

**Denizbank A.Ş. And Its Subsidiaries**  
**Consolidated Income Statement**  
**For the six-month period ended 30 June 2005**

*(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 30 June 2005 pursuant to IAS 29)*

	<b>Note</b>	<b>30 June 2005</b>	<b>30 June 2004</b>
Interest and similar income	2	470,851	516,797
Interest expense and similar charges	2	<u>(215,763)</u>	<u>(344,287)</u>
<b>Net interest income</b>		255,088	172,510
Fee and commission income	3	88,025	82,532
Fee and commission expense	3	<u>(19,518)</u>	<u>(20,720)</u>
<b>Net fee and commission income</b>		68,507	61,812
Net gain/(loss) on trading and investment securities	4	(7,474)	11,849
Other operating income	5	<u>50,694</u>	<u>32,865</u>
<b>Operating income</b>		366,815	279,036
General and administrative expenses	6	(163,938)	(132,873)
Impairment losses on loans and advances	13	(19,028)	(116)
Foreign currency exchange loss, net		(4,885)	(18,189)
Other operating expenses	7	<u>(10,532)</u>	<u>(19,290)</u>
<b>Operating expenses</b>		(198,383)	(170,468)
<b>Profit from operations</b>		168,432	108,568
Loss on net monetary position, net		<u>(9,962)</u>	<u>(15,231)</u>
<b>Profit before tax</b>		158,470	93,337
Income tax expense	22	<u>(32,547)</u>	<u>(14,434)</u>
<b>Net profit for the period</b>		<u>125,923</u>	<u>78,903</u>
<b>Net profit for the period attributable to:</b>			
Equity holders of the Bank		125,899	78,898
Minority interest		<u>24</u>	<u>5</u>
		<u>125,923</u>	<u>78,903</u>
Weighted average number of shares with a face value of YTL 1 each		316.1 million	202.0 million
Basic and diluted earnings per share (full YTL amount per YTL 1 face value each)		<u>0.398</u>	<u>0.391</u>

## Denizbank A.Ş. And Its Subsidiaries

### Consolidated Balance Sheet

As at 30 June 2005

(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 30 June 2005 pursuant to IAS 29)

	<u>Note</u>	<u>30 June</u> <u>2005</u>	<u>31 December</u> <u>2004</u>
<b>Assets</b>			
Cash and balances with Central Bank	10	585,767	806,852
Due from banks	11	1,651,639	1,700,634
Financial assets at fair value through profit or loss	12	343,636	422,500
Loans and advances to customers	13	5,319,483	3,305,322
Investment securities	15	1,770,413	1,728,737
Other assets	16	142,900	90,704
Deferred tax assets	22	22,764	14,191
Bank premises and equipment	17	122,925	124,888
Intangible assets	18	15,367	16,943
<b>Total assets</b>		<u>9,974,894</u>	<u>8,210,771</u>
<b>Liabilities</b>			
Deposits from banks	19	807,229	629,412
Deposits from customers	20	5,867,630	5,267,056
Funds borrowed	21	1,830,588	1,056,961
Deferred tax liabilities	22	351	461
Current tax liabilities		19,082	1,270
Other liabilities	23	451,974	347,187
<b>Total liabilities</b>		<u>8,976,854</u>	<u>7,302,347</u>
<b>Equity</b>			
Share capital	24	559,594	559,594
Share premium		100,137	100,137
Unrealized gains on available-for-sale securities		73,653	112,099
Translation reserves		(4,013)	(6,152)
Retained earnings		268,578	142,679
<b>Total equity attributable to equity holders of the parent</b>		<u>997,949</u>	<u>908,357</u>
<b>Minority interest</b>		91	67
<b>Total equity</b>		<u>998,040</u>	<u>908,424</u>
<b>Total liabilities and equity</b>		<u>9,974,894</u>	<u>8,210,771</u>
<b>Commitments and contingencies</b>	25		

## Denizbank A.Ş. And Its Subsidiaries

### Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2005

(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 30 June 2005 pursuant to IAS 29)

