agenda of the Board of Directors meetings consists of items arising from the duties and responsibilities of Board Members as stipulated in Article 19 of the Articles of Association, as well as members' requests, matters discussed at the weekly Executive Committee meetings and Committee resolutions. In line with shareholder rights, minority shareholders and stakeholders may demand that a certain subject be addressed at the Board of Directors meeting through a written request to the Chairman, and have it added to the agenda.

In the year 2014, the Board of Directors made 161 decisions.

It is essential that Board Members attend the meetings in person, although attendance is also permitted via any means of remote conferencing. Each Board Member has one vote, all votes are equal and no member or Chairman has the privileged or weighted power to vote or veto.

A Board Member cannot vote at a meeting on a related party transaction concerning themselves.

The Chairman of the Board does his utmost to enable the participation of non-executive members at the meetings. The Chairman is responsible for ensuring that Board meeting invitations and discussions are conducted in accordance with procedures, and that decisions are recorded in the meeting minutes.

During the Board of Directors meetings, members who cast dissenting votes are required to sign the minutes along with a statement explaining the reason for their votes. Minutes of the meetings and related documents, as well as the related correspondence are archived on a regular basis. The manner in which the Board of Directors meetings are held is determined by in-house regulations. Information and documents related to the items on the agenda of the Board of Directors meetings are presented to Board Members for scrutiny by the Board Secretariat prior to the meeting in order to establish equal information flow. Members who cannot attend the meeting may submit their views in writing to the Board of Directors, and these opinions are shared with all other members. The compliance of the Bank's meeting minutes with legislation is ensured by the Board Secretariat, and a report is presented to authorized parties upon request. The duties of the Board Secretariat have been passed onto the Secretary General upon resolution of the Board of Directors. Decisions of the Board of Directors that are significant to stakeholders are made public via material event disclosures.

5.3 Number, Structure and Independence of Board Committees

In order for the duties and responsibilities of the Board of Directors to be carried out fully, the Board established the Audit Committee and the Corporate Governance and Nomination Committee in 2004 within the scope of CMB Corporate Governance Principles. In addition, in 2011, the Board of Directors established the Remuneration Committee to monitor and inspect remuneration practices on behalf of the Board of Directors in accordance with the "Regulation on the Banks' Corporate Governance Principles" of the Banking Regulation and Supervision Agency. The duties and operating principles of committees are posted on the Bank's website. Information about the committees reporting to the Board of Directors and on the executive committees providing information flow to the management is presented below.

Committees Reporting to the Board of Directors

Corporate Governance and Nomination Committee

The Committee is responsible for monitoring the Bank's compliance with the Corporate Governance Principles. The Committee is composed of four members. Due to the fact that most of the tasks specified in the 11th Article of the Communiqué are carried out by our Bank's Investor Relations and Financial Communication Department; the Department Manager was appointed as the "Director of Investor Relations Department" and as a member to the Corporate Governance and Nomination Committee upon the Board of Directors decision dated June 20, 2014.

The qualifications of committee members are presented in the "Management" section of the report.

The Corporate Governance and Nomination Committee convene at least three times a year. It also convenes whenever else required in the performance of its duties. The procedures related to the structure, duties, authorities and responsibilities of the Corporate Governance and Nomination Committee have been determined, and its main activities are posted on the Bank's website. In 2014, Corporate Governance and Nomination Committee made 14 decisions to recommend candidates to the Board of Directors as regards the appointment of executives. The nominated executives were appointed in line with the recommendations presented to the Board of Directors. The Committee has reviewed its operating principles during the meetings and made an effort to improve these through suggestions to the Board.

Audit Committee

The Audit Committee is responsible for overseeing the Bank's accounting system, financial information and its public disclosure, as well as taking all required measures to supervise the proper functioning and effectiveness of the internal control system. The Committee consists of three members. The qualifications of committee members are presented in the "Management" section of the report.

The Audit Committee convenes at least once every three months -at least four times a year. In addition, the Committee meets with the independent auditors of the Bank, separate from the executive units, at least four times a year to discuss issues regarding internal control, financial statements, internal audit and other important items that need to be discussed. The procedures regarding the structure, duties, authorities and responsibilities of the Audit Committee have been defined and its main activities are posted on the Bank's website. The Audit Committee's activities during the year 2014 can be found in the section entitled "Assessments of the Audit Committee" in the Annual Report.

Remuneration Committee

A Remuneration Committee was established on December 7, 2011, to monitor and inspect remuneration practices on behalf of the Board of Directors in accordance with the Regulation on the Banks' Corporate Governance Principles issued by the Banking Regulation and Supervision Agency.

The Committee evaluates remuneration policies and practices within the framework of risk management and reports its recommendations annually to the Board of Directors. The qualifications of the members of the Committee are presented in the section of "Management" of the report.

Credit Committee

The Credit Committee is in charge of evaluating proposals or applications regarding the commercial, corporate and SME loans of the Bank. The Committee convenes every week, assesses these proposals or applications, and approves, or rejects those within its limits of authority. The Committee submits those proposals or applications beyond its authority to the Board of Directors. The Committee consists of three full and two alternate members. The qualifications of the members of the Committee presented in the "Management" section of the report.

