

Interim Activity Report 1Q 2011

DenizBank Financial
Services Group



CONTENTS

STATEMENT of RESPONSIBILITY

SECTION I-INTRODUCTION	4
ABOUT DENİZBANK	4
DENİZBANK FINANCIAL SERVICES GROUP (DFSG)	4
DENİZBANK in BRIEF.....	5
DEXIA in BRIEF	5
MESSAGE FROM THE CHAIRMAN.....	7
MESSAGE FROM THE PRESIDENT AND CEO	8
CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL	9
SHARES HELD BY THE MANAGEMENT.....	9
CHANGES IN DFSG COMPANIES	10
AMENDMENTS TO ARTICLES OF ASSOCIATION	10
DONATIONS	10
AMENDMENTS TO RATING NOTES	10
SECTION II - MANAGEMENT and CORPORATE GOVERNANCE	11
BOARD of DIRECTORS	11
EXECUTIVE MANAGEMENT.....	11
AUDITORS	12
COMMITTEES.....	12
SECTION III- FINANCIAL INFORMATION	13
SUMMARY FINANCIAL HIGHLIGHTS	13
ASSESSMENT of FINANCIAL POSITION and RISK MANAGEMENT	15
RISK MANAGEMENT POLICIES	16
GENERAL OUTLOOK OF THE TURKISH ECONOMY and THE BANKING SECTOR..	17
FURTHER INFORMATION	18

This report presents both consolidated and unconsolidated financial figures of DenizBank.

DENİZBANK A.Ş.
2011 1st QUARTER- INTERIM ACTIVITY REPORT
STATEMENT of RESPONSIBILITY

The Interim Activity Report related to the period between 01.01.2011 and 31.03.2011 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 2006, 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,

9 May 2011

HAKAN ELVERDİ
Senior Vice President
International and Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU
Executive Vice President
Financial Affairs

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

STEFAN L.G. DECRAENE
Member of Board of Directors
and Audit Committee

PHILIPPE J.E. RUCHETON
Member of Board of Directors
and Audit Committee

AYFER YILMAZ
Deputy Chairman of Board of
Directors and Member of
Audit Committee

PIERRE P.F. MARIANI
Chairman of Board of
Directors

SECTION I-INTRODUCTION

ABOUT DENİZBANK

Trade name: Denizbank A.Ş.

Date of Foundation: 25 August 1997

Headquarter: İstanbul

Paid-in Capital: TRY 716,100,000

of Domestic Branches: 511

of Foreign Branches: 13 (including subsidiaries' branches)

