

(Convenience Translation of Consolidated Financial Report Originally Issued in Turkish)
(See Note 3.I.2)

Denizbank Anonim Şirketi

Consolidated Interim Financial Statements
As of and for the Nine Months Period Ended
30 September 2007
With Independent Auditor's Review Report Thereon

Akis Serbest Muhasebeci
Mali Müşavirlik
Anonim Şirketi
9 November 2007

This report contains 64 pages.

- I. Independent Auditor's Review Report
- II. Consolidated Financial Report to be Disclosed to the Public

**Convenience Translation of the Independent Auditor's Review Report
Originally Prepared and Issued in Turkish**

To the Board of Directors of Denizbank Anonim Şirketi:

We have reviewed the consolidated balance sheet of Denizbank Anonim Şirketi (the Bank) and its subsidiaries as of 30 September 2007 and the related consolidated statement of income, changes in shareholders' equity and cash flows for the nine months period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review. We did not review the financial statements of certain consolidated companies as of 30 September 2007, which statements reflect total assets constituting 12 percent; and total interest and commission income constituting 7 percent after elimination of intercompany balances and transactions as of and for the nine months period ended 30 September 2007 of the related consolidated totals. Those statements were reviewed by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those companies is based solely on the reports of the other auditors.

We conducted our review in accordance with the regulations related with the "Accounting and Recording Rules" and "Independent Auditing Standards" of the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly the financial position of Denizbank Anonim Şirketi and its subsidiaries as of 30 September 2007, and of the results of its operations and its cash flows for the nine months period then ended, in all material respects in accordance with regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411; and other regulations, explanations and circulars on accounting and financial reporting principles announced by Banking Regulation and Supervision Agency.

Istanbul,
9 November 2007

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat Alsan
Partner

Additional paragraph for convenience translation to English:

As explained in Note 3.I.2, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

DENİZBANK A.Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 SEPTEMBER 2007

Address of the Bank's Headquarters
Büyükdere Caddesi No:106
34394 –ESENTEPE/İSTANBUL

Telephone and Fax Numbers
Tel : 0.212.355 08 00
Fax: 0.212.267 27 24

Website of the Bank
www.denizbank.com

E-mail address of the Bank
investorrelations@denizbank.com

The financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are as follows:

	Subsidiaries	Associates	Jointly Controlled Companies
1.	DenizBank AG, Vienna		
2.	Eurodeniz Off-Shore Bank Ltd.		
3.	Ekspres Yatırım Menkul Değerler A.Ş.		
4.	Deniz Türev Menkul Değerler A.Ş.		
5.	Deniz Yatırım Menkul Kıymetler A.Ş.		
6.	CJSC Denizbank, Moscow		
7.	Deniz Portföy Yönetimi A.Ş.		
8.	Deniz Finansal Kiralama A.Ş.		
9.	Deniz Faktoring A.Ş.		
10.	Deniz Hayat Sigorta A.Ş.		

The consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of New Turkish Lira**.

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

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

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

Contact information for questions on this financial report:
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Denizbank Anonim Şirketi

Consolidated Financial Report as of 30 September 2007

(Currency: Thousands of YTL - New Turkish Lira)

SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Denizbank A.Ş. ("the Bank") was established as a public bank to provide financing services to the marine sector in 1938. In 1992, as a result of the resolution of the Government to merge some public banks, the Bank was merged to Emlakbank. Following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997. Bank's shares have been listed on Istanbul Stock Exchange since 1 October 2004. 0.21% of the Bank's shares are publicly held as of 30 September 2007.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006. Subsequent to the transfer of shares, a tender offer was made for the public shares. Dexia Participation Belgique's ownership rate resides at 99.79% as of the balance sheet date.

II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to

Name of the Shareholder	Amount (YTL)	Share %
Dexia Participation Belgique SA	315,433,978	99.79
M. Cem Bodur	5	0.00
Hakan Ateş	5	0.00
Ayfer Yılmaz	5	0.00
Mustafa Tinas Titiz	5	0.00
Publicly traded	666,002	0.21
	316,100,000	100.00

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Bank's shares they hold

<u>Name</u>	<u>Job Description</u>	<u>Shares owned (%)</u>
<u>President of the Board of Directors</u>		
Dirk G.M. Bruneel	Chairman	--
<u>Board of Directors</u>		
Mustafa Tınas Titiz	Deputy Chairman, Independent Member	0.000002
Hakan Ateş	Member, President and CEO	0.000002
Ayfer Yılmaz	Independent Member	0.000002
M. Cem Bodur	Member	0.000002
Fikret Arabacı	Member	--
Bruno R.D.J. Accou	Member	--
Alain P.B. Delouis	Member	--
Hugo R.R. Lasat	Member	--
Bruno Y.M.R. Deletre	Member	--
Eric P.B.A. Hermann	Member	--
<u>Audit Committee</u>		
Dirk G.M. Bruneel	Member	--
Eric P.B.A. Hermann	Member	--
Mustafa Tınas Titiz	Independent Member	0.000002
<u>Audit Board</u>		
Cem Kadırgan	Member	--
Mehmet Uğur Ok	Member	--
<u>Executive Vice Presidents</u>		
Mustafa Aydın	Retail, SME and Agricultural Loan Allocation and Foreign Subsidiaries and Branches	--
Bora Böcügöz	Treasury	--
Suavi Demircioğlu	Financial Affairs	--
Gökhan Ertürk	SME and Agricultural Banking	--
Arif İsfendiyaroğlu	Retail Banking	--
Tanju Kaya	Administrative Services	--
Oğuz Vecdi Öncü	Central Operations	--
Hüseyin Uyar	Corporate and Commercial Loans	--
Wouter G.M. Van Roste	Public and Project Finance and Corporate Banking	--
Mehmet Ali Yetim	Commercial Banking	--

Wouter G.M. Van Roste has been assigned as executive vice president responsible from public and project finance and corporate banking by the resolution dated 10 January 2007 and numbered 2007/1 of the Board of Directors.

Mustafa Tınas Titiz has been assigned as deputy chairman of the Board of Directors by the resolution dated 17 January 2007 and numbered 2007/2 of the Board of Directors.

The number of members of the Board of Directors has been determined as 11 at the Extraordinary General Assembly held on 17 January 2007; and Ayfer Yılmaz, Hugo R.R. Lasat, Bruno Yves Marie Rene Deletre, Alain Philippe Bernard Delouis and Eric P.B.A. Hermann have been assigned as new members of the Board of Directors.

Dirk G.M. Bruneel, Mustafa Tinas Titiz and Eric P.B.A. Hermann have been assigned as the members of the Audit Committee, by the resolution dated 17 January 2007 and numbered 2007/2 of the Board of Directors.

Mehmet Ali Yetim has been assigned as executive vice president of corporate banking by the resolution dated 24 January 2007 and numbered 2007/4 of the Board of Directors.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Mehmet Ali Yetim's title has been changed from executive vice president of corporate banking to executive vice president of commercial banking.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Wouter Vn Roste's title has been changed from executive vice president of public and project finance to executive vice president of public project finance and corporate banking.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Hasan Hüseyin Uyar's title has been changed from executive vice president of commercial banking to executive vice president of corporate and commercial loans.

Mustafa Aydın has been assigned as executive vice president responsible from retail, SME and agricultural loan allocation and foreign subsidiaries and branches; and Oğuz Vecdi Öncü has been assigned as executive vice president responsible from central operations, by the resolution dated 2 May 2007 and numbered 2007/19 of the Board of Directors.

IV. Other information

Bank's Official Title:	Denizbank Anonim Şirketi
Address of Bank's Headquarters:	Büyükdere Caddesi No: 106 Esentepe 34394 İstanbul
Telephone and Fax Numbers:	Telephone: (0212) 355 08 00 Fax : (0212) 267 27 24
Bank's Internet Address:	www.denizbank.com
Bank's E-mail Address:	investorrelations@denizbank.com
Reporting Period:	1 January 2007 - 30 September 2007

Unless stated otherwise, the accompanying consolidated financial statements and disclosures are presented in New Turkish Lira (YTL) thousands.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheets
- II. Consolidated Off-Balance Sheet Items Statements
- III. Consolidated Income Statements
- IV. Consolidated Statements of Changes in Shareholders' Equity
- V. Consolidated Statements of Cash Flows

ASSETS	Footnotes	CURRENT PERIOD (30/09/2007)			PRIOR PERIOD (31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	268,335	585,205	853,540	147,293	727,923	875,216
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(5.1.2)	345,890	195,314	541,204	204,258	171,100	375,358
2.1 Trading Securities		227,475	150,065	377,540	170,442	157,221	327,663
2.1.1 Public Sector Debt Securities		180,975	10,731	191,706	156,845	20,937	177,782
2.1.2 Share Certificates		46,124	11	46,135	13,209	-	13,209
2.1.3 Other Securities		376	139,323	139,699	388	136,284	136,672
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Securities		-	-	-	-	-	-
2.3 Positive Value of Trading Purpose Derivatives		118,415	45,249	163,664	33,816	13,879	47,695
III. BANKS AND OTHER FINANCIAL INSTITUTIONS	(5.1.3)	5,275	1,676,320	1,681,595	63,629	2,717,593	2,781,222
IV. INTERBANK MONEY MARKET		750	2,491	3,241	260,743	27,390	288,133
4.1 Interbank Money Market Placements		750	-	750	-	27,390	27,390
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	1,450	-	1,450
4.3 Receivables from Reverse Repurchase Agreements		-	2,491	2,491	259,293	-	259,293
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	1,245,768	283,378	1,529,146	582,181	391,585	973,766
5.1 Share Certificates		3,927	54	3,981	3,867	58	3,925
5.2 Public Sector Debt Securities		1,241,841	196,220	1,438,061	578,314	288,063	866,377
5.3 Other Securities		-	87,104	87,104	-	103,464	103,464
VI. LOANS	(5.1.5)	6,155,535	3,776,930	9,932,465	4,992,720	3,070,659	8,063,379
6.1 Loans		6,145,243	3,775,027	9,920,270	4,986,668	3,070,323	8,056,991
6.2 Loans under Follow-Up		214,766	7,434	222,200	166,049	3,885	169,934
6.3 Specific Provisions (-)		204,474	5,531	210,005	159,997	3,549	163,546
VII. FACTORING RECEIVABLES		332,808	22,985	355,793	288,469	16,365	304,834
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	8,130	143,866	151,996	-	177,381	177,381
8.1 Public Sector Debt Securities		8,130	34,668	42,798	-	62,591	62,591
8.2 Other Securities		-	109,198	109,198	-	114,790	114,790
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	3,635	-	3,635	3,686	-	3,686
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated		3,635	-	3,635	3,686	-	3,686
9.2.1 Financial Investments		53	-	53	104	-	104
9.2.2 Non-Financial Investments		3,582	-	3,582	3,582	-	3,582
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	5,650	-	5,650	5,145	-	5,145
10.1 Unconsolidated Financial Investments		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Investments		5,650	-	5,650	5,145	-	5,145
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Investments		-	-	-	-	-	-
11.2.2 Non-Financial Investments		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	126,019	669,203	795,222	87,048	443,819	530,867
12.1 Financial Lease Receivables		170,940	776,615	947,555	117,657	523,850	641,507
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		44,921	107,412	152,333	30,609	80,031	110,640
XIII. HEDGING PURPOSE DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		88,796	3,873	92,669	94,484	3,796	98,280
XV. INTANGIBLE ASSETS (Net)		54,273	4,190	58,463	43,628	3,353	46,981
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		54,273	4,190	58,463	43,628	3,353	46,981
XVI. TAX ASSETS		13,672	497	14,169	-	-	-
16.1 Current Tax Assets		-	-	-	-	-	-
16.2 Deferred Tax Assets	(5.1.12)	13,672	497	14,169	-	-	-
XVII. ASSETS HELD FOR SALE (Net)		15,134	-	15,134	15,363	-	15,363
XVIII. OTHER ASSETS	(5.1.13)	148,681	90,794	239,475	118,678	46,738	165,416
TOTAL ASSETS		8,818,351	7,455,046	16,273,397	6,907,325	7,797,702	14,705,027

