

Interim Activities Report 1Q 2009

DenizBank Financial
Services Group



CONTENTS

STATEMENT of RESPONSIBILITY

SECTION I - INTRODUCTION

About DenizBank

DenizBank in Brief

Dexia in Brief

Message from the Chairman

Message from the President and CEO

Changes in Shareholding Structure and Paid-in Capital

Shares Owned by the Managers

Amendments to Articles of Association

Donations

SECTION II - MANAGEMENT and CORPORATE GOVERNANCE

Board of Directors

Executive Management

Auditors

Committees

SECTION III - FINANCIAL INFORMATION

Consolidated Financial Highlights

Assessment of Financial Position

Risk Management Policies

General Outlook on Turkish Economy and Banking Sector

Further Information

DENİZBANK A.Ş.
2009 1st QUARTER- INTERIM ACTIVITY REPORT
STATEMENT of RESPONSIBILITY

The Annual Report related to the period between 01.01.2009 and 31.03.2009 has been prepared regarding the “Regulation on the Preparation and Publication of Annual Report of Banks” of Banking Regulation and Supervision Agency, published in the Official Gazette dated 1 November 2008, Nr. 26333 and “Declaration on Financial Reporting at Capital Markets” of Capital Markets Board, that has been published in the Official Gazette dated 09 April 2008, Nr. 26842, and attached here-with.

Respectfully,

12 May 2009

HAKAN ELVERDİ
Senior Vice President
International and Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU
Executive Vice President
Financial Affair

HAKAN ATEŞ
Member of Board of Directors and
President and Chief Executive Officer

ERIC P.B.A. HERMANN
Member of Board of Directors
and Audit Committee

MUSTAFA TINAS TİTİZ
Deputy Chairman of Board
Directors and Member
of Audit Committee

DIRK G.M. BRUNEEL
Chairman of Board of Directors
and Member of Audit Committee

SECTION I-INTRODUCTION

ABOUT DENİZBANK

Tradename: DenizBank A.Ş.

Date of Foundation: 25 August 1997

Headquarter: İstanbul

Paid-in Capital: TRY 716,100,000

of Domestic Branches: 398

of Foreign Branches: 12 (including subsidiaries branches)

of Employees: 8,187

of Subsidiaries: 14

Independent Audit Company: DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu)