Executive Committees

Management Board

The DFSG Management Board is a committee operating under the authority of the CEO with powers delegated by the Board of Directors. The Management Board meets once a week under the chairmanship of the CEO. The Management Board consists of executive members of the Board of Directors, Executive Vice Presidents of executive business lines of the Bank and General Managers of subsidiaries. The Secretary General is a natural member of the Executive Committee without voting rights. The Management Board was established to prepare and provide information to the Board of Directors, and to evaluate, conclude and exchange ideas regarding certain strategic decisions. Upon accepting recommendations regarding subjects within the authorization limits of the CEO, the CEO along with the Executive Vice President of the relevant unit, or the General Manager of the relevant subsidiary proceeds to enact the change. Recommendations related to subjects within the authorization limits of the Board of Directors are presented to the Board of Directors by the CEO, and the decisions made are executed under the responsibility of the Board of Directors.

Executive Committee

The DenizBank Financial Services Group (DFSG) Executive Committee is a consultation body that operates within the framework of the responsibilities delegated to the CEO by the Board of Directors. The Executive Committee, in principle, meets at least once a month under the chairmanship of the CEO and consists of the Executive members of the Board, the Executive Vice Presidents of the Bank, General Managers and/or Board members of some of the subsidiaries. The Executive Committee aims to make timely and reliable decisions in accordance with the "collective wisdom" principle.

Assets and Liabilities Committee

The Assets and Liabilities Committee meets every week under the chairmanship of the CEO and with the participation of the Bank's Chief Economist and the managers of groups which conduct activities that can impact the balance sheet. The meeting agenda consists of the balance sheet of the Bank, activities of the business lines, general economic data and evaluation of current political and economic developments, along with the determination of the weekly assets and liabilities strategy.

Executive Credit Risk Committee

The Risk Committee meets once every three months to evaluate the effects of the market and economic developments that could create a risk for the loan portfolio of the Bank's business lines and subsidiaries; to pursue and assess non-performing loans; to monitor developments in the collection efforts for non-performing loans; and to evaluate reserve budgets.

Disciplinary Committee

The Disciplinary Committee identifies operations and behavior punishable under the Bank's regulations and disciplinary code, as well as the perpetrators, their degrees of fault, and the potential damages. The meetings are chaired by the Executive Vice President in charge of Human Resources. The Disciplinary Committee meets at least six times a year and whenever required, depending on the meeting call and creates its own agenda.

Purchasing Committee

The Purchasing Committee was established to centralize the wholesale and retail purchase transactions of the Bank according to appropriate price and quality criteria, and within the framework of DenizBank's procurement policy. The Committee meets at once a month.

Communications Committee

The Communications Committee was established to convey the Bank's corporate identity to its target audience via appropriate messaging, projects and mass media releases, while reinforcing and supporting the image of the Bank. The Communications Committee meets once every three months. The resulting ideas and recommendations are presented to the Management Board for consideration.

Idea Proposal Committee

The Promotions Committee is responsible for evaluating and making final decisions concerning promotional movements of all DenizBank Financial Services Group employees. The Promotions Committee meets four times in a year, in February, May, August and November under the chairmanship of the CEO, and with the participation of all Executive Committee members.

Suggestions Committee

The Suggestions Committee is responsible for the evaluation and compensation of the suggestions submitted by DFSG employees through the My World/I Have an Idea menu on DenizPortal. The Suggestions Committee is formed under the coordination of the Organization Department. Committee members consist of the representatives of business lines, the Human Resources Department, Intertech, the Service Quality Department and the Organization Department.

5.4 Risk Management and Internal Control Mechanism

The Board of Directors has established the risk management and internal control systems designed to minimize the risks that could affect shareholders and stakeholders; and the Annual Report includes detailed information on the functioning, management, authority, responsibilities and efficiency of the system. The Bank's Internal Control mechanism is managed by the Internal Control Center and Compliance Department, and by the Internal Audit Department. The Board of Directors monitors the efficiency of risk management and internal control systems via quarterly analyses and reports prepared by the Audit Committee. The Annual Report's section on the assessment of the Audit Committee provides further information on this issue.

5.5 The Company's Strategic Objectives

The Board of Directors administers and represents the Company by making strategic decisions that prioritize the long term interests of the Company, through a rational and prudent risk management approach designed to strike the optimum balance between the Bank's risk, growth and returns. To this end, the Board of Directors sets the Bank's strategic objectives, identifies the human and financial resources it will necessitate, monitors the planning of the organization and operations geared towards this goal, and audits the management's performance in line with defined targets. During the implementation of the strategy, the Board oversees the compliance of the Bank's operations with legislation, the Articles of Association, in-house regulations and policies.

The Company's Strategic Objectives have been approved by the Board of Directors. The strategic objectives and the actual degree of completion of the business plans and budgets designed to meet these objectives are periodically monitored and reported through a robust infrastructural system.