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(30/09/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(5.II.1)	4,283,629	5,923,464	10,207,093	3,260,206	6,202,819	9,463,025
II. NEGATIVE VALUE OF TRADING PURPOSE DERIVATIVES	(5.II.2)	164,044	43,346	207,390	26,037	20,243	46,280
III. FUNDS BORROWED	(5.II.3)	288,895	2,070,359	2,359,254	255,029	2,445,707	2,700,736
IV. INTERBANK MONEY MARKET		947,946	-	947,946	455,630	-	455,630
4.1 Interbank Money Market Takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Takings		-	-	-	-	-	-
4.3 Funds Provided under Repurchase Agreements		947,946	-	947,946	455,630	-	455,630
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		219,502	58,819	278,321	222,137	63,718	285,855
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	93,133	34,037	127,170	68,146	27,539	95,685
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)	1	-	1	1	1	2
10.1 Financial Lease Payables		1	-	1	2	1	3
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	1	-	1
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)	111,408	9,487	120,895	68,546	12,664	81,210
12.1 General Provisions		65,777	90	65,867	52,559	-	52,559
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Termination Benefits		8,060	1,555	9,615	6,071	601	6,672
12.4 Insurance Technical Provisions (Net)		20,003	-	20,003	-	-	-
12.5 Other Provisions		17,568	7,842	25,410	9,916	12,063	21,979
XIV. TAX LIABILITIES	(5.II.8)	53,107	3,508	56,615	52,365	3,011	55,376
14.1 Current Tax Liability		53,093	3,508	56,601	51,041	2,978	54,019
14.2 Deferred Tax Liability		14	-	14	1,324	33	1,357
XV. PAYABLES RELATED TO ASSETS HELD FOR SALE		-	-	-	-	-	-
XIII. SUBORDINATED LOANS		-	377,915	377,915	-	166,746	166,746
XVI. SHAREHOLDERS' EQUITY	(5.II.9)	1,546,769	44,028	1,590,797	1,301,590	52,892	1,354,482
16.1 Paid-In Capital		316,100	-	316,100	316,100	-	316,100
16.2 Supplementary Capital		299,175	5,899	305,074	292,764	7,293	300,057
16.2.1 Share Premium	(5.II.10)	98,351	-	98,351	98,351	-	98,351
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Value Increase Fund	(5.II.11)	11,591	5,899	17,490	5,248	7,293	12,541
16.2.4 Revaluation Fund on Tangible Assets		-	-	-	-	-	-
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Capital Bonus of Associates, Subsidiaries and Joint Ventures		69	-	69	1	-	1
16.2.7 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.8 Revaluation Fund on Assets Held for Sale		-	-	-	-	-	-
16.2.9 Other Supplementary Capital		189,164	-	189,164	189,164	-	189,164
16.3 Profit Reserves		628,916	7,041	635,957	338,970	21,189	360,159
16.3.1 Legal Reserves		30,807	5,017	35,824	16,990	5,017	22,007
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		597,768	11,175	608,943	317,136	10,486	327,622
16.3.4 Other Profit Reserves		341	(9,151)	(8,810)	4,844	5,686	10,530
16.4 Profit or Loss		302,578	31,088	333,666	353,756	24,410	378,166
16.4.1 Prior Periods Profit or Loss		51,940	31,088	83,028	27,904	7,973	35,877
16.4.2 Current Period Profit or Loss		250,638	-	250,638	325,852	16,437	342,289
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		7,708,434	8,564,963	16,273,397	5,709,687	8,995,340	14,705,027

	Footnotes	CURRENT PERIOD (30/09/2007)			PRIOR PERIOD (31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		11,461,866	14,870,065	26,331,931	5,339,036	8,489,068	13,828,104
I. GUARANTEES	(5.III.1-3)	1,478,427	3,418,185	4,896,612	1,278,620	2,932,197	4,210,817
1.1. Letters of Guarantee		1,478,427	1,654,731	3,133,158	1,278,502	1,624,720	2,903,222
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		100,170	21,353	121,523	131,769	124,771	256,540
1.1.3. Other Letters of Guarantee		1,378,257	1,633,378	3,011,635	1,146,733	1,499,949	2,646,682
1.2. Bank Acceptances		-	100,296	100,296	-	142,409	142,409
1.2.1. Import Letter of Acceptance		-	100,296	100,296	-	142,409	142,409
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	1,474,972	1,474,972	118	1,086,574	1,086,692
1.3.1. Documentary Letters of Credit		-	1,166,093	1,166,093	118	687,528	687,646
1.3.2. Other Letters of Credit		-	308,879	308,879	-	399,046	399,046
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		-	188,186	188,186	-	78,494	78,494
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS		2,983,261	12,149	2,995,410	2,728,283	98,392	2,826,675
2.1. Irrevocable Commitments		2,982,580	-	2,982,580	2,727,602	98,392	2,825,994
2.1.1. Asset Purchase Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		350	-	350	455	-	455
2.1.4. Loan Granting Commitments		55,940	-	55,940	53,383	-	53,383
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments	(5.III.1)	511,538	-	511,538	431,925	-	431,925
2.1.8. Tax and Fund Obligations from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits	(5.III.1)	1,957,270	-	1,957,270	2,146,292	-	2,146,292
2.1.10. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.11. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		457,482	-	457,482	95,547	98,392	193,939
2.2. Revocable Commitments		681	12,149	12,830	681	-	681
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		681	12,149	12,830	681	-	681
III. DERIVATIVE FINANCIAL INSTRUMENTS		7,000,178	11,439,731	18,439,909	1,332,133	5,458,479	6,790,612
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		7,000,178	11,439,731	18,439,909	1,332,133	5,458,479	6,790,612
3.2.1. Forward Foreign Currency Purchases/Sales		469,082	6,494,965	6,964,047	363,959	3,637,017	4,000,976
3.2.1.1. Forward Foreign Currency Purchases		222,228	3,260,801	3,483,029	73,855	1,920,855	1,994,710
3.2.1.2. Forward Foreign Currency Sales		246,854	3,234,164	3,481,018	290,104	1,716,162	2,006,266
3.2.2. Currency and Interest Rate Swaps		1,202,041	2,138,268	3,340,309	467,519	1,013,491	1,481,010
3.2.2.1. Currency Swaps-Purchases		1,378	867,146	868,524	-	564,103	564,103
3.2.2.2. Currency Swaps-Sales		364,601	515,372	879,973	238,585	328,092	566,677
3.2.2.3. Interest Rate Swaps-Purchases		391,006	394,617	785,623	114,467	60,648	175,115
3.2.2.4. Interest Rate Swaps-Sales		445,056	361,133	806,189	114,467	60,648	175,115
3.2.3. Currency, Interest Rate and Security Options		3,250,991	1,257,059	4,508,050	500,654	770,858	1,271,512
3.2.3.1. Currency Options-Purchases		1,681,895	573,648	2,255,543	268,197	368,401	636,598
3.2.3.2. Currency Options-Sales		1,549,667	683,411	2,233,078	232,457	402,457	634,914
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		11,258	-	11,258	-	-	-
3.2.3.6. Securities Options-Sales		8,171	-	8,171	-	-	-
3.2.4. Currency Futures		-	2,981	2,981	-	13,906	13,906
3.2.4.1. Currency Futures-Purchases		-	2,981	2,981	-	7,768	7,768
3.2.4.2. Currency Futures-Sales		-	-	-	-	6,138	6,138
3.2.5. Interest Rate Futures		-	-	-	-	5,622	5,622
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	5,622	5,622
3.2.6. Others		2,078,064	1,546,458	3,624,522	1	17,585	17,586
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		12,766,872	4,743,303	17,510,175	8,361,794	4,409,305	12,771,099
IV. ITEMS HELD IN CUSTODY		3,712,962	704,247	4,417,209	2,646,418	818,888	3,465,306
4.1. Customers' Securities Held		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		2,316,263	204,218	2,520,481	1,805,642	156,617	1,962,259
4.3. Checks Received for Collection		178,077	139,723	317,800	266,618	231,591	498,209
4.4. Commercial Notes Received for Collection		223,378	360,306	583,684	170,801	347,495	518,296
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	175,324	-	175,324
4.7. Other Items under Custody		994,897	-	994,897	3,015	83,185	86,200
4.8. Custodians		347	-	347	225,018	-	225,018
V. PLEDGED ITEMS		9,053,721	3,941,600	12,995,321	5,715,199	3,522,621	9,237,820
5.1. Securities		523,855	26,218	550,073	522,582	18,415	540,997
5.2. Guarantee Notes		2,689,901	627,071	3,316,972	1,178,272	586,352	1,764,624
5.3. Commodities		1,308,443	607,584	1,916,027	1,043,363	798,403	1,841,766
5.4. Warranties		-	-	-	-	-	-
5.5. Immovables		4,289,602	2,377,279	6,666,881	2,759,254	1,876,488	4,635,742
5.6. Other Pledged Items		241,920	303,448	545,368	211,728	242,963	454,691
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		189	97,456	97,645	177	67,796	67,973
TOTAL OFF BALANCE SHEET ITEMS (A+B)		24,228,738	19,613,368	43,842,106	13,700,830	12,898,373	26,599,203

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2007-30/09/2007)	(01/01/2006-30/09/2006)	(01/07/2007-30/09/2007)	(01/07/2006-30/09/2006)
I. INTEREST INCOME	(5.IV.1)	1,405,220	1,046,930	500,071	396,191
1.1 Interest on Loans		1,028,231	747,164	381,867	290,832
1.2 Interest Received from Reserve Deposits		28,513	21,482	10,323	8,723
1.3 Interest Received from Banks		69,026	59,546	15,567	24,853
1.4 Interest Received from Money Market Transactions		9,942	30,712	3,092	1,758
1.5 Interest Received from Securities Portfolio		188,782	142,954	62,304	51,274
1.5.1 Trading Securities		47,180	18,693	15,199	9,349
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		135,922	110,978	45,443	39,321
1.5.4 Held to Maturity Securities		5,680	13,283	1,662	2,604
1.6 Interest Received from Financial Leases		53,975	30,172	20,277	12,769
1.7 Other Interest Income		26,751	14,900	6,641	5,982
II. INTEREST EXPENSE	(5.IV.2)	810,598	562,810	294,391	211,794
2.1 Interest on Deposits		594,326	401,943	211,452	148,258
2.3 Interest on Funds Borrowed		132,471	144,662	51,392	52,612
2.4 Para Piyasası İşlemlerine Verilen Faizler		81,762	14,683	31,249	10,497
2.5 Interest on Securities Issued		-	-	-	-
2.6 Other Interest Expense		2,039	1,522	298	427
III. NET INTEREST INCOME (I - II)		594,622	484,120	205,680	184,397
IV. NET FEES AND COMMISSIONS INCOME	(5.IV.9)	175,479	146,518	58,424	46,684
4.1 Fees and Commissions Received		242,948	199,529	83,536	67,779
4.1.1 Cash Loans		14,804	12,222	4,905	4,295
4.1.2 Non-Cash Loans		37,756	31,311	11,541	11,490
4.1.3 Other		190,388	155,996	67,090	51,994
4.2 Fees and Commissions Paid		67,469	53,011	25,112	21,095
4.2.1 Cash Loans		3,336	1,251	498	688
4.2.2 Non-Cash Loans		181	424	25	48
4.2.3 Other		63,952	51,336	24,589	20,359
V. DIVIDEND INCOME		779	958	485	6
VI. TRADING INCOME/LOSS (Net)	(5.IV.3)	8,231	(99,630)	7,575	(77,158)
6.1 Profit / Losses on Trading Account Securities		(90,775)	36,637	(33,201)	(37,665)
6.2 Foreign Exchange Gains / Losses		99,006	(136,267)	40,776	(39,493)
VII. OTHER OPERATING INCOME	(5.IV.4)	95,485	212,682	23,919	145,407
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		874,596	744,648	296,083	299,336
IX. PROVISION FOR LOAN LOSSES OR OTHER RECEIVABLES (-)	(5.IV.5)	106,595	72,587	37,738	(8,672)
X. OTHER OPERATING EXPENSES (-)	(5.IV.6)	466,981	385,096	162,112	143,844
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		301,020	286,965	96,233	164,164
XII. NEGATIVE GOODWILL		-	-	-	-
XIII. PROFIT / LOSS FROM ASSOCIATES		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT / LOSS BEFORE TAXES (XI+XII+XIII+XIV)		301,020	286,965	96,233	164,164
XVI. PROVISION FOR TAXES ON INCOME (±)	(5.IV.7)	(50,382)	(34,990)	(13,339)	(15,876)
16.1 Current Tax Provision		(65,325)	(33,377)	(20,663)	(19,904)
16.2 Deferred Tax Provision		14,943	(1,613)	7,324	4,028
XVII. NET OPERATING PROFIT / LOSS AFTER TAXES (XV±XVI)		250,638	251,975	82,894	148,288
17.1 Ceased Operations		-	-	-	-
17.2 Other		250,638	251,975	82,894	148,288
XVIII. NET PROFIT /LOSS		250,638	251,975	82,894	148,288
18.1 Group's Profit / Loss		250,638	251,975	82,894	148,288
18.2 Minority Shares		-	-	-	-
Earnings / Losses per Share (Full YTL)		0.79	0.80	0.79	1.41