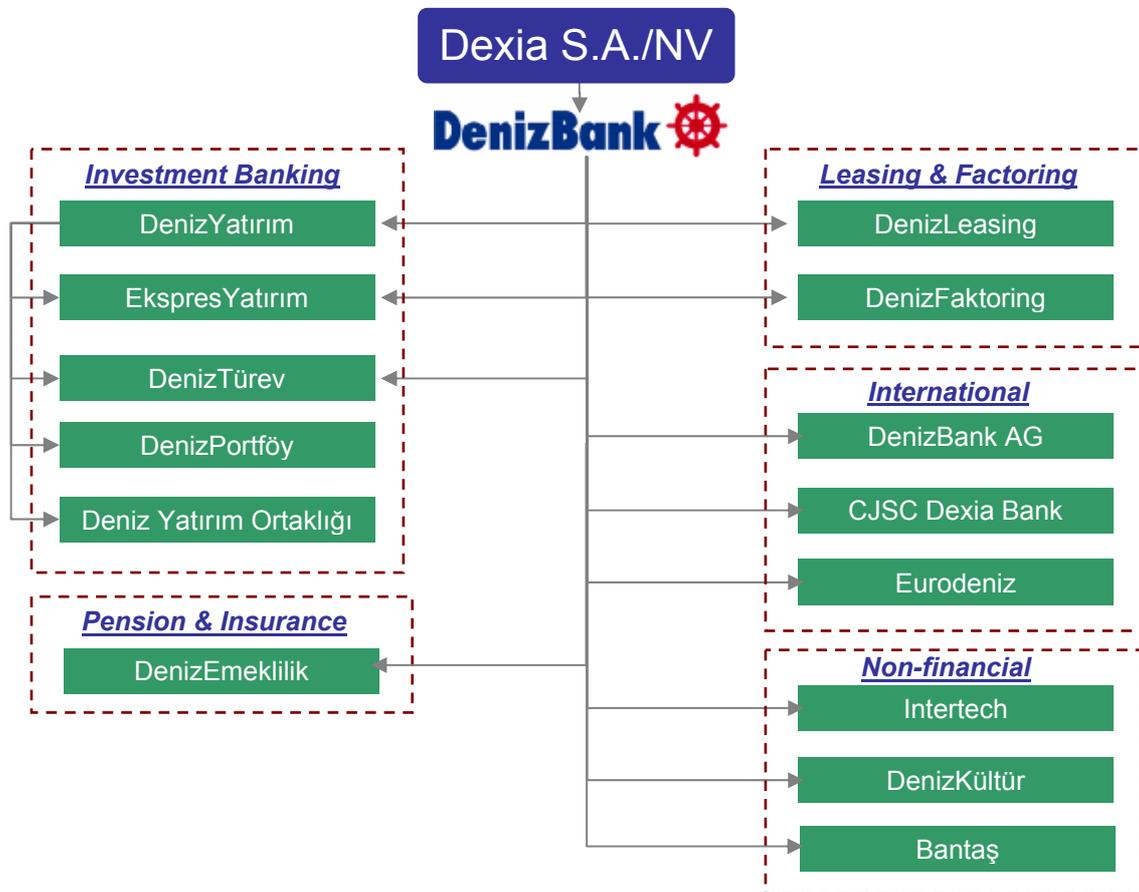
Tel: 0 212 336 40 00

Fax: 0 212 336 30 80

Web Site: www.denizbank.com

e-mail: investorrelations@denizbank.com

DENİZBANK FINANCIAL SERVICES GROUP



DENİZBANK in BRIEF

DenizBank was established as a state-owned bank in 1938, primarily to help finance the newly emerging Turkish maritime industry. It was acquired at the beginning of 1997 by Zorlu Holding from Privatization Administration in the form of a banking licence and became a full-fledged bank. DenizBank was sold to Dexia Group, the world leader in public finance, in October 2006, and operates within Dexia Group since then.

In addition to DenizBank, DenizBank Financial Services Group (“the Group”) consists of eight domestic and two international financial subsidiaries, three non-financial subsidiaries, a branch in Bahrain and EuroDeniz International Banking Unit Ltd. (Eurodeniz Off-Shore Bank Ltd. until February 2009), and an off-shore banking subsidiary in the Turkish Republic of Northern Cyprus. DenizYatırım Securities, EkspresInvest Securities, DenizInvestment Trust, DenizPortfolio Management, DenizTürev Securities, DenizLeasing, DenizFaktoring, DenizEmeklilik, Intertech, DenizKültür and Bantaş are the domestic subsidiaries of the Group; while DenizBank AG and CJSC Dexia Bank (CJSC DenizBank Moscow until the first quarter of 2008) are the international subsidiaries.

The primary segments the Group focuses on are retail customers, small and medium-size enterprises, exporters, public and project finance and corporate clients. The Group also operates in niche markets such as shipbuilding finance, tourism, agricultural loans, construction projects abroad, healthcare services and education. The Group operates in European Union countries through its Vienna-based subsidiary DenizBank AG. CJSC Dexia Bank provides services to customers engaged in commerce with Russia and serves a variety of their financial requirements.

The Group possesses a service network that reaches all segments of the society throughout Turkey. In addition to the 399 domestic DenizBank branches, including one in Bahrain, Denizbank AG and CJSC Dexia Bank have 11 branches in total. In addition, thanks to its Alternative Distribution Channels, DenizBank enables both individual and corporate customers all over the world to carry out financial transactions over the internet.

DEXIA in BRIEF

Group Profile

Dexia is a European bank, with 36,760 members and a core shareholders’ equity of € 17.5 billion as of 31 December 2008. Dexia Group focuses on public and wholesale Banking, providing local public finance actors with comprehensive banking and financial solutions, and on retail and commercial banking in Europe, mainly Belgium, Luxembourg and Turkey.

Business Lines

Public and Wholesale Banking

As a consequence of the transformation plan initiated by Dexia in November 2008, the public and wholesale banking business line has been revisited in order to take into account the current market environment. Dexia Group will focus on markets combining strong commercial franchises, a long-term funding capacity and potential for profitable growth.

The commercial franchises in France, Belgium, Luxemburg, Italy and the Iberian Peninsula have been confirmed and these markets will remain the core markets for public and wholesale banking. Dexia will maintain a presence in Germany, Japan and Switzerland to retain its platform for access to funding sources. The activities in the United Kingdom and in the United States will be significantly reduced.