of Employees: 9,887

of Subsidiaries, Associates and Jointly Controlled Companies: 15

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

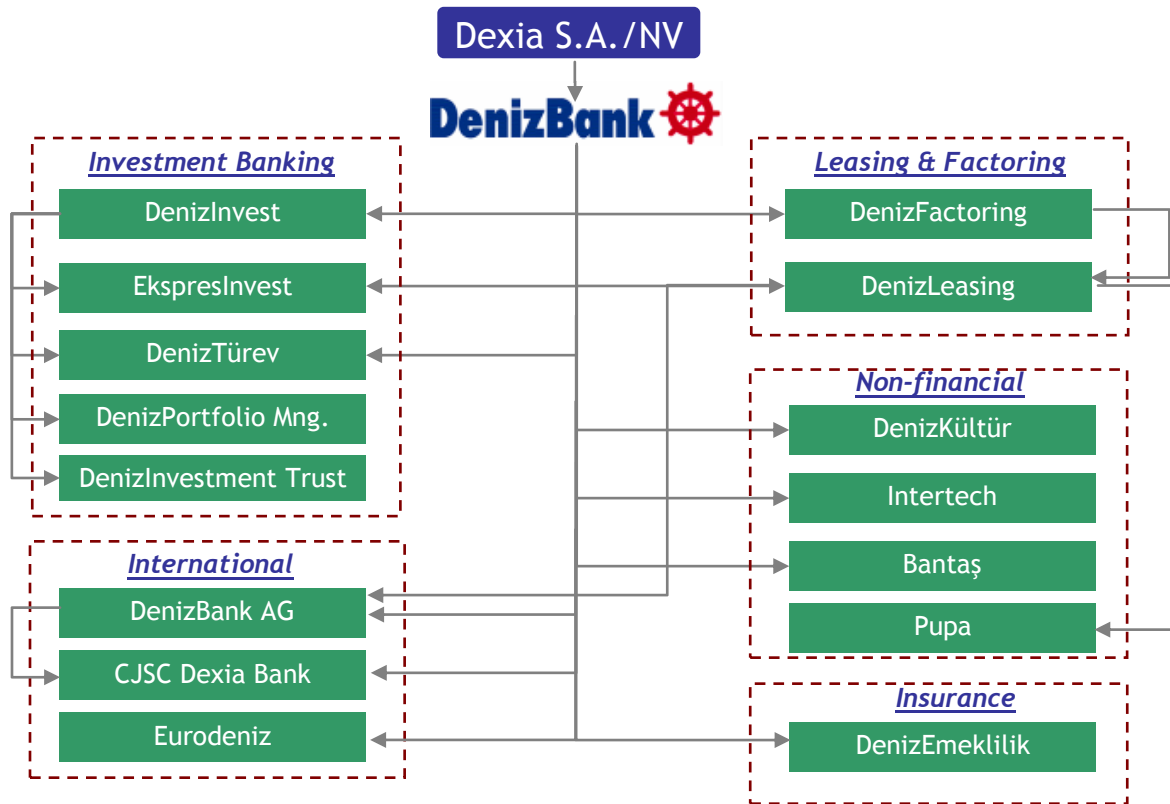
Tel: 0 212 336 40 00

Fax: 0 212 336 30 80

Web Site: www.denizbank.com

e-mail: investorrelations@denizbank.com

DENİZBANK FINANCIAL SERVICES GROUP (DFSG)



DENİZBANK in BRIEF

DenizBank was founded in 1938 as a state-owned bank to provide funding for the developing Turkish maritime sector. Acquired by Zorlu Holding from the Privatization Administration as a banking license in early 1997, the Bank became one of the major banks in Turkey in a short period of time. In October 2006, DenizBank was acquired from Zorlu Group by Dexia, a leading financial group in Europe and currently operates as part of the Dexia Group.

In addition to DenizBank, DenizBank Financial Services Group consists of eight domestic and three international financial subsidiaries, four domestic non-financial subsidiaries and a branch in Bahrain. DenizYatırım Securities, EkspresInvest Securities, DenizInvestment Trust, DenizPortfolio Management, DenizTürev Securities, DenizLeasing, DenizFactoring, DenizEmeklilik, Intertech, DenizKültür, Bantaş and Pupa are the Group's domestic companies; EuroDeniz, DenizBank AG and CJSC Dexia Bank are the international subsidiaries.

The primary customer segments of DenizBank Financial Services Group include retail customers, small and medium-size enterprises, exporters, public and project finance users and corporate clients. The Group has identified agriculture, energy, tourism, education, health, sports, infrastructure and maritime sectors as a priority for her activities. The Group also operates in EU countries through its Vienna-based subsidiary DenizBank AG. CJSC Dexia Bank serves the Group's existing customers abroad that have commercial and trade ties with Russia and meets their various financial needs.

The Group possesses a service network that reaches all segments of the society throughout Turkey. In addition to the 512 domestic DenizBank branches, including one in Bahrain, DenizBank AG and CJSC Dexia Bank have 12 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 banking group, with about 35,200 members of staff and core shareholders' equity of EUR 19.2 billion as at 31 December 2010. The Group carries out its activities principally in Belgium, Luxembourg, France and Turkey.

Business Lines

Retail and Commercial Banking

Dexia offers a wide range of retail, commercial and private banking services to over 8 million customers.

Dexia ranks among the three largest banks in Belgium and Luxembourg. In Belgium, Dexia serves its 4 million customers through a network of approximately 850 branches. The Luxembourg operation is the international wealth management centre within the Group; it also covers the country with a nationwide network of branches. Dexia also holds a strong position in Turkey, through DenizBank, which currently stands in sixth position among privately-held banks and serves its customers through a nationwide network of some 500 branches. Besides the retail and commercial banking activities, DenizBank is a fully-fledged bank, with a significant corporate activity and offering its clients asset management services and insurance products.