5.6 Remuneration

DenizBank publishes on the corporate website its Remuneration Policy, approved by the Board of Directors and established to set the principles of "payroll and social benefits." Principles regarding the performance-based evaluation and remuneration of members of the Board of Directors, executive managers, the second-level managers of DenizBank, and second-level managers of subsidiaries are defined in the Remuneration Policy. Members of the Management Board (Executive Members of the Board of Directors and Vice Presidents) receive bonuses based on performance. The Chairman, Vice Chairman, and Board Members are paid an attendance fee determined by the General Assembly. Board members residing in Turkey were paid a gross monthly sum of TL 10,000. Within the scope of managers' bonus payments GM Premiums and the PUPA Premium system, performance based premium payment of approximately 2,58 salaries were made to DFSG personnel in 2014.

INTERNAL AUDIT, INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT SYSTEMS

At DenizBank, the activities, duties, and responsibilities of the internal audit, internal control, compliance and risk management functions have been separated. Accordingly, these activities are conducted by the Internal Audit Department, Internal Control Center and Compliance Department, and Risk Management Group under the supervision of a member of the Board of Directors, who is also a member of the Audit Committee, based on internationally accepted audit standards, domestic regulations, as well as the needs of the Bank and the Group.

Internal Control Center and Compliance Department

Reporting directly to the Board of Directors and Audit Committee, the Internal Control Center and Compliance Department is in charge of making sure that the Group's activities are carried out efficiently and productively in compliance with national legislation and in-house regulations, reducing operational and other risks, and ensuring the reliability and integration of accounting, financial reporting and IT systems.

The internal control and compliance efforts consist of control and reporting activities carried out independently at certain intervals by internal control and compliance employees at the Head Office and/or at branches, with a view to assessing the compliance, adequacy and efficiency of operations.

The units are also responsible for ensuring coordination with domestic and foreign subsidiaries regarding internal control and compliance and routine report flow.

The Internal Control Center and Compliance Department has two SVPs who reports to the Head of the Internal Control Center and Compliance Department, and an 87 strong workforce dispersed across 10 units as of end-2014, within the framework of national legislation, regulations, communiqués, as well as in-house codes. Once every three months, the Audit Committee is informed about the activities, agenda and organization of the Internal Control Center and Compliance Department.

Internal Control Activities

The Financial and Official Control Department carries out the analysis and control of activities that have an impact on the Bank's profit and loss by accounting, transaction and customer. Additionally, the Department controls the reports prepared by various Departments to be sent to public agencies such as the Banking Regulation and Supervision Agency, the Central Bank of Turkey and the Savings Deposit Insurance Fund. The Branches Internal Control Department produces sixmonthly control plans

with risk-focused 1 and 2 perspectives, and carries out control activities concerning all business lines across the branches. By way of branch visits, the Branches Internal Control Department controls the compliance of transactions with laws and in-house regulations, searches for any deficiencies in the internal control function, shares its findings with the relevant branches and business lines, and follows up future developments. In line with the 2014 control plan, a total of 530 controls, of which 523 controls to branches and 7 controls to Central Operation Departments, were carried out.

In accordance with the type of control planned at each branch, the Central Controls Department carries out centralized controls concerning possible abuses and transactions of the Private Banking Centers.

The Fund Management Internal Control Department is in charge of controlling transactions carried out by Fund Management and relevant operational departments, in financial and operational terms.

The Basic Controls and Support Department organizes the processes of reporting and coordination inside the Internal Control Center and Compliance Department, and executes the controls of support activities and subsidiaries during the performance of administrative and organizational duties. In 2014, 16 on-site controls were organized in the subsidiaries.

The Control Assessment and IT Control Department carries out information technology controls over IT activities supporting the Bank's operations, communication channels, IT systems, and IT security policies, and oversees the harmony between IT security policies, standards and guides in accordance with the COBIT framework. In 2014, 10.562 Bank employees received e-learning training.

Finally, the Loans and Credit Cards Control Department performs periodical controls to ensure that the loan and credit card payment transactions undertaken by the Bank are in compliance with laws, regulations and the Bank's internal procedures.

Compliance Activities

In 2014, the Compliance Group fulfilled its duties via the following departments:

- > Corporate Compliance Department,
- > Anti-Money Laundering Department

The Corporate Compliance Department is responsible for setting basic compliance rules, overseeing the coordination of compliance risk management, ensuring compliance with the Group standards and local regulations, organizing compliance-related information flow and reporting procedures among the subsidiaries, as well as integrating DenizBank subsidiaries within the current Corporate Compliance system. In 2014, 358 Bank employees received a total of 30 hours of classroom training and 581 employees participated in e-learning seminars.

The Anti-Money Laundering Department's duties include monitoring customer transactions within the scope of Law No. 5549 on the Prevention of the Laundering of Proceeds of Crime and Law No. 6415 and respective regulations on the Prevention of the Financing of Terrorism, giving its opinion or approval for transactions concerning risk-bearing sectors and countries, controlling correspondent banks, identifying and monitoring suspicious transactions, reporting these to the public authorities and organizing classroom and online training seminars among Bank personnel on the "Prevention of Laundering of Proceeds of Crime and Financing of Terrorism". In 2014, 1,248 Bank employees received classroom training; 6,925 employees received e-learning seminars – the total average duration was 3 hours.