The ongoing financial crisis does neither question our clients' solvency nor their financing needs. And Dexia remains - on in its core markets - a major player in public and infrastructure finance, the financing of the health and social housing sectors, and the social economy.

Its strategy in this field is aimed at strengthening the range of products and services to customers. This approach, which is already very effective in Belgium, will enable Dexia Group to go beyond its role of specialist lender in order to offer a better service to a broader customer base.

Retail and Commercial Banking

Dexia is a leading European bank, ranking among the top three major banks in Belgium and Luxembourg and holding a strong position in Turkey. It is also present in Slovakia. The Bank is offering a wide range of **retail, commercial and private banking** services as well as **insurance** products to more than six million customers.

This business line also includes **asset management** and **investor services** activities. Dexia Asset Management had € 79 billion of assets under management as of 31 December 2008. The investor services business is conducted by RBC Dexia Investor Services, a joint venture with Royal Bank of Canada, which offers its expertise in global custody, fund and pension administration and shareholder services to institutions around the world. Total assets under custody amounted to US Dollar 1.9 trillion as of 31 December 2008.

Ratings

The Group's main operating entities - Dexia Bank Belgium, Dexia Crédit Local and Dexia Banque Internationale à Luxembourg - are rated A+ by Fitch, A1 by Moody's and A by Standard & Poor's. Three of Dexia's European subsidiaries issue Triple-A rated secured bonds.

MESSAGE FROM THE CHAIRMAN

After the global economic crisis further deteriorating in September 2008, the general conviction was that the effect of the crisis would gradually loosen through mid-2009 and a growth trend would take a quick start. Yet, what we experienced in the first quarter of 2009 has proven that this crisis is extremely different from its antecedents and once the crisis reaches the deepest level we will not go through fast growth periods for quite a long while. Although recent economic figures are away from indicating that we are getting out of the crisis, figures show that the effect of the economic crisis is getting weaker and the negative data flow is slowing down. To summarize, the worst days are over but still it is not realistic to expect a fast growth period. It is foreseen that the effect of the global economic recession will continue in the months to come.

Since the beginning of the crisis, financial institutions recorded a total loss of US Dollars 1.3 trillion and there was a capital injection of US Dollar 1.1 billion (which is quite near to the loss) -especially with state support- but it was not enough. Some big financial institutions had to declare bankrupt, be nationalized or acquired. In the first quarter of 2009 we witnessed the change of crisis' effect on financial institutions and the increase especially in NPLs. 60% of the loss in financial sector, being US Dollar 70 billion in total in the first quarter of 2009, was caused by NPLs. In other words, it is seen that real sector problems increase as long as the effect of global recession continues. This effect starts to be effective on all financial institutions -being banks in the first place- and these effects lead us through a new period. The difference between this crisis and previous crises is that, this time governments have announced and are still announcing significant support packages that even exceeded their budgets. Although this is a really important step taken towards alleviating the effect of the crisis, the lack of coordinated global steps is a significant deficiency. It is probable that in upcoming periods we will see more comprehensive and more coordinated intervention packages that are announced with the support provided by supranational entities.

We witnessed that Turkish Economy has not been much affected by the phases of "balance sheet destruction" and "restructuring of financial system", which are the first two phases of the crisis. Having learned lessons from the crisis of 2001, Turkey became one of the two countries (the other being Canada among prominent economies) where no state intervention was imposed on banking system. After the crisis, in the first quarter it is seen that the profitability in banking system and strong capital base are both maintained. On the other hand; the global recession, which is the third phase of the crisis, started to affect also Turkey in the first quarter. Even if figures are not announced yet, industrial production and capacity utilization rates indicate another sharp downsizing in the first quarter following the downsizing by 6.2% in the last quarter of 2008. In this regard, certain measures are also taken in Turkey and packages have been announced one after another in the first quarter in order to stimulate the economy.

To summarize, the first quarter of 2009 showed us all that the worst days are over but rebound will not be too soon and the effects of the crisis will create recession and this recession will spread over the upcoming quarters. While countries to start with G-7 struggle hard to revive their standstill economies that faced recession through different mechanisms and wounded companies, thanks to its sound banking system Turkey was hardly affected by the first two phases of the crisis, which are balance sheet destruction and restructuring respectively. This is a significant advantage for Turkey for the post-crisis period. Turkey can form an ideal infrastructure to ensure the maintenance of its fast and sustainable growth in the post-crisis period if correct macroeconomic policies are supported well by reform packages aimed at social security system, legal affairs, tax issues and labor.