The Group aims to continue developing its commercial franchises in Belgium and Luxembourg and to capture the significant growth potential of Turkey. The objective is to

increase the proportion of income from its retail and commercial banking activities (approximately 60% of the Group's total income, including 29% from Turkey) and to achieve a client base of 10 million (4 million in Belgium and Luxembourg, 6 million in Turkey) by 2014.

Public and Wholesale Banking

Dexia plays a major role in the financing of local facilities and infrastructures, the health and social housing sectors and the social economy, principally in Belgium and France.

Dexia is also active;

- in the field of project finance, adopting a selective approach and in sectors such as infrastructures and renewable energies, both in Europe and North America;
- in the field of corporate banking in Belgium, where Dexia focuses on medium-sized corporates, whilst maintaining an opportunistic presence with large corporates.

In addition, the Group is established in Germany, with an access to the Pfandbriefe market.

Close to its clients and fully in tune with their requirements, Dexia is constantly developing and widening its range of products and services. The aim is to go well beyond the role of specialist lender, offering clients of the business line integrated solutions (treasury management, budget optimisation, IT solutions and so on) most suited to their needs.

Asset Management and Services

This business line consists of three activities (asset management, investor services and insurance), characterised by attractive growth outlook based on a diversified clientele and strong collaboration with the Group's other commercial franchises.

With EUR 86.4 billion of assets under management as at 31 December 2010, Dexia Asset Management is the Group's asset management centre. Its four management centres (in Belgium, France, Luxembourg and Australia) serve a broad client base.

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 all around the world. Total assets under administration amounted to EUR 2,101 billion as at 31 December 2010.

Dexia's insurance activities are mainly concentrated on the Belgian and Luxembourg markets. The Group offers a complete range of life and non-life insurance products to retail, commercial and private banking clients as well as to Dexia's public and semi-public clients, through a banking-insurance approach and through a network of tied agents.

Ratings

The Group's main operating entities operating on the long-term capital markets, 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 (Dexia Municipal Agency, Dexia Kommunalbank Deutschland and Dexia LDG Banque) issue Triple-A rated secured bonds.

MESSAGE FROM THE CHAIRMAN

After the deterioration in the financial sector, the authorities took very radical measures to prevent the global economy got into a recession in 2008 and 2009 from falling into a depression. Central banks provided liquidity support to the banks by accepting the unvaluable assets as guarantee-printing money in one sense-, the banking sector experienced an extensive recovery, the economic activity was boosted by decreasing interest rates down to zero and tax support was given to economies from state budgets. These measures gave fruitful results and consumer confidence started to increase to the financial sector once more, banks started to return to their core functions as they got rid of their toxic assets, and these large economies started to grow again by exiting the recession after melting their stocks. Paralel to these, global economic growth significantly recovered and global economy recorded 4.8% growth in 2010 from 0.6% shrinkage in 2009.

However, last year showed us another real that exiting the global crisis would not be a process free from problems. The rapidly increasing budget deficits due to the support given to economies started to constrain authorities. Upon this, central banks provided liquidity support to the market by increasing their government bonds. As of today, we can see that these supports are continued by the biggest central banks in the world. Addition to this, continuing low policy interest rates provide significant support to global growth in 2011 as in 2010. Announcement of FED, as the determiner of the global liquidity, in its latest meeting that interest rates will be extra low levels for a long time indicated that these supports will continue in the long term. Developing countries which world's axis has started to shift in slowly, continued to grow rapidly. Developing countries whose growth rates regressed to 2.5%, recovered in 2010 and recorded 7.1% increase. It should be expected that developing countries which compose third of world consumption, will become more effective to determine global economy growth hereafter.

Turkey whose structural economic indicators from public indebtedness to banking systems are at very good levels benefited from positive global environment. In 2010 USD 64 billion foreign funds entered Turkish economy and thus with a strong rebound after the recession of 2009, the economy grew 8.9% in 2010, beating a record. By this foreign capital flow, accelerating economic growth, the current account deficit started to grow regularly and public budget is relieving public finance especially through increasing tax revenues. Public budget performance in the first quarter showed that the ambitious targets for 2011 will be achieved easily. Realizing the inflation at the lowest level of last 41 year indicated that staying of the policy rates at their current low levels will continue to support both public funding and economic growth as in the last two years. As a result of this positive economic outlook in the last two years, Turkey rated only one/two notches below the investment grade by rating agencies during the financial crisis. Ratings of Turkey, already evaluated at investment grade by the market, will most probably be upgraded to well-deserved levels by the rating agencies in near future.