Internal Audit Department

The auditors of the Internal Audit Department inspect the level of compliance of the Bank's operations with legislation, Articles of Association, in-house regulations and banking principles. The promotion of auditors is based on examination results and job performance. Recruited following a very stringent selection process and an intensive training program, internal auditors conduct their activities in an impartial, independent and meticulous fashion, in line with their professional code of ethics. Additionally, the Internal Audit Department also actively informs and trains the Bank personnel. Within this scope, the Internal Audit Department staff gave 989 hours of training to 2,060 employees in 2014. As of year-end 2014, Internal Audit Department operates with a 108 staff. The Internal Audit Department performs its functions under the following five organizational categories:

1-Audit of Head Office Processes and Subsidiaries

The Department audits the processes of Head Office units, and the processes and activities of domestic and foreign subsidiaries in accordance with legislation and regulations, and also monitors its findings in line with an action plan, and analyzes relevant processes. 35 such audits were performed in 2014.

2-Branch Audits

The risk assessments of the branches are conducted, annual branch audit plans are prepared, branch activities are audited, and the findings are shared with relevant branches and Head Office departments and monitored. In 2014, 450 branches were audited in accordance with the audit plan.

3-Investigations and Inquiries

Bank losses are investigated to uncover the underlying reasons and employees responsible, and inquiries are carried out to mitigate losses and correct errors, while initiatives are taken for the early detection and prevention of misconduct, with Bank employees briefed and trained on this topic. In 2014, 1,361 Bank employees received 349 hours of training within this scope.

4-Audit of Information System Processes

Audits are conducted to ensure that DFSG's IT system processes are structured to support the Bank's policies, and are managed in compliance with the applicable legislation. In 2014, 16 audits were conducted within this scope.

5-Audit Management Office

Activities consist of making necessary plans and arrangements regarding all of DFSG's internal audit activities; contributing to the identification of the best tools and methods, and generating relevant reports; preparing operational procedures and updating existing procedures under the supervision of the Head of Internal Audit.

Risk Management Group

The Risk Management Group carries out comprehensive risk management activities which play a critical role in the identification of DenizBank's operational strategies. The Group is responsible for creating, auditing and reporting necessary policies and procedures to identify, measure, analyze and monitor risks, which are primarily real or potential risks including the risk/return ratio of cash flows. These policies and procedures follow the principles set by the Bank's executive management and Risk Management Group and approved by the Board of Directors.

Depending on the type of process involved, the Risk Management Group works in collaboration with the Audit Committee, Assets and Liabilities Committee, Credit Committee, Risk Committee, and the Internal Control and Compliance, and Internal Audit Departments as regards both policies and practices.

- › The Risk Management Group periodically reports risk analyses to the Audit Committee and Assets and Liabilities Committees so as to guide them in determining and monitoring risk limits and developing risk management strategies.
- › Monitoring, analysis, assessment and modeling of credit risk are conducted, based on credit type, by the credit allocation departments of the related groups, namely the Credit Committee, Risk Committee and Risk Management Group. Results pertaining to credit risk are reported to the Board of Directors.
- › While each business unit is responsible for managing its own operational risk, the Risk Management Group sets policies and monitors and reports activities in coordination with the Internal Control, Compliance, and Internal Audit Department. Assessments are performed by the Risk Committee and the Audit Committee.

Risk management policies consist of risk identification measurement and management processes. DenizBank conducts its banking activities by strictly adhering to risk management policies that aim to analyze risks and manage them within acceptable limits. DenizBank has adopted this as an integral principle in all of its operations to develop systems that comply with Basel II, and other guiding international risk management principles.

Risk Management policies are based on the following types of risk:

- › Market Risk,
- › Basel II/Credit Risk,
- › Liquidity Risk,
- › Operational Risk,
- › Structural Interest Rate Risk.

Market Risk

The Bank conducts its activities in the money and capital markets in accordance with its risk policies and limits. DenizBank measures market risk using the internationally accepted Value at Risk (VaR) method, which is known for its dynamic structure that adapts easily to changing market conditions. VaR quantifies the loss of value that the portfolio of the Bank and its financial subsidiaries might suffer at a given time and confidence interval as a result of fluctuations in risk factors. VaR analyses are supported by scenario analyses and stress tests. This method allows for adaptation to changing market conditions when the risk level is determined. The reliability of the model used in calculating VaR is periodically tested through back testing. The Bank has formulated risk policies and established riskbased limits with regards to its trading activities in money and capital markets.