MESSAGE FROM THE PRESIDENT AND CEO

DenizBank completed the year with successful results in spite of the deepened global financial crisis in the last quarter of 2008, and started the year 2009 with a performance signaling a steady growth.

In the first quarter, DenizBank has been progressing to achieve its targets by increasing its market share in important balance sheet items, and gives the signals

of promoting its position among robust and strong banks of the Turkish financial market.

By maintaining an even and robust balance sheet structure, DenizBank increased its consolidated assets by 5% compared to the end of 2008 and raised by 15% on a y-o-y basis. Together with the capital increase in 2008, our shareholders' equity grew much above the sector and further increased by 6% in the first quarter of 2009. The shareholders' equity increased by 40% on a y-o-y basis and it is still highly above the sector average.

DenizBank has continued to support the Turkish economy and offered a placement higher than the sector average in the first quarter of the year, which represents the third phase of the global financial crisis according to our evaluations.

Consolidated loans of our bank grew by 6% in the first quarter of 2009. DenizBank offered tailor-made financing to its customers especially through corporate, SME and agricultural loans. In the Public Finance segment, which constitutes a separate business line in our operations as of the first month of 2009, there has been a boom in loans offered to municipalities.

DenizBank has understood the needs of SMEs, which it considers as driving force of the Turkish economy, and continues to finance them with its products developed parallel to their financial needs. Besides offering loans, SMEs have been rendered consulting services about good management systems to enable them to manage their risks in the crisis.

While the sector average has receded in consumer loans within the first three months, DenizBank managed to grow in general purpose loans thanks to its products offered in response to customer demands.

In agriculture, one of the most important focus areas, DenizBank continues to rank the first among private banks that offer agricultural loans as a result of its differentiated products and customer-oriented approach. DenizBank continues as always to support farmers in the crisis and stands beside the producer. The amount of agricultural loans increased by 10% and reached TRY 1 billion 229 million in the first quarter of 2009.

In the current period where limited growth is foreseen in economy until 2010, DenizBank will keep supporting agricultural sector, which is expected to contribute to the GNP to great extent, by opening new agricultural branches throughout the country. DenizBank will bring close together 355 different credit options with producers via agricultural branches whose number will reach 60 together with the new ones to be opened in 2009.

In addition to loans, DenizBank guides customers' savings depending on their risk perception. In the first quarter of 2009, customer deposits increased 9% and reached TRY 12 billion 896 million. Market share of the bank in deposit stands at 2.9%.

As an indication of ongoing healthy growth, DenizBank exhibits a profitable development. Net profit stands at TRY 126 million in the first quarter of 2009. There has been a 48% increase in profit compared to the same period of the

previous year. In parallel to the increase in loans, DenizBank raised its net interest income by 32% compared to the previous quarter and by 55% compared to the previous year.

DenizBank continues to invest in branches and targets to increase the number of branches to 450 by the end of 2009. Moreover, DenizBank focuses on IT investments to enable its customers to receive the same quality services in a swift and easy way without coming to branches thanks to the Alternative Distribution Channels, and progresses to achieve its target to rank among the top five banks of Turkey.

CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL

As of 31 March 2009, DenizBank's shareholding structure is presented in the table below. DenizBank's shareholding structure does not contain any cross-shareholdings.

31 March 2009

Shareholders	Number of Shares	Nominal Value (TRY)	% of Shares
Dexia Participation Belgique SA	714.945.273.718	714,945,274	%99.84
M. Cem Bodur	11.327	11	%0.00
Hakan Ateş	11.327	11	%0.00
Ayfer Yılmaz	11.327	11	%0.00
M. Tınas Titiz	11.327	11	%0.00
Publicly Traded	1.154.680.974	1,154,681	%0.16
Total	716.100.000.000	716,100,000	%100.00

SHARES HELD BY THE MANAGEMENT

DenizBank's President and CEO Hakan Ateş and Board Members Cem Bodur, Ayfer Yılmaz and Mustafa Tınas Titiz each owns 11.327 shares, corresponding to 0.000002% of the capital.

AMENDMENTS TO ARTICLES OF ASSOCIATION

There is no amendments to Articles of Association between 01.01.2009 and 31.03.2009.