Denizbank Anonim Şirketi

Consolidated Statements of Changes in Shareholders' Equity
For the Nine Month Periods Ended 30 September 2007 and 2006
(Currency: Thousands of YTL - New Turkish Lira)

*Convenience Translation of Consolidated Financial
Report Originally Issued in Turkish, See Note 3.I.2*

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes																
		Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Revaluation Fund	Revaluation Surplus	Securities Value Increase Fund	Total Equity Attributable to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD																	
(30/09/2006)																	
I. Balances at the Beginning of Period		316,100	189,164	98,351	-	5,631	-	106,983	702	226,452	27,805	-	11,490	108,792	1,091,470	-	1,091,470
II. Corrections According to Turkish Accounting Standard No.8		-	-	-	-	-	-	-	(4,602)	9,363	7,117	-	-	8,323	20,201	-	20,201
2.1 Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Changes in Accounting Policies		-	-	-	-	-	-	-	(4,602)	9,363	7,117	-	-	8,323	20,201	-	20,201
III. Adjusted Beginning Balance (I + II)		316,100	189,164	98,351	-	5,631	-	106,983	(3,900)	235,815	34,922	-	11,490	117,115	1,111,671	-	1,111,671
Changes in the Period																	
IV. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Available-for-Sale Securities		-	-	-	-	-	-	-	-	-	-	-	-	(49,057)	(49,057)	-	(49,057)
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers																	
VII. Available-for-Sale Securities		-	-	-	3	-	-	-	-	-	-	-	(11,478)	(62,925)	(74,400)	-	(74,400)
VIII. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	251,975	-	-	-	-	251,975	-	251,975
X. Profit Distribution		-	-	-	-	16,497	-	221,679	-	(235,815)	238	-	-	-	2,599	-	2,599
10.1 Dividends		-	-	-	-	-	-	-	-	-	-	(235,577)	-	-	-	-	-
10.2 Transferred to Reserves		-	-	-	-	16,497	-	221,679	-	-	-	-	-	-	2,599	-	2,599
10.3 Others		-	-	-	-	-	-	-	-	(235,815)	-	-	-	-	-	-	-
XI. Capital Increase		-	-	-	-	-	-	-	19,889	-	702	-	-	-	20,591	-	20,591
11.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Revaluation Fund on Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.4 Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.5 Capital Reserves from Inflation Adjustments to Paid-In Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.6 Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.7 Foreign Exchange Differences		-	-	-	-	-	-	-	19,889	-	702	-	-	-	20,591	-	20,591
11.8 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Primary Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Secondary Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Effects of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+.....+XIV+XV+XVI)		316,100	189,164	98,354	-	22,128	-	328,662	15,989	251,975	35,862	-	12	5,133	1,263,379	-	1,263,379
CURRENT PERIOD																	
(30/09/2007)																	
I. Balances at the Beginning of Period		316,100	189,164	98,351	-	22,007	-	327,622	10,530	342,289	35,877	-	1	12,541	1,354,482	-	1,354,482
Changes in the Period																	
II. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Available-for-Sale Securities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	68	6,877	6,945	-	6,945
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers																	
V. Available-for-Sale Securities		-	-	-	-	-	-	-	-	-	-	-	-	(1,928)	(1,928)	-	(1,928)
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	250,638	-	-	-	-	250,638	-	250,638
VIII. Profit Distribution		-	-	-	-	13,817	-	281,321	-	(342,289)	47,151	-	-	-	-	-	-
8.1 Dividends		-	-	-	-	-	-	-	-	-	-	(295,138)	-	-	-	-	-
8.2 Transferred to Reserves		-	-	-	-	13,817	-	281,321	-	-	-	-	-	-	-	-	-
8.3 Others		-	-	-	-	-	-	-	-	(342,289)	342,289	-	-	-	-	-	-
IX. Capital Increase		-	-	-	-	-	-	-	(19,340)	-	-	-	-	-	(19,340)	-	(19,340)
9.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.2 Revaluation Fund on Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3 Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.4 Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5 Capital Reserves from Inflation Adjustments to Paid-In Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.6 Issuance of Share Certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.7 Foreign Exchange Differences		-	-	-	-	-	-	-	(19,340)	-	-	-	-	-	(19,340)	-	(19,340)
9.8 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Primary Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Secondary Subordinated Loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Effects of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (I+II+.....+XIV)		316,100	189,164	98,351	-	35,824	-	608,943	(8,810)	250,638	83,028	-	69	17,490	1,590,797	-	1,590,797

	Footnotes	CURRENT PERIOD (30/09/2007)	PRIOR PERIOD (30/09/2006)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit before Changes in Operating Assets and Liabilities(+)	132,526	338,175
1.1.1	Interest Received	1,317,694	929,668
1.1.2	Interest Paid (-)	775,732	522,386
1.1.3	Dividend Received (+)	779	958
1.1.4	Fees And Commissions Received (+)	242,948	199,529
1.1.5	Other Income (+)	49,851	190,328
1.1.6	Collections from Previously Written-Off Loans and Other Receivables (+)	62,839	43,825
1.1.7	Payments to Personnel and Service Suppliers (-)	261,976	175,186
1.1.8	Taxes Paid (-)	62,743	18,543
1.1.9	Other (+/-)	(441,134)	(310,018)
1.2	Changes in Operating Assets and Liabilities	(834,504)	(1,259,174)
1.2.1	Net (Increase) Decrease in Trading Securities (+/-)	35,536	(205,324)
1.2.2	Net (Increase) Decrease in Due From Banks And Other Financial Institutions(+/-)	-	-
1.2.3	Net (Increase) Decrease in Banks (+/-)	68,788	(288,793)
1.2.4	Net (Increase) Decrease in Loans (+/-)	(2,088,266)	(1,932,161)
1.2.5	Net (Increase) Decrease in Other Assets (+/-)	17,532	(127,434)
1.2.6	Net Increase (Decrease) in Bank Deposits (+/-)	343,172	45,666
1.2.7	Net Increase (Decrease) in Other Deposits (+/-)	371,616	481,445
1.2.8	Net Increase (Decrease) in Funds Borrowed (+/-)	(342,379)	877,094
1.2.9	Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities (+/-)	759,497	(109,667)
I.	Net Cash (Used in)/Provided by Banking Operations (+/-)	(701,978)	(920,999)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided by / (Used in) Investing Activities (+/-)	(592,487)	272,338
2.1	Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)	505	672
2.2	Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)	-	76,444
2.3	Fixed Assets Purchases (-)	39,780	22,664
2.4	Fixed Assets Sales (+)	1,026	1,753
2.5	Cash Paid for Purchase of Investments Available for Sale (-)	799,693	554,828
2.6	Cash Obtained From Sale of Investments Available for Sale (+)	235,246	693,894
2.7	Cash Paid for Purchase of Investment Securities(-)	7,867	12,725
2.8	Cash Obtained from Sale of Investment Securities (+)	19,086	91,136
2.9	Other (+/-)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Used in Financing Activities (+/-)	-	-
3.1	Cash Obtained from Funds Borrowed and Securities Issued (+)	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	-	-
3.3	Capital Increase (+)	-	-
3.4	Dividends Paid (-)	-	-
3.5	Payments for Finance Leases (-)	-	-
3.6	Other (+/-)	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	64,867	(168,387)
V.	Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	(1,229,598)	(817,048)
VI.	Cash and Cash Equivalents at the Beginning of Period (+)	3,017,102	3,089,023
VII.	Cash and Cash Equivalents at the End of Period (V+VI)	1,787,504	2,271,975

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents

The new Turkish Banking Law No. 5411 is published in the Official Gazette No. 25983 dated 1 November 2005. The Bank prepared the accompanying consolidated financial statements and the related disclosures and footnotes 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, "Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 10 February 2007 which is published in the Official Gazette No. 26430, Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS").

2. Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

3. Disclosures related to the first time application of Turkish Accounting Standards

The Bank has restated its prior period financial statements in accordance with TAS and TFRS as required by TAS 1 "Presentation of the Financial Statements". The effects of these restatements on prior period income of the accompanying financial statements, net of deferred taxes, are as follows:

	Securities Value Increase Fund	Other reserves	Net Profit for the Period	Prior Period Net Profit	Total Equity
Balances Reported as of 31 December 2005	108,792	702	226,452	27,805	1,091,470
Correction of Employee Termination Benefits (TAS 19)	-	-	3,575	7,233	10,808
Fair Value Corrections Made to Valuation of Trading Purpose Derivatives (TAS 39)	-	-	1,081	(185)	896
Fair Value Corrections Made to Trading and Available-for-Sale Securities (TAS 39)	8,323	-	105	69	8,497
Correction of foreign exchange difference from subsidiaries	-	(4,602)	4,602	-	-
Balances Restated as of 31 December 2005	117,115	(3,900)	235,815	34,922	1,111,671

	Net Profit for the Period
Balances Reported as of 30 September 2006	257,983
Correction of Employee Termination Benefits (TAS 19)	(177)
Fair Value Corrections Made to Trading Securities (TAS 39)	1,320
Correction of foreign exchange difference from subsidiaries and subordinated loans	(7,151)
Balances Restated as of 30 September 2006	251,975

4. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, “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 and “Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public”, dated 10 February 2007 which is published in the Official Gazette No. 26430. Those policies and principles are explained by footnotes II through XXIII below.

5. Presentation of the financial statements according to the current purchasing power of the money

The Bank’s consolidated financial statements have been prepared in accordance with TAS 29 “Reporting in Hyperinflationary Economies” until 31 December 2004. By a Circular declared by BRSA at 28 April 2005, it was stated that the indicators of a need for inflation accounting have been ceased and inflation accounting would not be applied starting from 1 January 2005.

II. Strategy for the use of financial instruments and the foreign currency operations

1. Strategy for the use of financial instruments

Denizbank Financial Services Group (“DFS Group”)’s external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The bulk of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity.

The liquidity structure, insures meeting all liabilities becoming due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

There is not any segment of the DFS Group generating more return than the calculated average return for the DFS Group.

The DFS Group assumes risks within the pre-determined risk limits short-term currency, interest and price movements in money and capital markets and market conditions.

These positions are closely monitored by the Risk Management System of the Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration.

The asset-liability balance is monitored on a daily basis in accordance with their maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options.

No risks are taken on foreign currencies other than USD and Euro. If the position taken because of customer based activities exceeds 0.01% of the balance sheet size, derivative products are used to cover the position.

Net foreign currency position of the DFS Group in foreign enterprises is considered along with the position of the DFS Group and the specific position is evaluated within the risk limits.

2. Transactions denominated in foreign currencies

2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements

DFS Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from transactions that are completed as of 30 September 2007 are translated to YTL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into YTL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank’s foreign currency exchange rates are as follows:

	30 September 2007	31 December 2006	30 September 2006
US Dollars	YTL 1.2048	YTL 1.4056	YTL 1.4971
Euro	YTL 1.7086	YTL 1.8515	YTL 1.8964

2.2 Foreign exchange gains and losses included in the income statement

Net foreign exchange loss included in the income statement amounts to 99,006 (30 September 2006: net foreign exchange loss of YTL 136,267).

2.3 Foreign operations

The assets and liabilities of foreign operations are translated to YTL at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to YTL at year-to-date average foreign exchange rates. Foreign exchange differences arising on translation are recognized directly in equity. Those foreign exchange differences amount to YTL (5,438) as of 30 September 2007.

There is no goodwill related to any of the Bank’s foreign operations.

No foreign operations are disposed of during the current year.

III. Presentation of information regarding the Bank and consolidated subsidiaries

The accompanying consolidated financial statements are prepared in accordance with TAS 27 “Consolidated and Separate Financial Statements”.