Basel II/Credit Risk

In line with BRSBA's regulations on Basel II, the Risk Management Group manages the calculation of legal credit risk weighted assets in the 1. Structural Block, in coordination with the Financial Affairs Group. Within the scope of the 2. Structural Block, the Bank calculates the annual general stress test according to its plans and scenarios; whereas the Internal Capital Assessment Process Report is prepared by Bank management and other departments in coordination. In order to ensure compliance with Basel II credit risk internal assessment methods, the Group participates in the development of the necessary credit risk models and coordinates efforts to integrate these with the data infrastructure. The Group is also in charge of the quality control and reporting of the credit levels yielded by the current internal credit assessment models.

New Credit Process

New Credit Process has been implemented successfully at Corporate Credits together with the main shareholder Sberbank of Russia in Head Office and Credit Region Offices. During this project, a gap analysis for corporate credits and financial market transactions has been performed and a tailor-made process has been designed which takes into consideration the needs of Turkish market while meeting the requirements of Sberbank Group and worldwide best practices. During the New Credit Process Rules and Guidelines have been defined and DenizBank Application Form (DAF) and new risk models (PD, LGD, EAD, and Debt Capacity Marker) have been developed. IT developments with regard to the needs of workflow of New Credit Process have been completed; DAF and new risk models have been integrated to the core banking system.

Credit Analyst team has been appointed and a Credit Methodology Group has been established under Chief Risk Officer at Head Office. Financial Analysis Departments have been established in every Credit Region Office and structures of Credit Region Offices have been unified. Training activities, Credit Region Office and branch visits have been organized during the project in order to maintain a smooth adaptation. Categorization of all UnderWriters has been completed within the New Credit Process project.

Liquidity Risk

Liquidity adequacy is monitored within defined limits to ensure that the Bank has sufficient liquidity and reserves under any condition. While analyzing liquidity adequacy, any negative developments that may arise as a result of a change in market conditions or customer behavior are taken into account. The adequacy of existing liquidity and reserve opportunities are tested against these worst-case scenarios.

Operational Risk

All events bearing operational risk for the Bank and its subsidiaries are recorded in a manner that captures the causes and impacts of events, collections and measures taken to prevent the repetition of such events. Events that are frequent or significant are discussed by Internal Control, the Internal Audit Department and the concerned department, and corrective/preventive measures are put into practice. Potential operational risk is assessed by means of Risk and Control Self-Assessment. The adequacy of risk mitigation measures are reviewed during this study and new measures are implemented whenever deemed necessary. The Risk Management Group is also in charge of the coordination of the Business Continuity Program to ensure the design, implementation and testing stages of these policies.

Structural Interest Rate Risk

The structural interest rate risk exposed to due to the Bank's balance sheet structure is monitored by using advanced models, and assumed risks are controlled through defined limits. Interest sensitivity analyses are conducted to measure the impact of the Bank's maturity mismatch on net present value and income. The structural interest rate risk exposed due to the Bank's balance sheet structure is monitored by using advanced models, and assumed risks are controlled through defined limits.

ASSESSMENTS OF THE AUDIT COMMITTEE

Reporting to the Board of Directors, the Bank's Audit Committee functions in accordance with Banking Law No. 5411 and the Regulation on Internal Systems. The Audit Committee meets periodically on behalf of the Board of Directors and sets the Bank's audit policies.

The Audit Committee is responsible for taking all the necessary measures to oversee the audit and public disclosure of the Bank's accounting system and financial data, as well as the functioning and effectiveness of its internal control, compliance, and risk management systems.

The Audit Committee receives quarterly reports from the control units (internal audit, internal control, compliance and risk management) so as to evaluate the adequacy of the methods for the identification, control and monitoring of risks to which the Bank is exposed, and to report its findings to the Board of Directors. Furthermore, the Audit Committee submits its opinions and proposals on significant matters to the Board of Directors.

Within the scope of its four meetings in 2014 and the activities conducted as part of its responsibilities, the Audit Committee took the following actions:

The Audit Committee audited the Bank's financial statements and notes for year-end 2013 and the first, second and third quarters of 2014 for compliance with the Bank's accounting principles and international accounting standards, as well as to confirm the accuracy of the information used. The results, were reported to the Board of Directors along with the Audit Committee's own assessments. The Committee reviewed the Internal Audit Plan for 2014 and submitted it to the Board of Directors for approval. The Committee also assessed and approved the quarterly reports of the Internal Audit, Internal Control and Compliance, and Risk Management units. The Committee inspected the performance and objectivity of the independent external auditors and monitored their work at all stages.

The Committee also performed a risk assessment concerning the support services to be received by the Bank, and submitted its assessments and the risk management program in a report to the Board of Directors, complete with a list of these service firms.

The 2014 activities of the groups that report to the Audit Committee were as follows:

Internal Audit Department

Reporting directly to the Board of Directors, the Internal Audit Department is in charge of ensuring that internal audit activities are in line with applicable legislation and the Bank's strategies, policies, principles and targets. The Internal Audit Department oversees the efficiency and adequacy of internal control and risk management systems, and makes a risk assessment of the operations of the Bank and its subsidiaries. Efforts geared towards the efficient management of operational risk account for a large portion of the audit activity. In 2014, the Internal Audit Department has also audited successfully the financial and IT systems of the Bank's entire domestic and overseas business lines and subsidiaries, from the Head Office and on-site.