Banking sector, which is the reflection of the real sector, showed a very successful performance in this process and realized a 21% growth in assets and 10% growth in profitability compared to the previous year. The fact that the growth was through loans instead of bonds on the contrary of 2009 gave a tremendous support to the economy. In coming years, if the banking sector is able to overcome the maturity problems on funding side especially, it will outperform the economy and will be one of the biggest supporters of the economic growth. While supporting the banks funding maturity to extend, new political approach of Central Bank of Turkey will set a solid ground for healthy and stable growth of banking system.

In summary, it has been seen that the two year period in which the central banks of developed countries continue their easy money policies, the global liquidity is abundant and the capital flows to the developing countries that are the growth engine of the world will continue for a while. Turkey performed some policies, unrealized before, related to inflation, budget discipline, growth, real interest rates, etc. and accomplished a paradigm change in the economic order. While continuing its support to both the real sector and the individuals as an important supporter of this positive economic environment, Turkish banking system reached an exemplary position as a result of its high profitability and successful management.

PIERRE MARIANI
CHAIRMAN

MESSAGE FROM THE PRESIDENT AND CEO

DenizBank started 2011, in which the growth trend in the global economy has been captured and expected to continue, with her highly successful financial and operational results.

DenizBank achieved to increase her assets, customer deposits and equity both on consolidated and unconsolidated basis with a successful performance higher than the sector averages. DenizBank has increased her assets by 34% on a consolidated and 32% on an unconsolidated basis quarterly and reached TRY 36 billion 292 million and TRY 29 billion 143 million, respectively.

DenizBank increased her consolidated customer deposits, the main source of funding, by 33% y-o-y and 6% q-o-q, reaching TRY 20 billion 941 million. The unconsolidated customer deposits reached TRY 15 billion 645 million, increasing by 30% y-o-y relatively higher than the sector average of 17%. Besides, DenizBank continued to obtain low-cost and long-term funding sources from several international institutions to support her priority sectors.

DenizBank acquired a securitization loan in the amount of USD 300 million against workers' remittances from WestLB, EIB (European Investment Bank), EBRD (European Bank for Reconstruction and Development), IFC (International Finance Corporation) ve DEG (Deutsche Investitions und Entwicklungsgesellschaft) to finance mid-size sustainable energy efficiency projects, agricultural customers and SMEs operating in the food and beverages sector. In addition, DenizBank got permission from CMB for issuing bank bonds up to a maximum amount of TL 2 billion. At the beginning of May, we started the issue of discounted bank bonds amounting TL 500 million in total and restored trust to our bank with high-rate demands. Moreover, DenizBank applied to CMB for issuing bonds up to a maximum amount of USD 750 mn up to 7 years maturity to be purchased by foreign real persons in April.

Serving as a financial supermarket with an extensive product portfolio and providing funding to all sectors of the economy DenizBank reached her consolidated loans TL 25 billion 663 million, increasing 32% y-o-y and 8% q-o-q. Unconsolidated loans realized as TL 19 billion 715 million. Besides the 49% and 46% rises in credit card loans and mortgage loans, respectively, the 101% growth which is more than two times of the sector average in auto loans became the main drivers of the increase in total loans.

In the first quarter of 2011, DenizBank kept her leading place with her 123% loan to deposit ratio and 71% loan to asset ratio as an indication of our strictly adhering to real banking activities.

Our consolidated shareholders' equity increased by 21% compared to the first quarter of 2010, reaching TL 3 billion 814 million, while unconsolidated shareholders' equity realized as TL 3 billion 222 million, rising 16% y-o-y. DenizBank recorded 14.95% and 15.55% capital adequacy ratios on consolidated and unconsolidated basis, respectively, both of which are relatively higher than the international standards.

DenizBank considers support for the agriculture industry as part of her social responsibility mission as well as a good business proposition. DenizBank kept her first place among private banks and reached agricultural loans about TL 2 billion as a result of the innovations offered to producers.