DONATIONS

Institution Name	Amount (TRY)
TÜRK EĞİTİM DERNEĞİ	31,500
TÜRK EĞİTİM VAKFI	1,000
TEMA	304
HASYURT BELEDİYESİ	435
FENERBAHÇE SPOR KULUBÜ DERNEĞİ	75
ADALET BAKANLIĞI	5
TOTAL	33,319

SECTION II - MANAGEMENT and CORPORATE GOVERNANCE

BOARD of DIRECTORS

Title	Name	Position	Beginning-End Date of Tenure
Chairman of the Board of Directors:	Dirk G.M. Bruneel	Chairman-Non-executive	Oct 2006-Jan 2010
Board Members:	Mustafa Tınas Titiz	Vice Chairman-Independent	Oct 1997-Jan 2010
	Hakan Ateş	Member-Executive	June 1997-Jan 2010
	Fikret Arabacı	Member-Executive	Dec 2004-Jan 2010
	Cem Bodur	Member-Non-executive	June 1997-Jan 2010
	Bruno R.D.J. Accou	Member-Executive	Oct 2006-Jan 2010
	Eric P.B.A. Hermann	Member-Non-executive	Jan 2007- Jan 2010
	Philippe J.E. Rucheton*	Member- Non-executive	Feb 2009- Jan 2010
	Claude E.L. Piret	Member- Non-executive	Aug 2008- Jan 2010
	Stefaan Decraene	Member- Non-executive	Dec 2008- Jan 2010
	Ayfer Yılmaz	Member-Independent	Jan 2007- Jan 2010

*Appointed as Board Member, in lieu of Hugo R.R. Lasat, who left his duty upon resignation on February 2009.

EXECUTIVE MANAGEMENT

Title	Name	Position	Experience
President & CEO:	Hakan Ateş	President & CEO	28 years
Executive Vice Presidents and Executive Committee Members:	Dilek Duman	Information Technology and Support Operations-EVP	20 years
	Mustafa Aydın	Retail, SME and Agricultural Banking Loan Allocation -EVP	22 years
	Bora Böcügöz	Treasury and Private Banking -EVP	20 years
	Gökhan Ertürk	SME and Agricultural Banking - EVP	16 years
	Wouter Van Roste	Public Project Finance and Corporate Banking -EVP	20 years
	Hasan Hüseyin Uyar	Corporate-Commercial Loans and Commercial Banking-EVP	24 years
	Suavi Demircioğlu	Financial Affairs Group- EVP	19 years
	Oğuz Vecdi Öncü	Centralized Operations and Foreign Subsidiaries -EVP	23 years
	Barbaros Karakışla*	Retail Banking -EVP	26 years
	Tanju Kaya	Administrative Services -EVP	23 years
	Aysun Mercan	Secretary General	27 years
	Saruhan Özel	Economic and Strategic Research- <i>Member of Executive Committee</i>	13 years
Head of Internal Audit:	Eglantine Delmas	Head of the Board of Internal Audit	14 years

* Appointed as EVP, in lieu of Arif İsfendiyaroğlu, who left his duty upon resignation on January 2009.

AUDITORS

Name	Position	Experience
Cem Kadırgan	Auditor	23 years
Mehmet Uğur Ok	Auditor	34 years

COMMITTEES

Committees Reporting to the Board of Directors

- Corporate Governance and Nomination Committee
- Audit Committee

Title	Name	Position	Begin Date of Tenure
Audit Committee Members:	Dirk G.M. Bruneel	Member	Oct 2006
	Eric P.B.A. Hermann	Member	Jan 2007
	Mustafa Tınas Titiz	Member	Oct 2006
Corporate Governance and Nomination Committee Members:	Dirk G.M. Bruneel	Member	Oct 2006
	Mustafa Tınas Titiz	Member	Sept 2004
	Tanju Kaya	Member	Sept 2004

Executive Committees

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

Within the context of Corporate Governance;

14 Board Decisions were adopted in the Board Meetings held between 1 January 2009 and 31 March 2009.

Audit Committee met on 25 February 2009. Independent auditors' report on year-end 2008 financials was presented and approved to present those figures to the Board of Directors. At the same meeting, the activity reports for YE 2008 of Internal Audit, Internal Control, Compliance, Risk Management and Operational Risk were also presented.

Corporate Governance and Nomination Committee met four times and took decisions in order to make proposal to Board of Directors for nomination of top executives.

On 31 January 2009, Arif İsfendiyaroğlu, the Executive Vice President in charge of Retail Banking left his duty upon resignation, in lieu of whom Barbaros Karakışla was appointed and commenced his duty on 3 April 2009 with the decision of the Board of Directors dated 11 March 2009.