Operating with a 108 strong workforce, DenizBank's Internal Audit Department has fulfilled its responsibilities in an impartial and independent manner, and has reported its findings to the Audit Committee. Aiming to establish a proactive audit structure, the Internal Audit Department runs its audit operations largely based on the results of riskbased assessments. All activities listed in the 2014 Annual Audit Plan were completed as planned. In addition to such pre-planned audit activities, in 2014 the Department has also carried out investigations and inquiries, participated in various projects and provided various consultancy services demanded by the executive management, whenever deemed necessary.

Internal Control Center and Compliance Department

Reporting directly to the Audit Committee, the Internal Control Center and Compliance Department carried out its 2014 activities with a workforce of 87 employees. The Internal Control Center performed central and on-site controls of the branches, Head Office units and subsidiaries through the Bank's own internal control and reporting software, whereupon the findings of these controls were shared with the relevant business lines and managers, and the actions taken were monitored. Classroom and web-based training seminars including examination were organized for all employees of the Bank and its subsidiaries as regards the prevention of money laundering and the financing of terrorism, the reinforcement of the compliance culture and IT security.

Via the Bank's internal tracking software, the Department performed controls as regards the laundering of proceeds of crime and financing of terrorism, monitored relevant national and international legislation, and took necessary measures for compliance.

In line with relevant BRSA regulation, the Department monitored, updated and tested processes within the scope of the Management Declaration.

The Internal Control Center and Compliance Department is also in charge of analyzing various projects of the Bank and its subsidiaries as a project partner, and expresses its opinion or approval of scope documents, including new products and processes.

The Department ensured the meticulous application of risk management policies and principles across the Bank.

Risk Management Group

The Risk Management Group is responsible for creating and measuring risks and defining and implementing risk policies and procedures, as well as analyzing, monitoring, reporting, investigating, confirming and auditing risks, in line with the principles set jointly by the Bank's executive management and the Risk Management Group, and approved by the Board of Directors.

The Risk Management Group had 16 employees as of December 31, 2014.

The Risk Management Group's Market and Interest Rate Risk Department measures market risk, constantly upgrades the analyses and methods utilized, oversees compliance with risk tolerance as defined by the Board of Directors, and reports to the relevant units, executive management and the Audit Committee. While analyzing the possible effects of market fluctuations on the economic value of the Bank's balance sheet and income statement, and setting in-house risk policies, the Risk Management Group takes into consideration legal limitations and regulations, best practices, and the Bank's own requirements. The Board of Directors has also defined the Bank's risk tolerance for market and interest rate risk and associated it with shareholders' equity. DenizBank has formulated market risk policies, established market risk limits and portfolio structure with regards to Sberbank's Group approach.

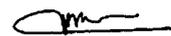
The Risk Reporting and Basel II Department coordinates the Bank's Basel II compliance processes and generated the internal risk reports. Basel II compliance efforts include:

1. Structural blocks within the framework of legal reporting data infrastructure creation and development processes,
2. Structural blocks in the framework of the Bank's plans and scenarios according to the annual general Stress Test Calculation and the annual Internal Capital Assessment Process reporting. The Department undertakes the internal rating based models and their suitability for the purpose and control and report the proper usages in the process. At the moment the Bank is running a process about integration with Credit Risk requirements of Sberbank Group.

Operational risk events are regularly recorded by the Operational Risk Management Department. Having relatively high impact events are defined and related measures are followed. The Operational Risk Department coordinates the business continuity developed against any business interruption risk of the Bank. Business Continuity Plans are regularly updated, tested and necessary preventive measures are taken. Certain regulations and policies are developed in DenizBank according to Sberbank's Group standards: Operational risk policy, internal loss data capturing regulation, Scenario analysis and Self-assessment regulations. Business Continuity Program is coordinated to cover potentially significant operational risks.



NIHAT SEVİNÇ
Board Member and
Audit Committee
Member



WOUTER VAN ROSTE
Board Member and
Audit Committee
Member



DENIS BUGROV
Board Member and
Audit Committee
Member

ANNUAL REPORT COMPLIANCE OPINION



Güney Bağımsız Denetim ve
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(Convenience translation of the independent auditor's report originally issued in Turkish, See Note I. Three of Section three)

To the Board of Directors of Denizbank A.Ş.;

We have audited the compliance and accuracy of the financial information included in the Annual Report of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries as of December 31, 2013 with the audited financial statements drawn up as of the end of the accounting period. The Annual Report is the responsibility of the Company's management; our responsibility, as independent auditors, is to express an opinion about the report that we have audited.