Besides her financial achievements, DenizBank continued her sponsorships of İDSO (Istanbul State Symphony Orchestra) and TAYK (Turkish Off-Shore Racing Club) as a leading supporter of culture and art facilities.

DenizBank opened new 12 branches and reached 511 country-wide branches in the first quarter of 2011.

DenizBank left behind another highly effective year in terms of financial as well operational results as a result of her effective risk-oriented management policy that conforms to internationally-accepted corporate governance standards and reached TL 203 million consolidated net profit, increasing 24% y-o-y and TL 132 million unconsolidated net profit in the first quarter of 2011.

HAKAN ATEŞ THE PRESIDENT AND CEO

CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL

As of 31 March 2010, DenizBank's shareholding structure is presented in the table below. DenizBank's shareholding structure does not contain any cross-shareholdings.

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%
Hacı Ahmet Kılıçoğlu*	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%

*As of 1 April 2011, shares were transferred to Dexia due to the resignation

SHARES HELD BY THE MANAGEMENT

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

CHANGES IN DFSG COMPANIES

There has been no change in the shareholding structures of the subsidiaries.

AMENDMENTS TO ARTICLES OF ASSOCIATION

There is no amendment to Articles of Association between 01.01.2011 and 31.03.2011.

DONATIONS

List of donations made by DenizBank in 2011 are as follows:

INSTITUTION NAME	Amount (TRY)
TOPLUM GÖNÜLLÜLERİ VAKFI	4,000
TÜRK EĞİTİM VAKFI	2,000
ALTINOVA BELEDİYESİ	1,000
AYVALIK BELEDİYESİ	1,000
KOCAELİ EĞİTİM VAKFI	50
TOTAL	8,050

AMENDMENTS TO RATING NOTES

There is no amendments to Ratings of DenizBank assigned by Fitch Ratings and Moody's between 01.01.2011-31.03.2011 Ratings are as follows:

Moody's*		FitchRatings**	
Long Term Foreign Currency Deposits	Ba3/Positive	Long Term Foreign Currency	BBB-/Positive
Short Term Foreign Currency Deposits	NP	Short Term Foreign Currency	F3
Long Term Local Currency Deposits	Baa2	Long Term Local Currency	BBB/Positive
Short Term Local Currency Deposits	Prime-2	Short Term Local Currency	F3
Financial Strength Rating	C-	Individual	C
Outlook	Stable	Support	2
		National	AAA (tur)
		Outlook	Stable

*As of 07.10.2010

**As of 02.12.2010

SECTION II - MANAGEMENT and CORPORATE GOVERNANCE

BOARD of DIRECTORS

Title	Name	Position	Beginning-End Date of Tenure
Chairman of the Board of Directors:	Pierre P.F. Mariani	Chairman-Non-executive	March 2011- March 2014
Board Members	Ayfer Yılmaz	Vice Chairman-Independent	Jan 2007- March 2014
	Hakan Ateş	Member-Executive	June 1997- March 2014
	Hasan Hüseyin Uyar	Member-Executive	Dec 2010- March 2014
	M. Cem Bodur	Member-Independent	June 1997- March 2014
	Wouter Van Roste	Member-Executive	June 2009- March 2014
	Eric P.B.A. Hermann	Member-Non-executive	Jan 2007- March 2014
	Philippe J.E. Rucheton	Member-Non-executive	Feb 2009- March 2014
	Claude E.L. Piret	Member-Non-executive	Aug 2008- March 2014
	Stefaan Decraene	Member-Non-executive	Dec 2008- March 2014
	Jozef M.A. Clijters	Member-Non-executive	March 2011- March 2014