	<u>Note</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Unrealized gains/losses on AFS securities</u>	<u>Translation reserves</u>	<u>Retained earnings</u>	<u>Minority interest</u>	<u>Total</u>
Balances at 1 January 2004		491,975	-	150,803	(3,481)	586	2,011	641,894
Net gains on available-for-sale assets transferred to the income statement on disposal		-	-	(3,411)	-	-	-	(3,411)
Loss from change in fair value of available-for-sale securities (AFS)		-	-	(58,325)	-	-	-	(58,325)
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	655	-	-	655
Purchase from minority		-	-	-	-	1,950	(1,950)	-
Net profit for the six-month period		-	-	-	-	78,898	5	78,903
Balances at 30 June 2004		<u>491,975</u>	<u>-</u>	<u>89,067</u>	<u>(2,826)</u>	<u>81,434</u>	<u>66</u>	<u>659,716</u>
Balances at 1 July 2004		491,975	-	89,067	(2,826)	81,434	66	659,716
Issue of share capital		67,619	100,137	-	-	-	-	167,756
Net gains on available-for-sale assets transferred to the income statement on disposal		-	-	(12,379)	-	-	-	(12,379)
Gain from change in fair value of available-for-sale securities (AFS)		-	-	35,411	-	-	-	35,411
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	(3,326)	-	-	(3,326)
Net profit for the six-month period		-	-	-	-	61,245	1	61,246
Balances at 31 December 2004		<u>559,594</u>	<u>100,137</u>	<u>112,099</u>	<u>(6,152)</u>	<u>142,679</u>	<u>67</u>	<u>908,424</u>
Balances at 1 January 2005		559,594	100,137	112,099	(6,152)	142,679	67	908,424
Net gains on available-for-sale assets transferred to the income statement on disposal	4	-	-	(26,401)	-	-	-	(26,401)
Loss from change in fair value of available-for-sale securities (AFS)		-	-	(12,045)	-	-	-	(12,045)
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	2,139	-	-	2,139
Net profit for the six-month period		-	-	-	-	125,899	24	125,923
Balances at 30 June 2005	24	<u>559,594</u>	<u>100,137</u>	<u>73,653</u>	<u>(4,013)</u>	<u>268,578</u>	<u>91</u>	<u>998,040</u>

**Denizbank A.Ş. and Its Subsidiaries**  
**Consolidated Statement of Cash Flows**  
**For the six-month period ended 30 June 2005**

*(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 30 June 2005 pursuant to IAS 29)*

	<u>Note</u>	<u>30 June</u> <u>2005</u>	<u>30 June</u> <u>2004</u>
<b>Operating activities</b>			
Net profit for the period		125,923	78,903
<i>Adjustments for non-cash items:</i>			
Depreciation and amortization	17 and 18	18,511	14,167
Change in accrued interest expense		39,274	(10,558)
Change in accrued interest income		(15,956)	62,520
Impairment losses on loans and advances	13	19,028	116
Impairment losses on goodwill		2,878	-
Reserve for employee severance indemnity		(402)	2,273
Taxation charge	22	32,547	14,434
Effect of the restatement of non-cash items		(2,516)	(12,959)
Effect of available for sale portfolio		(9,209)	(85,400)
Effect of currency translation		2,139	655
<i>Changes in operating assets and liabilities:</i>			
Money and equity market instruments		(62,043)	249,486
Loans and advances to banks		(160,403)	2,922
Loans and advances to customers		(2,005,972)	(629,105)
Other operating assets		(48,619)	(16,365)
Deposits from banks		174,893	(119,055)
Deposits from customers		596,859	797,105
Funds borrowed		770,155	259,599
Other operating liabilities		76,584	73,545
Taxes payable		(23,649)	(29,163)
<b>Cash flows from operating activities</b>		<u>(469,977)</u>	<u>653,120</u>
<b>Investing activities</b>			
Proceeds from sale of investments		17,192	-
Proceeds from sale of bank premises and equipment		2,402	1,427
Purchase of bank premises and equipment	17	(15,446)	(19,996)
Proceeds from sale of intangible assets		-	242
Purchase of intangible assets	18	(4,806)	(1,509)
<b>Cash flows from investing activities</b>		<u>(658)</u>	<u>(19,836)</u>
<b>Financing activities</b>			
Proceeds from issuance of common stock		-	-
Dividends paid		-	-
<b>Cash flows from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(470,635)</u>	<u>633,284</u>
Cash and cash equivalents at 1 January		<u>2,470,293</u>	<u>1,454,073</u>
<b>Cash and cash equivalents at the end of the period</b>	9	<u>1,999,658</u>	<u>2,087,357</u>