The Bank owns, directly or indirectly, the shares of Deniz Yatırım Menkul Kıymetler A.Ş. (Deniz Yatırım), Ekspres Yatırım Menkul Değerler A.Ş. (Ekspres Yatırım), Deniz Türev Menkul Değerler A.Ş. (Deniz Türev), Eurodeniz Off-shore Bank Limited (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, CJSC Denizbank Moscow (Denizbank Moscow), Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring) and Deniz Hayat Sigorta A.Ş. (Deniz Hayat), and these subsidiaries are consolidated as explained in detail in section 5.I.8.

Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş., Denizbank Kültür Sanat Ticaret A.Ş. and Adana Haddecilik Metal San. ve Tic. A.Ş. which are also the subsidiaries of the Bank, are not consolidated both because they are below the materiality level set forth for the Bank’s financial statements and they are non-financial subsidiaries.

The Bank, as the parent bank, and its subsidiaries, Deniz Yatırım, Ekspres Yatırım, Deniz Türev, Eurodeniz, Deniz Portföy, Denizbank AG, Denizbank Moscow, Deniz Leasing, Deniz Faktoring and Deniz Hayat that are included in consolidation are altogether referred to as “DFS Group” in the disclosures and footnotes related to the consolidated financial statements.

1. With respect to subsidiaries

“Full Consolidation” method has been applied in consolidating the financial statements of the Bank with the financial statements of its subsidiaries. According to this method, the financial statements of the Bank and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated income statement.

The major principles of consolidation

1.1 The carrying amount of the Bank’s investment in each subsidiary and the Bank’s portion of equity of each subsidiary are eliminated.

1.2 All intercompany transactions and intercompany balances between the consolidated subsidiaries and with the Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 30 September 2007 and appropriate adjustments are made to financial statements to use uniform accounting policies for like transactions and events in similar circumstances.

No difference has occurred from consolidation adjustments which have been raised for the preparation of the consolidated financial statements of DFS Group.

2. With respect to associates

There are no financial associates included in the consolidation.

3. With respect to joint ventures

There are no joint ventures.

IV. Forward transactions, options and derivative instruments

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, forward foreign currency purchase/sale contracts, swaps, options and futures that are not categorized as hedging-purpose tools are classified as “trading purpose” transactions and reflected at their fair values. The fair values of forward foreign currency transactions are estimated using pricing models and unrealized gains or losses are recognized in the income statement.

The DFS Group does not have any embedded derivatives or hedging instruments.

The DFS Group’s derivative transactions mainly consist of forward foreign currency purchase/sale contracts which have been transacted to reduce the foreign currency position risk and to protect the composition of the foreign currency position.

Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are valued at fair value using the pricing models subsequent to initial recognition and are presented in the “Positive Value of Trading Purpose Derivatives” and “Negative Value of Trading Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the “Trading Income/Loss” items of the consolidated income statement.

V. Interest income and expense

Interest income and expense are recognized as they are accrued taking into account the internal rate of return method. As of 30 September 2007, the Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

As of 30 September 2006, the Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside” published in the Official Gazette No. 24448 dated 30 June 2001.

VI. Fees and commissions

Commissions and income from banking services are spread over the life of the related services, except for some kind of transactions that the income is recognized immediately. Commission and income expenses are considered as transaction cost and recorded by “Internal rate of return” method. Income related to sale and purchase of assets on behalf of third parties are recorded when collected.

VII. Financial assets

Financial assets are classified in four categories; as financial assets at fair value through profit or loss, investment securities available-for-sale, investment securities held-to-maturity, and loans.

1. Financial assets at fair value through profit or loss

1.1 Trading securities

Trading securities are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading securities are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Positive differences between the fair value and cost of trading securities are recorded in accrued interest and income account and negative differences between the fair value and cost of trading securities are recorded in impairment in value of marketable securities account in the financial statements.

The DFS Group recognized the gains and losses arising from the valuation of share certificates, which are classified as trading securities, in the income statement.

Interest earned whilst holding trading securities is reported as interest income.

As of the balance sheet dates, the fair values of the Turkish Lira government securities are calculated using the Istanbul Stock Exchange (ISE) last day’s weighted average prices for those securities traded in ISE; and for those securities not traded in ISE, the prices announced by the Central Bank of Turkey are used. Eurobonds and foreign currency government bonds are initially recognized at cost including transaction costs and subsequent to initial recognition, Eurobonds are measured at discounted prices while foreign currency government bonds are measured at fair value. However, those securities not traded in an active market and whose fair values cannot be reliably measured are valued using a discounting method based on internal rate of return. For equity securities, closing prices that are quoted at the balance sheet date are used.

1.2 Financial assets at fair value through profit or loss

DFS Group does not have any securities classified as “financial assets at fair value through profit or loss”.

2. Investment securities available-for-sale

Available-for-sale assets are financial assets that are not held for trading purposes, loans and advances to banks and customers, or held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available-for-sale are recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity net of their tax effect under “Securities value increase fund” (Unrealized Gains/Losses on Securities). When investment securities available-for-sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity is transferred to the income statement.

The account classification of the financial assets is determined at the initial recognition stage of the related financial assets.

3. Investment securities held-to-maturity

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables. These securities are identified by the Bank management at their initial recognition and are classified as held-to-maturity securities in financial statements. Investment securities available-for-sale are financial assets that are other than securities held for trading purposes, investment securities held-to-maturity and loans and receivables.

Investment securities held-to-maturity and loans are initially recognized at cost. Investment securities held-to-maturity are accounted for by using a discounting method based on internal rate of return applied on the net investment amounts after the deduction of provision for impairments. There are no provisions for the impairment of held-to-maturity securities.

There are no financial assets that are banned from being classified as investment securities held-to-maturity for two years due to the violation of the tainting rule.

Interest earned on held-to-maturity securities are recognized as interest income and are reflected in “Interest Received from Securities Portfolio - Held-to-Maturity Securities” in the consolidated income statement.

Purchases/sales of held-to-maturity securities are recognized and accounted for at their dates of delivery.

4. Loans and specific provisions

Loans are initially recorded at cost and are subsequently valued using a discounting method based on internal rate of return.

Cash loans are accounted in accordance with the principles in TAS 39 “Financial Instruments: Recognition and Measurement”.

Foreign currency loans are re-measured to reflect the changes in the currency exchange rates. Currency exchange differences arising from such re-measurements are reflected in “Foreign Exchange Gains/Losses” account in the consolidated income statement. Foreign currency-indexed loans are initially recognized in their Turkish Lira equivalents. The currency exchange differences arising from these loans are reflected as “Other Operating Income/Expense”. Accrued interest income on loans is calculated using a discounting method based on internal rate of return.

Based on the regular reviews of the loan portfolio by the Bank management, loans that are identified as being impaired are transferred to “loans under follow-up” accounts. Thereby, specific allowances are made against the carrying amount of these loans in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411. Specific provisions are recognized in the consolidated income statement.

When collections are made on loans that have been provided for, they are credited to the income statement accounts “Provision for Loan Losses or Other Receivables” if the provision was made in the current year, otherwise such collections are credited to “Other Operating Income” account with respect to allowances made in the prior years. The interest income recovered is booked in “Other Interest Income” account.

VIII. Impairment of financial assets

If the carrying value of an asset is higher than its recoverable value, that asset is considered to be impaired and its carrying value should be adjusted to reflect its recoverable value. The impairment of financial assets are reflected to the accompanying consolidated financial statements in accordance with TAS 36 “Impairment of Assets”.

IX. Offsetting financial instruments

When the fair values of the quoted equity instruments that are classified as “trading purpose” fall below their costs, impairment provision is booked for them which is netted-off from book value in the consolidated financial statements.

In accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, the Bank provides specific provisions for its loans under follow-up. Those provisions are deducted from the balance of the loans under follow-up in the assets of the consolidated balance sheet.

Financial instruments other than those mentioned above were not offset in the accompanying consolidated financial statements.

X. Sale and repurchase agreements and transactions related to the lending of securities

Government bonds and treasury bills sold to customers under repurchase agreements are reflected on the assets side of the accompanying consolidated balance sheet as “Trading Securities” or “Investment Securities Available for Sale”. The funds received on such transactions and the accrued interest expense are reflected as “Funds Provided under Repurchase Agreements” on the liability side of the accompanying consolidated balance sheet. Interest expense representing the difference between the sale and repurchase price of the related repurchase agreements is accounted on an accrual basis.

XI. Assets held for sale and ceased operations

Assets held for sale comprise tangible assets received against non-performing loans. They are accounted in accordance with the “Regulation on the Methods and Principles of Purchase and Sale of Precious Metals and Disposal of Commodities and Real Estate Obtained Against Receivables”, dated 1 November 2006 and published in the Official Gazette no. 26333. As of the balance sheet date, the Bank’s assets held for sale amount to YTL 15,134 (31 December 2006: YTL 15,363).

DFS Group does not have any ceased operations.

XII. Goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements.

All intangible assets are initially recognized at cost in accordance with TAS 38 “Intangible Assets”. According to the resolution of the BRSA No. 1623 dated 21 April 2005, the banks and special financial institutions are no longer required to prepare their financial statements in accordance with RAP 14 “Accounting Standard for Financial Reporting in Hyperinflationary Periods” since the indicators of hyperinflation as disclosed in Article 5 of RAP 14 are no longer existing in Turkey. In line with this resolution, other intangible assets have been restated for the effects of inflation, up to 31 December 2004. Any currency exchange differences, financing expenses and revaluation surplus that might have been capitalized are eliminated and only the acquisition cost of the intangible assets are restated until 31 December 2004. The new additions to intangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Intangible assets purchased before 1 January 2003 and those purchased in 2007 are amortized on a straight-line basis based on the amortization rate of 20% and those purchased between the dates mentioned above are amortized using the double-declining balance method based on the amortization rate of 40%. The amortization rate for the software of Denizbank AG is 33%

Gains and losses resulting from the disposal of intangible assets are recognized in “Other Operating Income/Expense” account in the consolidated income statement representing the difference between the net restated value of the intangible assets after the inflation adjustment until 31 December 2004 and their net sales revenue.

Intangible assets are amortized on a straight-line basis over their estimated useful lives of five years. Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

Costs associated with the computer software that are in use are expensed at the period of occurrence.

XIII. Tangible assets

All tangible assets are initially recognized at their acquisition cost in accordance with TAS 16 “Tangible Assets”.

According to the resolution of the BRSA No. 1623 dated 21 April 2005, the banks and special financial institutions are no longer required to prepare their financial statements in accordance with RAP 14 “Accounting Standard for Financial Reporting in Hyperinflationary Periods” since the indicators of hyperinflation as disclosed in Article 5 of RAP 14 are no longer existing in Turkey. In line with this resolution, tangible assets have been restated for the effects of inflation, up to 31 December 2004. Any currency exchange differences, financing expenses and revaluation surplus that might have been capitalized are eliminated and only the acquisition cost of the tangible assets are restated until 31 December 2004. The new additions to tangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Tangible assets purchased before 2003 and after 2006 are depreciated on a straight-line basis and those purchased in 2003, 2004, 2005 and 2006 are depreciated using the double-declining balance method. The depreciation rates used are as follows:

	Purchased before 2003	Purchased between 2003-2007	Purchased in 2007
Movables			
- Office equipment	20%	40% - 50%	20% - 25%
- Furniture and fixtures	20%	20%- 50%	20%- 25%
- Vehicles	20%	40%- 50%	20% - 50%
- Other equipment	20%	4.44% -50%	4.44% -40%
Immovable	2%	2%	2%

The Bank has an impairment provision of YTL 4,402, for its buildings as of the reporting date.

Gains and losses resulting from the disposal of tangible assets are recognized in "Other Operating Income/Expense" account in the consolidated income statement representing the difference between the net restated value of the tangible assets after the inflation adjustment until 31 December 2004 and their net sales revenue.

Expenditures for maintenance and repairs that are routinely made on tangible assets are charged as expense. Expenditures that extend the capacity of the tangible assets or those that extend the useful life and service capacity of the asset, or enhance the quality of the service, or decrease the cost of services are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

XIV. Leasing activities

The maximum period of the lease contracts is 4 years. Fixed assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with fixed assets group they relate to. The obligations under financial leases arising from the lease contracts are presented under "Financial Lease Payables" account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

In the event that the lease contracts are terminated before the lease period expires, penalty required to be paid to the lessor is expensed in the period in which the lease is terminated. There are no lease contracts that were terminated before the lease period expired.