We have conducted our audit in accordance with principles and procedures set out by the regulations on preparation and issuance of annual reports in the Banking Law No. 5411 and independent auditing principles. Those regulations require that we plan and perform the audit to obtain reasonable assurance whether the financial information included in an annual report is free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information presented in the accompanying Annual Report accurately reflects, in all material respects, the information regarding the financial position of Denizbank A.Ş. as of December 31, 2013 in accordance with the principles and procedures set out by the regulations in conformity with Article 40 of the Banking Law No. 5411. It includes a summary report of the Board of Directors and the independent auditor's report originally issued by us in Turkish; and it is consistent with the information contained in the independently audited financial statements and notes to these financial statements originally issued in Turkish.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



İstanbul, 3 March 2014

FIVE-YEAR SUMMARY FINANCIAL HIGHLIGHTS

Summary Consolidated Financial Highlights (TL million)					
	2014	2013	2012	2011	2010
Securities ⁽¹⁾	11,664	7,601	8,656	5,544	4,444
Net Loans ⁽²⁾	64,564	56,466	38,801	30,947	23,790
Subsidiaries ⁽³⁾	19	19	18	16	15
Net Fixed Assets	662	573	456	416	322
Total Assets	94,403	79,668	56,495	44,756	33,853
Customer Deposits ⁽⁴⁾	61,831	49,702	34,985	26,499	19,713
Time	50,462	39,091	27,950	22,357	15,984
Demand	11,369	10,611	7,035	4,142	3,729
Borrowings	9,348	10,985	7,003	7,610	7,047
Sub-ordinated Loans	3,923	2,354	888	939	770
Shareholders' Equity	7,161	6,088	5,665	4,641	3,659
Paid-in Capital	716	716	716	716	716
Non-cash Loans	20,452	18,416	12,381	10,111	7,636
Interest Income	7,080	5,454	4,806	3,536	2,805
Interest Expense	-3,453	-2,443	-2,337	-1,655	-1,028
Net Interest Income after Provisions	2,675	1,983	1,742	1,428	1,271
Non-interest Income	1,276	1,612	952	989	645
Non-interest Expense	-2,736	-2,327	-1,739	-1,500	-1,165
Net Profit/Loss From Discontinued Operations	0	0	0	343	23
Net Income	939	1,011	720	1,061	616

	2014	2013	2012	2011	2010
Number of Branches ⁽⁵⁾	758	713	624	600	512
Number of Employees	14,979	14,413	11,618	10,826	9,561
Number of ATMs	3,989	3,749	3,180	2,370	941
Number of POS Terminals	191,148	185,980	122,567	110,324	89,399
Number of Credit Cards	3,098,579	2,717,839	2,191,590	1,966,602	1,485,991

All financial figures presented in this table are extracts from the audited consolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽²⁾ Includes factoring and leasing receivables.

⁽³⁾ Total of investments in associates, investments in subsidiaries and entities under common control (joint venture).

⁽⁴⁾ Excludes bank deposits.

⁽⁵⁾ Includes DenizBank AG branches.

Summary Unconsolidated Financial Highlights (TL million)					
	2014	2013	2012	2011	2010
Securities ⁽¹⁾	9,822	6,135	7,392	5,193	4,280
Net Loans	43,096	38,637	28,191	22,422	18,459
Subsidiaries ⁽²⁾	1,566	1,577	1,004	719	450
Net Fixed Assets	554	550	443	406	314
Total Assets	69,474	59,427	44,198	35,983	27,660
Customer Deposits ⁽³⁾	41,552	34,328	25,807	18,896	15,272
Time	34,188	26,939	20,816	15,795	12,354
Demand	7,364	7,389	4,991	3,101	2,917
Borrowings	7,508	9,123	5,398	6,520	5,836
Sub-ordinated Loans	3,923	2,354	888	939	770
Shareholders' Equity	5,683	4,915	5,030	3,951	3,141
Paid-in Capital	716	716	716	716	716
Non-cash Loans	20,422	18,326	12,106	9,745	7,474
Interest Income	5,744	4,515	4,095	3,071	2,464
Interest Expense	-2,838	-2,007	-1,953	-1,390	-878
Net Interest Income after Provisions	2,019	1,540	1,476	1,251	1,115
Non-interest Income	1,121	1,143	1,131	771	530
Non-interest Expense	-2,509	-2,069	-1,614	-1,385	-1,062
Net Profit/Loss From Discontinued Operations	78	0	0	388	0
Net Income	566	454	813	874	458

	2014	2013	2012	2011	2010
Number of Branches	716	689	610	588	500
Number of Employees	13,189	12,822	10,280	9,772	8,573
Number of ATMs	3,989	3,749	3,180	2,370	941
Number of POS Terminals	191,148	185,980	122,567	110,324	89,399
Number of Credit Cards	3,098,579	2,717,839	2,191,590	1,966,602	1,485,991

All financial figures presented in this table are extracts from the audited unconsolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽²⁾ Total of investments in associates, investments in subsidiaries and entities under common control (joint venture).

⁽³⁾ Excludes bank deposits.