EXECUTIVE MANAGEMENT

Title	Name	Position	Experience
President & CEO:	Hakan Ateş	President & CEO	30 years
Executive Vice Presidents and Executive Committee Members:	Mustafa Aydın	Retail, SME and Agricultural Banking Loan Allocation-EVP	24 years
	Mehmet Aydoğdu	Commercial Banking and Public Finance-EVP	14 years
	Bora Böcügöz	Treasury and Private Banking-EVP	22 years
	Suavi Demircioğlu	Financial Affairs-EVP	21 years
	Dilek Duman	Information Technology and Support Operations-EVP-Chief Operations Officer	22 years
	Gökhan Ertürk	Retail Banking-EVP	18 years
	Tanju Kaya	Administrative Services-EVP	25 years
	Derya Kumru	Wholesale Banking-EVP	24 years
	Mustafa Özel	Branch and Central Operations-EVP	23 years
	Saruhan Özel	Economic Research, Strategy and Project Management-EVP	15 years
	Gökhan Sun	SME and Agricultural Banking-EVP	19 years
	İbrahim Şen	Corporate Banking-EVP	18 years
	Cem Demirağ	Head of Internal Control Center and Compliance- Member of Executive Committee	20 years
	Ali Murat Dizdar	Chief Legal Counsel - Member of Executive Committee	20 years
Aysun Mercan	Secretary General	29 years	
Head of Internal Audit:	Eglantine Delmas	Head of the Board of Internal Audit	16 years

AUDITORS

Name	Position	Experience
Cem Kadırgan	Auditor	25 years
Mehmet Uğur Ok	Auditor	36 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:	Stefaan Decraene	Member	March 2011
	Eric P.B.A. Hermann	Member	January 2007
	Ayfer Yılmaz	Member	March 2011
	Philippe J.E. Rucheton	Member	March 2011
Corporate Governance and Nomination Committee Members:	Stefaan Decraene	Member	March 2011
	M.Cem Bodur	Member	March 2011
	Tanju Kaya	Member	Sept 2004

Executive Committees

• Assets and Liabilities Com.	• Disciplinary Committee	• Promotions Committee
• Credit Committee	• Purchasing Committee	• Executive Board
• Risk Committee	• Communications Com.	• Management Board

Within the Context of Corporate Governance;

16 Board Decisions were adopted in the Board Meetings held between 1 January 2011 and 31 March 2011.

Audit Committee met on 17 February 2011. Independent auditors' report on the fourth quarter of 2010 financials was presented and approved to present those figures to the Board of Directors. At the same meeting, the activity reports for the fourth quarter of 2010 of Internal Audit, Internal Control, Compliance, Risk Management and Operational Risk were also presented.

Corporate Governance and Nomination Committee met 3 times and took 3 decisions in order to make proposal to Board of Directors for nomination of top executives.

SECTION III- FINANCIAL INFORMATION

SUMMARY FINANCIAL HIGHLIGHTS

Consolidated Financial Highlights (TRY million)

	1Q 2011	2010	1Q 2010	2009
Securities*	4,407	4,444	3,258	3,247
Net Loans	25,663	23,790	19,428	18,558
Subsidiaries and Associates	13	12	26	24
Net Fixed Assets	323	322	269	277
Total Assets	36,292	33,853	27,180	25,943
Customer Deposits	20,941	19,713	15,716	14,701
Time	17,490	15,984	13,051	12,030
Demand	3,451	3,729	2,665	2,671
Funds Borrowed	7,559	7,047	5,211	5,279
Sub-ordinated Loans	783	770	762	759
Shareholders' Equity	3,814	3,659	3,146	2,968
Paid-in Capital	716	716	716	716
Non-cash Loans	8,909	7,636	5,570	5,094
Interest Income	755	2,814	749	2,987
Interest Expense	-313	-1,025	-235	-1,123
Net Interest Income after Provisions	308	1,282	322	1,172
Non-interest Income	268	676	159	629
Non-interest Expense	-321	-1,178	-270	-1,024
Net Income	203	616	163	605
Number of DenizBank Branches	512	500	450	450
Number of Employees	9,887	9,561	8,900	8,698
Number of ATMs	1,018	941	704	660
Number of POS Terminals	99,082	89,399	82,786	81,038
Number of Credit Cards	1,627,190	1,485,991	1,361,553	1,313,237

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.

* 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.