The DFS Group enters into financial lease transactions by acting as the "lessor" via its subsidiary, Deniz Leasing. The rent payments related to leased assets are recorded as financial lease receivables. Periodical financial leasing revenues, total financial leasing investments, unearned financial lease revenues and lease revenues are accounted during the whole leasing period using the net investment method.

XV. Provisions and contingencies

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the DFS Group management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Based on the representations of the DFS Group's attorneys, there are 361 lawsuits against DFS Group with total risks amounting to YTL 30,895, USD 1,683,325 and Euro 110,799 as of 30 September 2007. There are also 8,475 follow-up cases amounting to YTL 23,905, Euro 196,251 and USD 694,324 in total that are filed by the DFS Group and are at courts.

According to the DFS Group management, there is no need to make any provision for these court cases.

XVI. Commitments for personnel rights

In accordance with existing legislation in Turkey, the banks have to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay per year of employment at the rate of pay applicable at the date of retirement or termination. Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits", by using actuarial method and discounting total provision by using the current market yield at the balance sheet date on government bonds.

The principal actuarial assumptions used are as follows:

	30.09.2007	31.12.2006
	%	%
Discount rate	5.71	5.71
Expected rate of salary/limit increase	5.00	5.00
Turnover rate to estimate the probability of retirement	7.31	7.31

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 30 September 2007 is YTL 2,030; at 31 December 2006 it was YTL 1,857.

There are no employees who have been on an employment contract that will terminate within more than twelve months from the balance sheet date.

There are no employees who are members of foundations, pensions and similar associations.

XVII. Taxation

1. Current taxes

In accordance with the amendments made to the tax legislation by Law No. 5520, effective 21 June 2006, the corporate tax rate is levied at the rate 20% (20% for 2006), beginning from 2006. In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 20%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance that are deducted from the final corporate tax liability are reflected as "Current Tax Assets" on the assets side of the balance sheet.

Companies file their tax returns until the fifteenth day of the fourth month following the closing of the fiscal year to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the "Current Tax Liability" and "Current Tax Provision" in the financial statements.

The foreign subsidiaries of the DFS Group that operate in Austria, the Russian Federation and Cyprus are entitled to corporate tax rates of 25%, 24% and 2%, respectively.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

Effective from 24 April 2003, statutory income, including retained earnings from 2002 and before, is not subject to withholding tax if retained, or transferred to share capital or distributed as dividend to the full fledged taxpayer corporations. However, it is subject to withholding tax at 10% if distributed as dividend to full fledged individual taxpayers, taxpayers who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers. That withholding tax has decreased to 15% by the Resolution of the Council of Ministers no. 2006/10731, dated 22 July 2006.

2. Deferred taxes

In accordance with TAS 12 “Income Taxes”, the DFS Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Individual deferred tax assets and liabilities of the consolidated entities have been offset in their financial statements, amounting YTL 14,169 of deferred tax assets and YTL 14 of deferred tax liabilities.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

XVIII. Additional explanations on borrowings

Instruments representing the borrowings are initially recognized at cost and measured by a discounting method based on the internal rate of return. Foreign currency borrowings have been translated using the foreign currency buying rate of the Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

The Bank uses general hedging techniques for borrowings against liquidity, interest rate and currency risks. However, these are not regarded as hedging instruments according to TAS 39.

As of the balance sheet date, there are no convertible bonds issued.

As of the balance sheet date, there are no financial instruments representing borrowings issued by the DFS Group.

XIX. Paid-in capital

Transactions related to issuance of share certificates are explained in footnote 5.II.10. No dividends have been declared subsequent to the balance sheet date.

XX. Acceptances

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

XXI. Government grants

As of the balance sheet date, the DFS Group does not have any government grants.

XXII. Segment reporting

Segment reporting is made according to the 28th article of BRSA’s “Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public”, dated 10 February 2007 which is published in the Official Gazette No. 26430, and is presented in Section Four, Footnote VII.

XXIII. Other information

As a result of the corrections that are explained in the disclosures related to the first time application of Turkish Accounting Standards in Section Three I-3, some classifications are made to the consolidated financial statements of the periods, 31 December 2006 and 30 September 2006, in order to maintain compliance with the accompanying consolidated financial statements of 30 September 2007.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 13.70% as of 30 September 2007. Minimum requirement for this ratio is stipulated as 8% in related legislation.

1. Risk measurement methods in the calculation of consolidated capital adequacy ratio

Consolidated capital adequacy ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" published in the Official Gazette No.26333, dated 1 November 2006. For the calculation of the consolidated capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. According to the requirements of the Regulation, starting from 30 June 2007, operational risk is included in the computation of capital adequacy ratio. Moreover, market risk value is calculated in accordance with the "Regulation on Banks' Internal Control and Risk Management Systems" and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deduction items.

For the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside". The net amounts are then multiplied by the rates stated in the Article 21, paragraph (1) of "Regulation on the Establishment and Operations of Banks".

For the calculation of their risk based values, derivative financial instruments are re-weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 21, paragraph (2) of "Regulation on the Establishment and Operations of Banks".

2. Consolidated and unconsolidated capital adequacy ratios

	Risk Weights							
	Consolidated				Bank			
	0%	20%	50%	100%	0%	20%	50%	100%
Credit Risk Base								
Balance Sheet Items (Net)	3,186,542	1,781,143	1,993,364	8,726,551	2,801,730	1,189,984	1,501,900	6,970,529
Cash in Vault	171,633	130	--	--	164,458	130	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--	--
Central Bank of Turkey	323,542	--	--	--	323,542	--	--	--
Domestic and Foreign Banks, Foreign Branches	18,605	1,519,872	--	138,425	--	1,135,630	--	58,017
Interbank Money Market	750	--	--	--	--	--	--	--
Receivables from Reverse Repos	2,477	--	--	--	--	--	--	--
Reserve Deposits	347,896	--	--	--	340,899	--	--	--
Loans	735,815	102,807	1,944,869	6,889,591	461,741	41,528	1,462,438	6,296,079
Non-performing Loans (Net)	--	--	--	12,195	--	--	--	9,891
Receivables from Leasing Operations	--	--	--	784,672	--	--	--	--
Investments Available-for-Sale	1,387,103	83,350	--	9,215	1,383,589	--	--	6,122
Investments Held-to-Maturity	62,221	69,290	--	18,776	--	9,555	--	--
Receivables from Sale of Assets	--	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	--	459,414	--	--	--	81,372
Accrued Interest and Other Income	77,410	5,694	48,495	194,410	71,215	3,141	39,462	170,841
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	9,283	--	--	--	202,440
Tangible Assets	--	--	--	107,803	--	--	--	102,571
Other Assets	59,090	--	--	102,767	56,286	--	--	43,196
Off-Balance Sheet Items	68,405	1,373,865	534,681	1,854,351	68,405	1,305,529	534,681	1,772,650
Non-Cash Loans and Commitments	68,405	1,188,143	534,681	1,766,625	68,405	1,142,860	534,681	1,740,862
Derivatives	--	185,722	--	87,726	--	162,669	--	31,788
Accounts Not Risk Weighted				--	--	--	--	--
Total Risk Weighted Assets	3,254,947	3,155,008	2,528,045	10,580,902	2,870,135	2,495,513	2,036,581	8,743,179

3. Summary information related to consolidated and unconsolidated capital adequacy ratio

	Consolidated		Unconsolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets	12,475,926	10,636,546	10,260,572	8,641,774
Value at Risk	438,713	223,500	608,263	309,350
Operation Risk (*)	1,135,830	--	861,211	--
Shareholders' Equity	1,924,502	1,503,537	1,707,071	1,388,419
Shareholders' Equity / (RWA+VAT)*100	%13.70	% 13.84	% 14.55	% 15.51

(*) Operational risk is computed in accordance with the "Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks", as published in the Official Gazette dated 1 November 2006 and numbered 26333. In line with the Regulation, operational risk is computed for the first time as of 30 June 2007.

RWA: Risk Weighted Assets

VAT: Value at Risk

OR: Operational Risk

4. Components of shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	316,100	316,100
Nominal Capital	316,100	316,100
Capital Commitments (-)	--	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189,164	189,164
Share Premium	98,351	98,351
Share Cancellation Profit	--	--
Legal Reserves	35,824	22,007
I. Legal Reserve (Turkish Commercial Code 466/1)	35,824	22,007
II. Legal Reserve (Turkish Commercial Code 466/2)	--	--
Other Legal Reserve per Special Legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	600,133	338,152
Reserve Allocated at the General Assembly	608,943	327,622
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Translation Differences	(8,810)	10,530
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	--	--
Profit	333,667	378,166
Current Period Profit	250,639	342,289
Prior Periods' Profit	83,028	35,877
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	539	2,244
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Share Capital	--	--
Primary Subordinated Loans (Up to 15% of the Core Capital)	--	--
Accumulated Losses (-)	--	--
Current Period Loss	--	--
Prior Periods' Loss	--	--
Leasehold Improvements (-)	44,205	32,872
Prepaid Expenses (-)	26,395	18,485
Intangible Assets (-)	14,257	14,109
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--	--
Amount Excess of Article 56/3 of the Law (-)	--	--
Goodwill (Net) (-)	--	--
Total Core Capital	1,488,921	1,278,718
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	65,867	52,559
45% of Revaluation Fund of Securities	--	--
45% of Revaluation Fund of Real Estate	--	--
Revaluation Surplus	69	--
Amount not Included in Core Capital for Primary Subordinated Loans	--	--
Secondary Subordinated Loans	361,774	166,616
45% of Securities Value Increase Fund	7,871	5,644
Associates and Subsidiaries	--	--
Investments Available-for-Sale	7,871	5,644
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	--	--
Total Supplementary Capital	435,581	224,819
TIER III CAPITAL		
CAPITAL	1,924,502	1,503,537
DEDUCTIONS FROM CAPITAL	--	--
Shares in Unconsolidated Banks and Financial Institutions	--	--
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	--	--
Shares in Banks and Financial Institutions Accounted under the Equity Method	--	--
Loans Granted in Violation of the Articles 50 and 51 of the Law	--	--
Amount in Excess of 50% of the Equities of the Net Book Value of the Real Estate of the Banks, and Net Book Value of the Assets Held for Sale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years	--	--
Others	--	--
Total Shareholders' Equity	1,924,502	1,503,537

II. Consolidated market risk

Whether the group within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

The Bank has defined its risk management procedures and has taken necessary precautions in order to avoid market risks, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks”.

As the main precaution against being exposed to market risk, the Bank’s Board of Directors identifies risk limits determined in the context of economic capital.

Standard method and the internal risk measurement model are used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis. Internal risk measurement model is applied on a daily basis.

1. Market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	15,009
(II) Capital Obligation against Specific Risk - Standard Method	9,544
(III) Capital Obligation against Currency Risk - Standard Method	10,544
(IV) Capital Obligation against Commodity Risk - Standard Method	--
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk – Standard Method	--
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	35,097
(IX Value-At-Risk Amount (12,5 x VIII) or (12,5 x VII))	438,713

III. Consolidated operational risk

DFS Group used the “Basic Indicators Approach” in computation of its operational risk. In accordance with the 4th section (Computation of the Operational Risk) which is valid after 1 June 2007, of the “Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks”, published in the Official Gazette dated 1 November 2006 and numbered 26333, operational risk is computed using the gross income of DFS Group for the years ended 2006, 2005 and 2004.

IV. Consolidated foreign currency exchange rate risk

1. Whether the group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily

Foreign currency exchange and parity risks are not taken by the DFS Group and transactions are simultaneously hedged in conformity with foreign currency basket of the Central Bank of Turkey. Measurable and manageable risks are taken within legal limits.

Foreign currency exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with "Regulation on Bank's Internal Control and Risk Management Systems". Standard method is used in measuring currency exchange rate risk on a weekly basis.

The Bank's Board of Directors reviews the risk limits and makes the necessary changes, daily, based on general economic environment and market conditions.

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The DFS Group does not hedge foreign currency borrowings and net foreign currency investments by way of derivative instruments.

3. Foreign exchange risk management strategy

Foreign currency exchange and parity risks are not taken by the Bank and transactions are simultaneously hedged in conformity with foreign currency basket of the Central Bank of Turkey. Measurable and manageable risks are taken within legal limits.

4. Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	YTL 1.2048
Euro purchase rate at the date of the balance sheet	YTL 1.7086

Date	US Dollar	Euro
24 September 2007	1.2186	1.7197
25 September 2007	1.2278	1.7301
26 September 2007	1.2167	1.7190
27 September 2007	1.2100	1.7129
28 September 2007	1.2048	1.7086

5. The basic arithmetical average of the bank's foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank's US Dollar and Euro purchase rates for September 2007 are YTL 1.2570 and YTL 1.7459, respectively.