With the decision of the Board of Directors dated 24 February 2009 and numbered 2009/8, Philippe J.E. Rucheton was appointed as Board Member, in lieu of Hugo R.R.Lasat, who left his duty upon resignation.

SECTION III- FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL HIGHLIGHTS (TRY million)

	1Q 2009	2008	1Q 2008	2007
Securities*	3,420	3,063	3,507	2,870
Net Loans**	18,202	17,235	15,684	13,412
Subsidiaries	4	4	4	4
Net Fixed Assets	238	236	188	183
Total Assets	25,352	24,222	22,088	18,647
Customer Deposits	12,896	11,834	12,068	10,822
Time	10,769	9,685	9,855	8,268
Demand	2,126	2,149	2,214	2,554
Borrowings	8,545	8,716	7,168	5,165
Shareholders' Equity	2,427	2,287	1,733	1,678
Paid-in Capital	716	716	316	316
Non-cash Loans	5,032	4,821	5,602	4,740
Interest Income	791	2,786	647	1,991
Interest Expense	-349	-1,528	-361	-1,144
Net Interest Income after Provisions	253	895	195	716
Non-interest Income	134	425	121	452
Non-interest Expense	-211	-977	-188	-758
Net Income	126	342	85	341
Number of DenizBank Branches	399	400	330	320
Number of Employees	8,187	8,255	7,903	7,577
Number of ATMs	536	526	459	433
Number of POS Terminals	74,605	76,307	70,059	63,288
Number of Credit Cards	1,273,288	1,284,033	1,201,169	1,220,538

All financial figures presented in this table of this annual report 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.

* It is the sum of financial assets at fair value through profit or loss, investment securities available for sale and investment securities held to maturity.

** Includes factoring and leasing receivables.

ASSESSMENT of FINANCIAL POSITION

DenizBank Shareholders' Equity and Capital Adequacy (TRY million)

	1Q 2009	2008	1Q 2008	2007
Capital Adequacy Ratio (%)	15.29	16.06	12.64	12.55
Shareholders' Equity	2,427	2,287	1,733	1,678
Return on Average Equity (%)	21.4	17.3	19.9	23.0
Free Capital *	1,820	1,763	1,369	1,360
Free Capital Ratio ** (%)	7.2	7.3	6.2	7.3

* 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

** Free Capital Ratio = Free Capital / Total Assets

DenizBank Asset Quality

	1Q 2009	2008	1Q 2008	2007
Non-performing Loans/ Total Cash Loans Ratio (%)	3.4	2.9	2.1	2.1
Non-performing Loans Provision Ratio (%)	78.8	83.2	95.0	104.1

RISK MANAGEMENT POLICIES

DenizBank Risk Management Group is responsible for creating risk policies and implementation procedures in order to determine, measure, analyze and monitor risks; auditing and reporting risks, within the framework of the principles determined by the Bank's senior management and Risk Management Group.

One of the most important supports of DenizBank's main strategies is to remain committed to risk management principles. Risk management policies are based on market risk, credit risk, liquidity risk, operational risk, structural interest risk types. DenizBank has agreed in principle to develop systems in line with Basel II and other international guiding risk management principles.

Market Risk

To quantify the market risk, DenizBank applies internationally approved Value at Risk (VAR) method in accordance with the volume, quality and complexity of its activities in money and capital markets. VAR indicates the possible amount of loss, in the portfolio value of DenizBank and its financial subsidiaries, which might occur as a result of fluctuations in risk factors. It indicates the possible value loss at a determined confidence level and assumes that the portfolio will remain fixed at a certain time interval.

In addition to VAR calculations, stress tests are the main indicators for expressing the market risk that DenizBank and its subsidiaries are exposed to in monetary terms for monitoring this risk. This method makes it possible to adapt to changing market conditions when the risk level is determined. The reliability of VAR model is periodically checked through back testing.

DenizBank has established risk based limits with regards to the trading activities realized in money and capital markets.

Structural Interest Rate Risk

Risk Management Group monitors the structural interest rate risk that the Bank is exposed to because of its balance sheet structure by using developed models and controls risks through defined limits. In order to measure the impact of maturity mismatch, weekly analyses of interest sensitivity are made.