ASSESSMENT OF FINANCIAL POSITION

Shareholders' Equity and Capital Adequacy (TL million)						
	Consolidated			Unconsolidated		
	2014	2013	2012	2014	2013	2012
Capital Adequacy Ratio (%) ⁽¹⁾	12.87	12.13	13.09	14.09	12.83	14.62
Shareholders' Equity	7,161	6,088	5,665	5,683	4,915	5,030
Return on Average Equity (%)	14.2	17.2	14.0	10.7	9.1	18.1
Free Capital ⁽²⁾	5,397	4,604	4,258	2,623	2,066	2,810
Free Capital Ratio (%) ⁽³⁾	5.72	5.78	7.54	3.78	3.48	6.36

⁽¹⁾ 2012 CAR is calculated according to Basel II

⁽²⁾ Free Capital = Shareholders' Equity - Net Non-performing Loans - Subsidiaries - Deferred Tax Assets - Tangible and Intangible Fixed Assets - Prepaid Expenses - Fixed Assets to be disposed of

⁽³⁾ Free Capital Ratio = Free Capital / Total Assets

Asset Quality						
	Consolidated			Unconsolidated		
	2014	2013	2012	2014	2013	2012
Non-performing Loans/Total Cash Loans Ratio (%)	3.0	2.8	3.5	3.8	3.5	4.1
Non-performing Loans Provision Ratio (%)	112.4	120.3	101.2	120.0	128.0	107.4
Loan Loss Provisions/Total Cash Loans Ratio (%)	3.4	3.4	3.6	4.6	4.5	4.4
Cost of Risk (%)	1.1	1.5	1.6	1.5	2.1	2.1

CAPITAL MARKET INSTRUMENTS ISSUED BY DENİZBANK

Source of Finance	Amount	Due Date	Date of Issue	Date of Redemption
Bond	TL 75,000,000	75 days	8 January 2014	24 March 2014
Bond	TL 125,000,000	147 days	8 January 2014	4 June 2014
Bond	TL 115,000,000	114 days	10 February 2014	4 June 2014
Bond	TL 81,830,000	102 days	24 March 2014	4 July 2014
Bond	TL 183,170,000	170 days	24 March 2014	10 September 2014
Bond	TL 135,333,408	95 days	31 March 2014	4 July 2014
Bond	TL 152,290,488	163 days	31 March 2014	10 September 2014
Bond	TL 85,000,000	177 days	21 April 2014	15 October 2014
Bond	TL 57,600,000	112 days	4 June 2014	24 September 2014
Bond	TL 127,400,000	179 days	4 June 2014	30 November 2014
Bill	TL 15,000,000	728 days	4 June 2014	1 June 2016
Bond	TL 157,967,322	89 days	4 July 2014	1 October 2014
Bond	TL 62,032,678	179 days	4 July 2014	30 December 2014
Bond	TL 80,000,000	140 days	23 July 2014	10 December 2014
Bond	TL 40,000,000	103 days	5 September 2014	17 December 2014
Bond	TL 12,640,000	98 days	10 September 2014	17 December 2014
Bond	TL 197,360,000	177 days	10 September 2014	6 March 2015
Bond	TL 90,000,000	98 days	1 October 2014	7 January 2015
Bond	TL 110,000,000	177 days	1 October 2014	27 March 2015
Bond	TL 16,990,000	91 days	15 October 2014	14 January 2015
Bond	TL 53,010,000	124 days	15 October 2014	16 February 2015
Bond	TL 110,000,000	140 days	21 November 2014	10 April 2015
Bond	TL 35,000,000	165 days	21 November 2014	5 May 2015
Bond	TL 59,842,692	116 days	1 December 2014	27 March 2015
Bond	TL 140,157,308	179 days	1 December 2014	29 May 2015
Bond	TL 81,500,000	96 days	26 December 2014	1 April 2015
Bond	TL 50,000,000	178 days	30 December 2014	26 June 2015
TOTAL-Bill-Bond	TL 2,449,123,896			

DENİZBANK RATINGS BY INTERNATIONAL RATING AGENCIES

Moody's	
Long Term Foreign Currency Deposit	Ba1 / Review for Downgrade
Long Term Local Currency Deposit	Ba1 / Review for Downgrade
Short Term Foreign Currency Deposit	Not Prime
Short Term Local Currency Deposit	Not Prime
Financial Strength Rating	D-(ba3) / Stable

*As of 29.12.2014

Fitch Ratings	
Long Term Foreign Currency IDR	BB+ / Stable
Short Term Foreign Currency IDR	B
Long Term Local Currency IDR	BB+ / Stable
Short Term Local Currency IDR	B
Viability	bb+
Support	3
National	AA (tur) / Stable

*As of 16.01.2015

CONTACT INFORMATION FOR DENİZBANK A.Ş.

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Büyükdere Cad. No: 141 34394 Esentepe-İstanbul
Tel: (+90 212) 348 20 00
Fax: (+90 212) 354 83 48

WEB-SITE

www.denizbank.com
Trade Register Number
368587

DOMESTIC BRANCHES

DenizBank has 715 branches in Turkey. Information on domestic branches is available on DenizBank web-site.

FOREIGN BRANCHES

Bahrain Branch
Al Jasrah Tower 6th Floor, Office 62/63 PO Box 10357,
Diplomatic Area, Manama-Bahrain

Tel: (+973) 17541137
Fax: (+973) 17541139