** Includes factoring and leasing receivables.

Unconsolidated Financial Highlights (TRY million)

	1Q 2011	2010	1Q 2010	2009
Securities*	4,175	4,280	3,085	2,976
Net Loans	19,715	18,459	14,843	14,171
Subsidiaries and Associates	448	447	409	409
Net Fixed Assets	314	314	253	260
Total Assets	29,143	27,660	22,080	21,205
Customer Deposits	15,645	15,272	12,014	11,163
Time	13,070	12,354	9,116	9,029
Demand	2,575	2,917	2,897	2,134
Funds Borrowed	6,081	5,836	4,375	4,483
Sub-ordinated Loans	783	770	762	759
Shareholders' Equity	3,222	3,141	2,774	2,630
Paid-in Capital	716	716	716	716
Non-cash Loans	8,691	7,474	5,486	5,042
Interest Income	660	2,465	657	2,553
Interest Expense	-267	-878	-197	-906
Net Interest Income after Provisions	266	1,116	276	1,106
Non-interest Income	193	529	135	465
Non-interest Expense	-288	-1,062	-242	-906
Net Income	132	458	134	532
Number of DenizBank Branches	512	500	450	450
Number of Employees	9,887	8,573	7,983	7,789
Number of ATMs	1,018	941	704	660
Number of POS Terminals	99,082	89,399	82,786	81,038
Number of Credit Cards	1,627,190	1,485,991	1,361,553	1,313,237

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.

* 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.

ASSESSMENT of FINANCIAL POSITION and RISK MANAGEMENT

DenizBank continues its activities profitably, without compromising asset quality and strengthen its shareholder's equity. The share of the Bank's fixed asset investments in the shareholder's equity is low level. DenizBank put its free capital to interest earning assets as part of its core banking activities. DenizBank has a capital adequacy ratio significantly higher than the regulatory requirements thanks to strong and effective risk management.

Shareholders' Equity and Capital Adequacy (TRY million)

Consolidated	1Q 2011	2010	1Q 2010	2009
Capital Adequacy Ratio (%)	15.0%	15.7%	16.3%	16.7%
Shareholders' Equity	3,814	3,659	3,146	2,968
Return on Average Equity (%)	21.7%	18.6%	21.4%	23.0%
Free Capital *	3,064	2,872	2,323	2,154
Free Capital Ratio ** (%)	8.4%	8.5%	8.5%	8.3%

Unconsolidated	1Q 2011	2010	1Q 2010	2009
Capital Adequacy Ratio (%)	15.6%	16.4%	17.9%	19.0%
Shareholders' Equity	3,222	3,141	2,774	2,630
Return on Average Equity (%)	16.6%	15.9%	19.9%	22.8%
Free Capital *	2,123	2,023	1,692	1,565
Free Capital Ratio ** (%)	7.3%	7.3%	7.7%	7.4%

* 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

Consolidated	1Q 2011	2010	1Q 2010	2009
Non-performing Loans/ Total Cash Loans Ratio (%)	3.7%	4.4%	5.2%	5.5%
Non-performing Loans Provision Ratio (%)	108.8%	105.6%	100.3%	94.3%

Unconsolidated	1Q 2011	2010	1Q 2010	2009
Non-performing Loans/ Total Cash Loans Ratio (%)	4.0%	4.8%	5.7%	6.0%
Non-performing Loans Provision Ratio (%)	117.3%	112.3%	106.6%	99.9%

RISK MANAGEMENT POLICIES

One of the major pillars of DenizBank's main strategies is to adhere to Risk Management principles. Risk Management policies consist of identification, measurement and management processes. In this respect, DenizBank conducts its banking activities by strictly adhering to risk management policies that aim to analyze risks and manage them by way of acceptable limits. Risk Management Policies were devised based on market risk, credit risk, liquidity risk, operational risk and structural interest risk categories. DenizBank has adopted it as an integral principle in all of her operations to develop systems that comply with Basel II and other guiding international risk management principles.

Market Risk

DenizBank measures market risk using internationally-accepted Value at Risk (VAR) method. VAR quantifies the loss of value that the portfolio of the Bank and her financial subsidiaries might suffer at a given time and confidence interval as a result of the price fluctuations in risk factors. VAR analyses are supported with scenario analysis and stress tests. This method allows 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.

DenizBank has formulated risk policies and established risk-based limits with regards to her trading activities in money and capital markets.

Structural Interest Rate Risk

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

Liquidity Risk

Risk Management Group monitors the Bank's liquidity position that she carries as a result of her activities within defined limits. Limits are set to ensure continuity of the Bank operations by using the existing reserve facilities even under the worst-case scenarios that are created by taking into consideration the negative developments that may arise as a result of a change in market conditions or customer behavior.