6. Information on currency risk (Thousands of YTL)

Current Period	EUR	USD	JPY	Others	Total
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	78,812	494,180	81	12,132	585,205
Due from Banks and Other Financial Institutions	414,630	1,168,928	4,261	88,501	1,676,320
Financial Assets at Fair Value Through Profit or Loss	15,336	57,674	--	122,304	195,314
Interbank Money Market Placements	--	--	--	2,491	2,491
Investment Securities Available-for-Sale	118,394	164,984	--	--	283,378
Loans (*)	1,718,640	2,771,322	8,460	57,395	4,555,817
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	133,654	10,212	--	--	143,866
Hedging Purpose Financial Derivatives	--	--	--	--	--
Tangible Assets	3,331	11	--	531	3,873
Intangible Assets	2,383	148	--	1,659	4,190
Other Assets	497,198	273,426	157	12,698	783,479
Total Assets	2,982,378	4,940,885	12,959	297,711	8,233,933
Liabilities					
Bank Deposits	51,689	370,037	--	8,889	430,615
Foreign Currency Deposits	2,521,171	2,836,847	4,478	130,353	5,492,849
Interbank Money Markets	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	570,905	1,485,837	32	13,585	2,070,359
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	32,126	25,996	391	306	58,819
Hedging Purpose Financial Derivatives	--	--	--	--	--
Other Liabilities (**)	184,475	282,350	270	1,199	468,294
Total Liabilities	3,360,366	5,001,067	5,171	154,332	8,520,936
Net On Balance Sheet Position	(377,988)	(60,182)	7,788	143,379	(287,003)
Net Off Balance Sheet Position	346,712	6,369	(7,835)	(42,037)	303,209
Financial Derivatives (Assets)	1,278,833	3,307,037	453,471	832,129	5,871,470
Financial Derivatives (Liabilities)	932,121	3,300,668	461,306	874,166	5,568,261
Non-Cash Loans	776,559	2,575,160	7,766	58,700	3,418,185
Prior Period					
Total Assets	2,676,337	5,576,473	1,385	272,786	8,526,981
Total Liabilities	2,910,242	5,889,747	4,722	119,237	8,923,948
Net On Balance Sheet Position	(233,905)	(313,274)	(3,337)	153,549	(396,967)
Net Off Balance Sheet Position	224,524	211,464	3,741	(32,540)	407,189
Financial Derivatives (Assets)	859,749	1,649,034	61,728	362,323	2,932,834
Financial Derivatives (Liabilities)	635,225	1,437,570	57,987	394,863	2,525,645
Non-Cash Loans	714,256	2,143,969	6,316	67,656	2,932,197

(*) : Assets indexed to foreign currency are included.

(**) : FC equity items are excluded.

V. Consolidated interest rate risk

1. Interest rate sensitivity of the assets, liabilities and off-balance sheet

Standard method is used in measuring the interest rate risk of assets, liabilities and off-balance sheet items.

2. The expected effects of the fluctuations of market interest rates on the group's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The Bank relies on historical stress-testing in determining limits against negative market conditions and monitors the risk within this context.

Market interest rates are monitored daily and interest rates are revised when necessary.

3. The precautions taken for the interest rate risk the Group was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods

The Bank uses value at risk, historical stress-testing, gapping and duration gap methods to analyze and take precautions against interest rate risk faced during current period. Interest rate risk is minimized, by way of historical stress-testing.

Information related to the interest rate mismatch of the group (Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates):

Current Period	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 – 12 Months	1 Year and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	358,234	--	--	--	495,306	853,540
Due from Banks and Other Fin.Inst.	1,060,983	133,096	75,408	24,576	17,311	370,221	1,681,595
Financial Assets at Fair Value Through Profit or Loss	149,595	41,521	62,395	113,722	127,396	46,575	541,204
Interbank Money Market Placements	3,241	--	--	--	--	--	3,241
Investment Securities Av.-for-Sale	460,014	74,897	51,982	17,500	920,771	3,982	1,529,146
Loans	2,353,665	1,803,097	961,125	953,665	3,848,719	12,194	9,932,465
Investment Securities Held-to-Mat.	10,914	36,100	64,638	39,458	886	--	151,996
Other Assets(*)	242,062	238,157	160,378	129,543	538,312	271,758	1,580,210
Total Assets	4,280,474	2,685,102	1,375,926	1,278,464	5,453,395	1,200,036	16,273,397
Liabilities							
Bank Deposits	301,373	149,030	14,172	12,150	6,667	184,539	667,931
Other Deposits	5,632,380	598,180	381,291	444,689	378,249	2,104,373	9,539,162
Interbank Money Market Placements	947,946	--	--	--	--	--	947,946
Miscellaneous Payables	1,078	633	3,461	205	--	272,943	278,320
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	395,052	362,800	556,665	398,861	645,876	--	2,359,254
Other Liabilities(**)	80,478	429,178	7,296	15,161	89,950	1,858,721	2,480,784
Total Liabilities	7,358,307	1,539,821	962,885	871,066	1,120,742	4,420,576	16,273,397
On Balance Sheet Long Position	--	1,145,281	413,041	407,398	4,332,653	--	6,298,373
On Balance Sheet Short Position	(3,077,833)	--	--	--	--	(3,220,540)	(6,298,373)
Off Balance Sheet Long Position	--	--	--	--	--	--	--
Off Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(3,077,833)	1,145,281	413,041	407,398	4,332,653	(3,220,540)	--

(*) Other assets/non-interest bearings; Tangible Assets, Intangible Assets, Investments in Associates and Investments in Subsidiaries, Tax Assets and Assets Held for Sale with balances of YTL 88,796, YTL 54,273, YTL 3,635, YTL 14,169, YTL 5,650 and YTL 15,134, respectively, are included.

(**) Other liabilities/non-interest bearings; Shareholders' Equity, Tax Liabilities, and Provisions with balances of YTL 1,590,797, YTL 56,615, and YTL 120,895, respectively, are included.

Prior Period	Up to 1 Month	1 – 3 Months	3 – 6 Months	6 – 12 Months	1 Year and Over	Non- Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	4,777	411,018	--	--	--	459,421	875,216
Due from Banks and Other Fin.Inst.	2,097,115	121,010	108,713	97,691	13,648	343,045	2,781,222
Financial Assets at Fair Value Through Profit or Loss	48,839	28,907	23,219	76,657	184,229	13,507	375,358
Interbank Money Market Placements	288,133	--	--	--	--	--	288,133
Investment Securities Av.-for-Sale	452,762	150,526	115,826	40,151	210,576	3,925	973,766
Loans	2,026,508	1,536,450	920,927	1,063,703	2,509,403	6,388	8,063,379
Investment Securities Held-to-Mat.	39,253	104,820	1,909	18,770	12,629	--	177,381
Other Assets(*)	100,358	207,749	100,855	92,622	353,194	315,794	1,170,572
Total Assets	5,057,745	2,560,480	1,271,449	1,389,594	3,283,679	1,142,080	14,705,027
Liabilities							
Bank Deposits	266,292	44,117	28,313	140,560	8,694	31,368	519,344
Other Deposits	5,266,228	671,347	309,624	386,991	311,184	1,998,307	8,943,681
Interbank Money Market Placements	455,630	--	--	--	--	--	455,630
Miscellaneous Payables	3,552	4,479	1,832	--	2,997	272,995	285,855
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	185,161	1,509,693	214,729	387,916	403,237	--	2,700,736
Other Liabilities(**)	28,910	32,169	1,766	168,143	7,165	1,561,628	1,799,781
Total Liabilities	6,205,773	2,261,805	556,264	1,083,610	733,277	3,864,298	14,705,027
On Balance Sheet Long Position	--	298,675	715,185	305,984	2,550,402	--	3,870,246
On Balance Sheet Short Position	(1,148,028)	--	--	--	--	(2,722,218)	(3,870,246)
Off Balance Sheet Long Position	--	--	--	--	--	--	--
Off Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(1,148,028)	298,675	715,185	305,984	2,550,402	(2,722,218)	--

(*) Other assets/non-interest bearings; Tangible Assets, Intangible Assets, Investments in Associates and Investments in Subsidiaries and Assets Held for Sale with balances of YTL 98,280, YTL 46,981, YTL 3,686, YTL 5,145 and YTL 15,363, respectively, are included.

(**) Other liabilities/non-interest bearings; Shareholders' Equity, Tax Liabilities, and Provisions with balances of YTL 1,354,482, YTL 55,376, and YTL 81,210, respectively, are included.

4. Average interest rates applied to monetary financial instruments

Current Period	EUR %	USD %	JPY %	YTL %
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.70	2.33	--	12.93
Due from Banks and Other Financial Institutions	4.15	5.29	--	--
Financial Assets at Fair Value Through Profit or Loss	5.25	6.07	--	18.11
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	4.97	5.82	--	17.68
Loans	6.07	7.05	2.66	21.64
Investment Securities Held-to-Maturity	4.36	8.30	--	--
Liabilities				
Bank Deposits	--	5.66	--	18.48
Other Deposits	3.60	5.02	0.20	18.11
Interbank Money Market Placements	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.46	5.80	--	12.25
Prior Period	EUR %	USD %	JPY %	YTL %
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.73	2.52	--	13.12
Due from Banks and Other Financial Institutions	3.59	5.32	--	18.87
Financial Assets at Fair Value Through Profit or Loss	5.18	6.45	--	20.51
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	4.83	5.64	--	20.94
Loans	5.97	6.95	--	21.62
Investment Securities Held-to-Maturity	3.93	8.89	--	--
Liabilities				
Bank Deposits	3.64	5.25	--	18.64
Other Deposits	3.46	5.36	0.20	18.86
Interbank Money Market Placements	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	6.00	5.87	--	11.90

VI. Consolidated liquidity risk

1. The sources of the current liquidity risk of the DFS Group; whether the necessary precautions have been taken, whether the Board of directors sets limits on the funds available to meet the urgent liquidity requirements and to be able pay borrowings when they become due

Liquidity risk arises from maturity mismatch between assets and liabilities. Maturity mismatch between assets and liabilities is kept under control based on certain criteria set by the DFS Group. The DFS Group maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 11% of the balance sheet is allocated to cash balances, 5% to investment securities which are cash equivalent, and the present borrowing limits (such as Central Bank of Turkey and ISE repurchase market) are not used. The DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured

The DFS Group's payments, assets and liabilities match with the interest rates.

3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized

Approximately 11% of balance sheet size is allocated to cash balances, 5% to investment securities which are cash equivalent in order to meet any urgent liquidity needs. The present borrowing limits (such as Central Bank of Turkey and ISE repurchase market) are not used. The DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

4. Evaluation of the DFS Group's cash flows and their resources

Cash flows of the DFS Group mainly consist of Turkish Lira, US Dollars and Euro. In the short and long run, liquidity needs or surplus funds are utilized in interbank money market placements, deposits and loans.

5. Presentation of assets and liabilities according to their outstanding maturities

Current Period	Demand	Up to 1 month	1-3 months	3-6 months	6-12 months	1 year and over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	495,306	--	358,234	--	--	--	--	853,540
Due from Banks and Other Financial Institutions	370,220	949,535	103,796	95,246	63,025	99,773	--	1,681,595
Financial Assets at Fair Value Through Profit or Loss	--	88,267	20,125	33,000	152,038	201,199	46,575	541,204
Interbank Money Market Placements	--	3,241	--	--	--	--	--	3,241
Investment Securities Available-for-Sale	--	3,482	10,129	20,576	454,076	1,036,901	3,982	1,529,146
Loans	12,194	1,935,330	1,128,309	969,674	1,196,522	4,690,436	--	9,932,465
Investment Securities Held-to-Maturity	--	2,350	6,910	10,469	15,488	116,779	--	151,996
Other Assets	205,768	93,871	236,610	159,551	128,034	541,454	214,922	1,580,210
Total Assets	1,083,488	3,076,076	1,864,113	1,288,516	2,009,183	6,686,542	265,479	16,273,397
Liabilities								
Bank Deposits	184,539	301,374	149,030	14,172	12,150	6,667	--	667,932
Other Deposits	2,104,373	5,597,849	598,180	381,291	443,653	413,815	--	9,539,161
Funds Borrowed from Other Financial Institutions	--	383,193	445,166	556,665	398,861	575,369	--	2,359,254
Interbank Money Markets	--	947,946	--	--	--	--	--	947,946
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	272,854	1,167	633	3,461	205	--	--	278,320
Other Liabilities	107,640	80,872	51,361	7,296	15,161	467,767	1,750,687	2,480,784
Total Liabilities	2,669,406	7,312,401	1,244,370	962,885	870,030	1,463,618	1,750,687	16,273,397
Net Liquidity Gap	(1,585,918)	(4,236,325)	619,743	325,631	1,139,153	5,222,924	(1,485,208)	--
Prior Period								
Total Assets	905,006	4,701,016	1,163,239	1,212,027	1,565,428	4,935,920	222,391	14,705,027
Total Liabilities	2,230,258	6,214,060	960,875	559,440	1,746,963	1,357,971	1,635,460	14,705,027
Net Liquidity Gap	(1,325,252)	(1,513,044)	202,364	652,587	(181,535)	3,577,949	(1,413,069)	--

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included in this column.