Liquidity Risk

DenizBank Risk Management Group monitors the liquidity position of the Bank and the risk it is exposed to, as a result of its activities within the framework of determined limits. Limits are determined in a way to ensure the continuity of bank's activities by using the existing reserve facilities and by simulating 'bad times scenarios' that may come up as a result of the change in customer behavior or market conditions.

Basel II / Credit Risk

Risk Management Group carries out its works in line with the criteria of Basel II/CRD. Basel II data set which is necessary for Credit Risk Standard Management was completed in June 2008. DenizBank Basel II data set have been applied in the consolidated reports of Dexia since September 2008. Detailed plan has been prepared for transition to Advanced Method. Studies are carried out to create necessary risk parameters for the implementation of Advanced Method.

Operational Risk

Operational Risk is defined, measured, analyzed and monitored in coordination with Internal Audit Department and Internal Control Department.

GENERAL OUTLOOK OF THE TURKISH ECONOMY AND THE BANKING SECTOR

Evaluation of certain economic developments experienced in the first quarter of 2009 are summarized below.

It was observed that the adversity in global liquidity conditions was relieved to a considerable extent as of March-end, whereas the stagnation in the economy was aggravated. Interest rates were started to be decreased in almost all developed and developing countries as a measure against the slowdown in global economy. Parallel to this process, the Central Bank policy rate, which was 16.75% in the pre-crisis period, was reduced to 15% for the period extending until the year end. Interest rate cuts continued in full speed in the first quarter of 2009 and the policy rates fell to 10.5% at the end of March. However, the feared depreciation of TL was not realized. TL, which depreciated by 21% on basket basis in the last quarter of 2008 (1/2 US Dollar, 1/2 Euro), depreciated only by 5% despite the rapid interest rate cuts in the first quarter of 2009, giving signals of equilibrium.

In this process, Turkey had the chance to decrease its current deficit in the course of time, which had increased and turned into a significant problem from 2002 on due to the crisis. The current deficit which reached US Dollar 49 billion in August 2008 decreased rapidly and fell down to US Dollar 33 billion as of February-end. As energy and commodity prices remain on current levels and the domestic demand continues to shrink, it is understood that the current deficit will keep its downward

trend until the year end. On the other hand, as the industrial production keeps falling by more than 20% monthly and the capacity utilization remains around 63%-64% per cent in the first quarter of 2009- which is even below the crisis levels in 2001- points to the fact that there can be a significant shrinkage in the economy in the first quarter of 2009.

Evaluation of the banking sector according to the data as of March-end 2009:

-Loan volume (Excluding financial sector loans)	TL 340 billion
-Deposit volume (Excluding interbank deposits)	TL 444 billion

Compared to 11% increase in loans and 8% increase in deposits in the first quarter of 2008, there was shrinkage of 1% in loans and an increase of 2% in deposits year on year in 2009. Although the impact of liquidity crisis subsided, it was seen that global recession intensified its influence in the world and in Turkey, having a negative effect on both companies and individuals, therefore banks had to be selective in granting loans as they experienced difficulty in finding wholesale and retail resources. This doubles the impact of the crisis. Moreover, the rapid increase in non-performing loans causes banks to seek ways to create high quality assets. Looking at the details of loans, consumer loans and credit cards remained on a horizontal level, while corporate, commercial and SME credits declined.

As for deposits, total FX deposits followed a horizontal course on US Dollar 90-100 billion band, and fluctuated parallel to the movement of USD/TL currency rate (buy US Dollars when TL appreciates, sell US Dollars when TL depreciates); whereas TL deposits increased by TL 1.5 billion compared to year-end and reached TL 284 billion. Roll-over rates in syndication loans, one of the pillars of wholesale funding, have been slightly above 50% since the crisis. Although there was not a significant amount of repayment in the first quarter of 2009, a syndication repayment of more than US Dollar 7 billion was made in the following two quarters. Roll-over rate of these repayments will be an important indicator of the lending appetite of banks in the following quarters.

FURTHER INFORMATION

- 1- To view the material disclosures made in ISE, click the link below:
<http://www.denizbank.com/EN/InvestorRelations/Announcements/>
- 2- To download DenizBank 31.03.2009 consolidated financial statements and footnotes click the link below.
<http://www.denizbank.com/EN/InvestorRelations/FinancialInformation/>
- 3- To download 2008 Annual Report for further information about the main activities of DenizBank click the link below:
<http://www.denizbank.com/EN/AboutUs/FaaliyetRaporlari.htm>