Basel II/Credit Risk

The Risk Management Group undertakes efforts for compliance with Basel II/CRD criteria. Basel II consolidated credit risk is being calculated monthly using the standard method and monitored regularly since June 2008. DenizBank's Basel II dataset has been used for the consolidated reports of Dexia since September 2008.

As a part of Basel II preparation efforts, development of internal credit risk assessment models has been scheduled based on a well-defined plan and the modeling of necessary parameters has been completed for the most part.

Operational Risk

Bank activities that carry financial or non-financial operational risk are being recorded for DenizBank and its subsidiaries in a way that captures causes and impact of events, collections made and measures that will prevent the repetition of such events. These events are periodically reported to the senior management and updated as needed. Potential risk is assessed by way of Risk and Control Self Assessment and risk mitigation measures are taken before events transpire. On the other hand, the Business Continuity Program is coordinated to cover the design implementation and testing stages of these policies.

GENERAL OUTLOOK OF THE TURKISH ECONOMY AND THE BANKING SECTOR

Evaluations regarding the developments in Turkish Economy and banking sector in the first three months of 2011 have been summarized below.

Following the global financial crisis, 2009 will be remembered in history as the first year of global economic contraction after more than a half-century. In an effort to reestablish confidence in financial markets, during 2010 many countries have implemented aggressive loosening of their monetary and fiscal policies, attempting to boost lending and consumption. As a result of these efforts, the global economy grew 4.8%. Developing countries, including Turkey, which became the primary driving force behind the global economy, achieved growth rates significantly above the developed countries. In 2010, U.S. economy grew 2.9%, while the Euro zone and Japan expanded by 1.7% and 3.9%, respectively.

The Turkish economy, which shrank by 4.8% in 2009 with the impact of the crisis, despite the 5.9% growth in the last quarter, continued its record growth rates even if some decreasing and became the fastest growing economy in Europe with an 8.9% growth rate in 2010. It is expected that Turkey will reach growth rates of 5% and over after 2011 as well. Stable political environment, low indebtedness rate and high growth rates have drawn the attention of rating agencies and helped Turkey approach the “investment grade”. It is doubtless that one of the elements that supported the Turkish economy during and after the crisis was the robust banking sector.

Evaluation of the banking sector according to the data* as of March 2011:

-Loan volume (excluding financial sector loans)	TL 555 billion
TL Loan volume	TL 403 billion
FX Loan volume	USD 100 billion
-Deposit Volume (excluding interbank deposits)	TL 625 billion
TL Deposit Volume	TL 437 billion
FX Deposit Volume	USD 124 billion

In the first three months of 2011, the total loan volume of the Banking sector increased by 7% compared to the end of 2010 and by 36% compared to the first quarter of 2010 and reached TL 555 billion. In the first quarter of 2011, general purpose loans and housing loans are the segments with priority impact on total loan increase. While general purpose loans rose by 11%, the increase in housing loans was 8%. While the growth of SME loans in two months was 6%, the twelve months performance in SME loans was 55% growth, which is a very high rate. With the economy that began to gain stimulus, a recovery in the SMEs business volumes and hence their repayment capacity started. The NPL ratio of SMEs which was 8.2% in the end of 2009 and fell to 4.8% in the end of 2010 decreased further to 4.1% as of February. The NPL ratio of all loans which reached up to 5.8% during the crisis dropped to 3.3% at the end of March.

Total deposits reached TL 625 billion by increasing only 1% in the first three months. Equity rose by 2% q-o-q and reached TL 138 billion. The net profit of the banking sector in two months realized as TL 3.1 billion.

* Banking sector data are extracts from the BRSA weekly bulletin including participation bank figures.

FURTHER INFORMATION

- 1- To view the material disclosures made in ISE, click the link below:
<http://www.denizbank.com/en/investor-relations/announcements/default.aspx>
- 2- To download DenizBank 31.03.2011 consolidated and unconsolidated financial statements and footnotes click the link below.
<http://www.denizbank.com/en/investor-relations/financial-information/financial-figures.aspx>
- 3- To download 2010 Annual Report for further information about the main activities of DenizBank click the link below:
<http://www.denizbank.com/en/investor-relations/annual-reports/default.aspx>