VII. Consolidated segment reporting

DFS Group is active in three areas, namely, retail banking, corporate banking and treasury and investment banking.

In retail banking, it offers loan products (general purpose, mortgage, and auto), credit cards, investment products (mutual funds, shares, government bonds, and repos), deposit products (time, demand, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet everyday needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

Corporate banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short- and long-term working capital loans, investment loans, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance services, clearing, deposit products and cash management services.

Within treasury and investment banking, sales, prop-trading and private banking departments offer spot and forward TRY and foreign exchange transactions, sales transactions of local and international bonds and derivative products. Servicing the upper segment of retail customers who require sophisticated banking and investment services falls within the scope of private banking.

Segment information of the Group is presented in the following table:

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other	Total
Operating income	563,191	273,651	29,425	7,550	873,817
Net operating income	154,215	126,335	12,355	7,336	300,241
Income from associates					779
Provision for taxes on income					(50,382)
Net profit for the period					250,638
Segment assets	5,002,615	6,080,470	4,757,481	--	15,840,567
Subsidiaries and associates					9,285
Undistributed assets					423,545
Total assets					16,273,397
Segment liabilities	6,373,191	3,167,203	4,559,204	--	14,099,598
Undistributed liabilities					583,001
Shareholders' equity					1,590,798
Total liabilities					16,273,397

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to assets

1. Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash	62,502	109,127	68,991	158,736
Central bank of Turkey	197,610	125,933	78,301	151,691
Other	8,223	350,145	1	417,496
Total	268,335	585,205	147,293	727,923

1.1 Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	197,610	125,933	78,301	151,691
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	--	--	--
Total	197,610	125,933	78,301	151,691

1.2 Explanation related to "Other" item

According to the no. 2005/1 announcement of the Central Bank of Turkey, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 6% of the liabilities in Turkish Lira and 11% of the liabilities in foreign currencies. The Central bank of Turkey makes interest payments on a quarterly basis. The interest rates given by the Central Bank of Turkey are 12.93% for YTL, 2.33% for USD and 1.70% for Euro as of 30 September 2007.

2. Financial assets at fair value through profit or loss

2.1 Trading securities given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar				
Marketable Securities	10,628	276	8,388	6,324
Other	--	--	--	--
Total	10,628	276	8,388	6,324

Trading securities given as collateral represent those collaterals given to Central Bank of Turkey, and ISE Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions.

2.2 *Trading securities subject to repurchase agreements*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	107,913	--	73,151	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	107,913	--	73,151	--

2.3 *Positive value of trading purpose derivatives*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	6,123	14,512	1,378	9,337
Swap Transactions	49,332	26,994	32,328	1,044
Futures	--	--	--	117
Options	62,960	3,743	110	3,368
Other	--	--	--	13
Total	118,415	45,249	33,816	13,879

3. **Banks and other financial institutions**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	5,275	1,676,265	63,629	2,716,433
Domestic	5,217	422,617	3,631	316,658
Foreign	58	1,253,648	59,998	2,399,775
Foreign Head Offices and Branches	--	--	--	--
Other Financial Institutions	--	55	--	1,160
Total	5,275	1,676,320	63,629	2,717,593

4. **Information on investment securities available-for-sale**

4.1 *Major types of investment securities available-for-sale*

Investment securities available-for-sale consist of Çukurova Holding A.Ş. share certificates (YTL 3,927) that are not quoted at Istanbul Stock Exchange; and debt securities representing government bonds; Eurobonds and foreign currency government bonds issued by the Turkish Treasury foreign investments and foreign government bonds.

4.2 *Investment securities available-for-sale given as collateral*

Investment securities available-for-sale given as collateral are government bonds amounting to YTL 298,027 (31 December 2006: YTL 238,224).

4.3 *Investment securities available-for-sale given as collateral or blocked*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share certificates	--	--	--	--
Bonds, T-bills and Similar Securities	156,838	141,189	47,806	190,418
Other	--	--	--	--
Total	156,838	141,189	47,806	190,418

4.4 *Investment securities available-for-sale subject to repurchase agreements*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	874,025	--	128,881	--
Treasury Bills	--	--	4,074	--
Other Debt Securities	--	--	--	--
Bonds issued or guaranteed by Banks	--	--	--	--
Asset backed securities	--	--	--	--
Other	--	--	--	--
Total	874,025	--	132,955	--

4.5 *Available-for-sale securities*

	Current Period	Prior Period
Debt instruments	1,530,401	972,593
Quoted	1,530,401	972,593
Unquoted	--	--
Equity instruments	3,981	3,925
Quoted	--	--
Unquoted	3,981	3,925
Impairment provision (-)	5,236	2,752
Total	1,529,146	973,766

5. Information related to loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	921	19	2,651
Loans Granted to Employees	15,805	--	12,631	37
Total	15,805	921	12,650	2,688

5.2 Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>
Non-specialized Loans	9,193,469	--	15,107	1,409
Discount Notes	16,386	--	--	--
Export Loans	803,163	--	3,012	--
Import Loans	23,071	--	--	--
Loans Given to Financial Sector	394,876	--	--	--
Foreign Loans	355,266	--	--	--
Consumer Loans	2,273,756	--	--	--
Credit Cards	425,694	--	--	--
Precious Metal Loans	14,333	--	--	--
Other	4,886,924	--	12,095	1,409
Specialization Loans	710,285	--	--	--
Other Receivables	--	--	--	--
Total	9,903,754	--	15,107	1,409

5.3 Information on consumer loans

	Short Term	Medium or Long Term	Total
Consumer Loans-YTL	35,682	2,009,891	2,045,573
Real estate Loans	4,989	689,441	694,430
Automotive Loans	1,320	89,111	90,431
Consumer Loans	29,373	1,231,339	1,260,712
Other	--	--	--
Consumer Loans-Indexed to FC	1,113	132,561	133,674
Real estate Loans	--	118,125	118,125
Automotive Loans	207	7,740	7,947
Consumer Loans	906	6,696	7,602
Other	--	--	--
Consumer Loans-FC	31,131	--	31,131
Real estate Loans	2,057	--	2,057
Automotive Loans	--	--	--
Consumer Loans	28,733	--	28,733
Other	341	--	341
Credit Cards-YTL	403,047	9,094	412,141
Installment	106,936	9,094	116,030
Non installment	296,111	--	296,111
Credit Cards-FC	356	--	356
Installment	--	--	--
Non installment	356	--	356
Loans Given to Employees-YTL	2,036	8,159	10,195
Real estate Loans	111	1,473	1,584
Automotive Loans	14	17	31
Consumer Loans	1,911	6,669	8,580
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	369	369
Real estate Loans	--	342	342
Automotive Loans	--	27	27
Consumer Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	--	--	--
Employee Credit Cards-YTL	5,380	99	5,479
Installment	1,922	99	2,021
Non installment	3,458	--	3,458
Employee Credit Cards-FC	17	--	17
Installment	--	--	--
Non installment	17	--	17
Overdraft Account-YTL (Individual)	52,925	--	52,925
Overdraft Account-FC (Individual)	--	--	--
Total	531,687	2,160,173	2,691,860

5.4 Information on installment corporate loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Corporate Loans - YTL	88,408	492,665	581,073
Real estate Loans	2,460	88,566	91,026
Automotive Loans	7,182	65,892	73,074
Consumer Loans	78,664	336,582	415,246
Other	102	1,625	1,727
Installment Corporate Loans – Indexed to FC	10,560	125,624	136,184
Real estate Loans	972	19,576	20,548
Automotive Loans	1,999	27,287	29,286
Consumer Loans	7,589	76,976	84,565
Other	--	1,785	1,785
Installment Corporate Loans - FC	675	6,939	7,614
Real estate Loans	--	3,378	3,378
Automotive Loans	--	--	--
Consumer Loans	675	3,561	4,236
Other	--	--	--
Corporate Credit Cards - YTL	7,503	50	7,553
Installment	129	50	179
Non installment	7,374	--	7,374
Corporate Credit Cards - FC	148	--	148
Installment	--	--	--
Non installment	148	--	148
Overdraft Account-YTL (Individual)	68,343	--	68,343
Overdraft Account-FC (Individual)	13,248	--	13,248
Total	188,885	625,278	814,163

5.5 Domestic and international loans

	Current Period	Prior Period
Domestic Loans	9,565,004	7,699,061
Foreign Loans	355,266	357,930
Total	9,920,270	8,056,991

5.6 Loans granted to subsidiaries and investments

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Investments	10,837	8,738
Indirect Loans Granted to Subsidiaries and Investments	--	--
Total	10,837	8,738

5.7 *Specific provisions for loans*

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	32,160	17,549
Loans and Receivables with Doubtful Collectibility	40,184	34,980
Uncollectible Loans and Receivables	137,661	111,017
Total	210,005	163,546

5.8 *Information on non-performing loans (Net)*

5.8.1 *Information on loans under follow-up, loans and other receivables those are restructured/rescheduled*

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period	6	960	22,973
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	6	960	22,973
Prior Period	--	82	13,812
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	--	82	13,812

5.8.2 *Information on total non-performing loans*

	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balances at Beginning of Period	17,541	35,368	117,025
Additions (+)	105,479	395	9,251
Transfers from Other Categories of Non-Performing Loans (+)	--	59,752	35,266
Transfers to Other Categories of Non-Performing Loans (-)	59,752	35,266	--
Collections (-)	28,031	19,152	15,656
Write-offs (-)	--	20	--
Balances at End of the Period	35,237	41,077	145,886
Specific Provisions (-)	32,160	40,184	137,661
Net Balance on Balance Sheet	3,077	893	8,225

5.8.3 *Information on non-performing loans and other receivables in foreign currencies*

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and
Current Period			
Period End Balance	--	3,904	3,530
Specific Provision (-)	--	3,577	1,954
Net Balance on Balance Sheet	--	327	1,576
Prior Period			
Period End Balance	--	3,696	189
Specific Provision (-)	--	3,360	189
Net Balance on Balance Sheet	--	336	--

5.9 *Liquidation policy for uncollectible loans and receivables*

For uncollectible loans and receivables, the Bank tries to solve the issue with the customer. If no result is obtained, all legal actions are taken.

6. **Information on investment securities held-to-maturity**

6.1 *Information on subject to repurchase agreement and given as collateral or blocked*

6.1.1 *Information on subject to repurchase agreement*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	8	--	--	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds issued or guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	26,016
Other	--	1,535	--	--
Total	8	1,535	--	26,016

6.1.2 *Information on subject to given as collateral or blocked*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Bills	--	--	--	--
Bonds and Similar Marketable Securities	6,603	79,154	--	26,016
Other	--	--	--	--
Total	6,603	79,154	--	26,016

6.2 *Information on accounts in which government securities held-to-maturity are reflected*

	Current Period	Prior Period
Government Bonds	40,853	62,591
Treasury Bills	--	--
Other Government Securities	1,945	--
Total	42,798	62,591

6.3 Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	151,996	177,381
Listed	133,637	164,752
Unlisted	18,359	12,629
Impairment (-)	--	--
Total	151,996	177,381

6.4 Information on the movement of investment securities held-to-maturity during the period

	Current Period	Prior Period
Balance in the beginning of the period	177,381	235,709
Foreign exchange differences	(14,430)	30,401
Purchases	8,555	12,306
Redemptions	(19,510)	(101,035)
Impairment (-)	--	--
Balance at the end of the period	151,996	177,381

7. Investments in associates

7.1 Investments in unconsolidated associates

Description	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1-Kredi Kayıt Bürosu A.Ş.(*)	İstanbul/Turkey	9	--
2-Gelişen İşletmeler Piyasası A.Ş.	İstanbul/Turkey	5	5

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	18,498	16,827	2,826	--	--	4,262	3,986	--
2	2,520	2,505	--	--	--	5	--	--

(*) Amounts given below are as of the year ended 31 December 2006.

7.2 Investments in consolidated associates

None.

8. Investments in subsidiaries

The Bank has 99.97% ownership in Deniz Yatırım, a brokerage and investment company, located in Istanbul. Deniz Yatırım, established on 29 January 1997, is mainly involved in purchasing, selling and investing in any kind of securities, stocks, treasury bills and government bonds provided from capital markets; the management of mutual funds and performing intermediary services.

The Bank, together with Deniz Yatırım, acquired 78.01% of the shares of Ekspres Yatırım from Saving Deposit Insurance Fund (SDIF) at the end of 2002. With subsequent acquisitions, the Bank and Deniz Yatırım's share increased to 99.82% as of 31 March 2006. Ekspres Yatırım, located in Istanbul, is engaged in purchasing, selling and investing in any kind of securities, stocks, treasury bills and government bonds provided from capital markets.

Tariş Menkul Değerler A.Ş. (Tariş Menkul) was originally established as a subsidiary of Tarişbank in 1997 for handling the brokerage activities of its parent bank. With the acquisition of Tarişbank in 2002, Tariş Menkul became a subsidiary of the Bank. The name of the company changed to Deniz Türev Menkul Değerler A.Ş. on 12 October 2005.

The Bank has 99.99% ownership in Denizbank AG, a commercial bank located in Austria. Established in 1996 by the former Esbank A.Ş. (a Turkish bank which was taken over by SDIF), Esbank AG in Vienna offered foreign trade finance and payment services to a client base in Europe and Turkey. The DFS Group entered the Euro zone banking market by acquiring Esbank AG in August 2002. Subsequent to the acquisition, the name of Esbank AG was changed to Denizbank AG, Vienna at the beginning of 2003. Denizbank AG, Vienna has eleven branches – three in Vienna, the others in Bregenz, Frankfurt, Linz, Graz, Dortmund, Innsbruck, Floridsdorf and Neustadt, and provides trade finance and payment services to its customers in Europe and Turkey.

The Bank acquired 49% of the outstanding shares of İktisat Bank Moscow at the beginning of 2003. The remaining 51% of the shares were acquired by Denizbank AG. Subsequent to the acquisition, the name of İktisat Bank Moscow was changed to CJSC Denizbank, Moscow. CJSC Denizbank Moscow is licensed to undertake all commercial banking transactions. Denizbank Moscow has one branch in Kazan.

The Bank acquired 99.88% of the shares of Eurodeniz, established in the Turkish Republic of Northern Cyprus, from SDIF at the beginning of 2002. Eurodeniz is licensed to undertake all commercial banking transactions.

In May 2003, Deniz Yatırım acquired 98.43% of the shares of Ege Portföy Yönetimi A.Ş. and changed its name to Deniz Portföy. Deniz Yatırım's share in Deniz Portföy's share capital has increased to 99.15% with subsequent purchases. Deniz Portföy is engaged in serving domestic mutual funds and investment portfolios.

The Bank acquired 10.87% of the shares of Deniz Leasing for YTL 1,959 on 21 February 2005. Deniz Leasing was established on 12 December 1997, pursuant to the license obtained from the Undersecretariat of Treasury and Foreign Trade for the purpose of financial leasing as permitted by Law number 3226. Deniz Leasing started its operations in December 1998 and the Company's leasing operations principally focused on transport vehicles, machinery and equipment and office equipment.

In June 2006, Deniz Leasing increased its share capital by YTL 39,900, all of which was paid in cash by Denizbank. As of 30 September 2007, 68% of the share capital of Deniz Leasing belongs to the Bank, while the remaining 32% belongs to Deniz Faktoring A.Ş. (Deniz Faktoring).

The Bank acquired 99.99% of the shares of Deniz Faktoring for YTL 15,184 on 21 February 2005. Deniz Faktoring was incorporated on 2 July 1998 pursuant to the license obtained from the Undersecretariat of Treasury for the purpose of giving factoring services as permitted by Law number 6762.

The Bank acquired 99.6% of the shares of Global Hayat Sigorta A.Ş. for YTL 2,515 on 30 March 2007. Global Hayat Sigorta A.Ş. changed its name to Deniz Hayat Sigorta A.Ş. on 10 August 2007.

Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (Deniz Kültür) increased its share capital by YTL 125 on 19 April 2006, YTL 40 on 18 September 2006, YTL 105 on 22 January 2007, YTL 30 on 17 April 2007, YTL 70 on 30 April 2007, YTL 100 on 12 June 2007 and YTL 200 on 30 July 2007, all in cash.

8.1 Information on subsidiaries not consolidated

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage(%)	Other subsidiaries' share percentage(%)
1 İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	İstanbul/Türkiye	%100	%0
2 Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	İstanbul/Türkiye	%100	%0
3 Adana Haddecilik Metal San. ve Tic. A.Ş.	Adana/Türkiye	%100	%0

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	2,154	1,647	31	184	2	(1,327)	(2,256)	--
2	979	896	144	--	--	(13)	8	--
3	6,923	--	3,278	--	--	(110)	--	--

8.2 Information on subsidiaries consolidated

8.2.1 Other information on consolidated subsidiaries

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Other subsidiaries' share percentage	Method of consolidation
1 Denizbank AG, Vienna	Vienna / Austria	%100	%0	Full consolidation
2 Eurodeniz Off-Shore Bank Ltd.	Nicosia / Cyprus	%100	%0	Full consolidation
3 Deniz Yatırım Menkul Kıymetler A.Ş.	İstanbul / Turkey	%100	%0	Full consolidation
4 Deniz Türev Menkul Değerler A.Ş.	İstanbul / Turkey	%100	%0	Full consolidation
5 Ekspres Yatırım Menkul Değerler A.Ş.	İstanbul / Turkey	%71	%29	Full consolidation
6 CJSC Denizbank, Moscow	Moscow / Russia	%49	%51	Full consolidation
7 Deniz Portföy Yönetimi A.Ş.	İstanbul / Turkey	%0	%100	Full consolidation
8 Deniz Finansal Kiralama A.Ş.	İstanbul / Turkey	%68	%32	Full consolidation
9 Deniz Faktoring A.Ş.	İstanbul / Turkey	%100	%0	Full consolidation
10 Global Hayat Sigorta A.Ş.	İstanbul / Turkey	%100	%0	Full consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	1,864,230	98,406	5,714	92,338	23,468	8,357	--	--
2	962,546	58,707	29	63,040	(2,058)	51,837	11,106	--
3	31,540	24,386	949	3,120	1,090	(222)	(340)	--
4	6,994	6,469	200	1,234	103	1,925	(3,456)	--
5	34,438	31,477	595	3,667	1,167	7,416	468	--
6	302,746	37,061	2,190	13,924	5,371	2,237	500	--
7	2,788	2,618	14	303	13	358	151	--
8	924,388	112,060	218	60,442	(3,820)	23,315	25,400	--
9	401,965	56,256	287	53,020	(7,690)	12,021	14,087	--
10	23,356	2,697	402	990	818	96	(8,758)	--

8.2.2 Movement of consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	230,321	171,675
Correction According TAS 8 (*)	--	18,736
New Balance	230,321	190,411
Movements during the Period	1,472	39,910
Purchases	2,515	39,910
Bonus Shares Received	71	--
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	(1,114)	--
Impairment Provision (+)	--	--
Balance at the End of the Period	231,793	230,321
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) Explained in 2nd article of "Accounting Policies"

8.2.3 Sectoral distribution of consolidated subsidiaries

	Current Period	Prior Period
Banks	95,664	96,780
Insurance Companies	2,515	--
Factoring Companies	30,383	30,383
Leasing Companies	65,380	65,380
Finance Companies	37,851	37,778
Other Subsidiaries	--	--
Total	231,793	230,321

8.2.4 Quoted subsidiaries

None.

8.2.5 Subsidiaries disposed during the current period

None.

8.2.6 Subsidiaries purchased in the current period

On 3 October 2006, the Bank has started negotiations with Global Yatırım Holding A.Ş. ("Global Yatırım") regarding the purchase of shares held at Global Hayat Sigorta A.Ş. ("Global Hayat"); and on 26 January 2007, a Share Purchase Agreement has been signed between the parties. Pursuant to this Agreement, Global Yatırım has agreed to transfer 99.6% of Global Hayat's issued share capital to the Bank. This transaction is approved by the General Directorate of Insurance of Undersecretariat of Turkish Treasury and the transfer is realized on 30 March 2007, with a price of YTL 2,515.

9. Information on other investments:

9.1 Joint ventures

DFS Group does not have any joint ventures.

10. Information on financial lease receivables

10.1 Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	325,643	255,089	238,697	185,985
Between 1-4 years	542,950	469,466	363,363	308,483
Over 4 years	78,962	70,667	39,447	36,399
Total	947,555	795,222	641,507	530,867

10.2 Information on net financial lease receivables

	Current Period	Prior Period
Gross finance lease receivable	947,555	641,507
Unearned finance income (-)	152,333	110,640
Cancelled leasing agreements (-)	--	--
Net investment on leases	795,222	530,867

10.3 Information on financial lease agreements of the Bank

None.

11. Information on hedging purpose derivatives:

None.

12. Information on deferred tax asset

12.1 Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax losses, unused tax credits

Deferred tax asset calculated on the basis of related regulation is YTL 14,169 (31 December 2006: None) and deferred tax liability is YTL 14 (31 December 2006: YTL 1,357). The amount is the net of deductible temporary differences and taxable temporary differences calculated as of the balance sheet date.

According to TAS 12, deferred tax assets and liabilities are offset against each other in the financial statements. However, deferred tax assets and liabilities relating to individual consolidated subsidiaries that do not report to the same fiscal authority are not permitted to offset against each other in the accompanying consolidated financial statements.

Deferred tax effects of items charged or credited to equity are also charged or credited directly to equity.

12.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet

None.

12.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

13. Information on other assets

13.1 Information on prepaid expense, tax and similar items

Prepaid expenses are YTL 26,395 (31 December 2006: YTL 18,485).

13.2 Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

II. Information and disclosures related to liabilities

1. Information on maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	323,262	--	534,218	1,805,222	57,139	15,925	2,308	--	2,738,074
Foreign Currency Deposits	1,284,573	--	1,312,096	1,484,715	459,657	564,519	385,198	--	5,490,758
Residents in Turkey	814,316	--	1,059,716	1,336,584	225,532	202,083	58,275	--	3,696,506
Residents Abroad	470,257	--	252,380	148,131	234,125	362,436	326,923	--	1,794,252
Public Sector Deposits	13,085	--	12,380	706	--	--	--	--	26,171
Commercial Deposits	442,485	--	559,230	172,633	16,903	6,758	--	--	1,198,009
Other Ins. Deposits	38,422	--	24,866	19,973	298	44	--	--	83,603
Precious Metal Deposits	2,546	--	--	--	--	--	--	--	2,546
Bank Deposits	184,539	--	359,277	95,236	2,779	1,006	25,095	--	667,932
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	22,121	--	142,269	80,467	1,049	1,006	--	--	246,912
Foreign Banks	157,491	--	217,008	14,769	1,730	--	25,095	--	416,093
Special Financial Inst.	4,927	--	--	--	--	--	--	--	4,927
Other	--	--	--	--	--	--	--	--	--
Total	2,288,912	--	2,802,067	3,578,485	536,776	588,252	412,601	--	10,207,093

Prior Period

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	257,285	--	533,878	1,255,608	20,299	10,478	5,224	--	2,082,772
Foreign Currency Deposits	1,171,362	--	1,741,076	1,692,014	352,542	538,759	327,034	--	5,822,787
Residents in Turkey	804,370	--	1,231,124	1,468,263	135,646	144,660	47,819	--	3,831,882
Residents Abroad	366,992	--	509,952	223,751	216,896	394,099	279,215	--	1,990,905
Public Sector Deposits	12,207	--	4,100	959	--	--	--	--	17,266
Commercial Deposits	512,046	--	296,122	119,358	11,482	2,993	125	--	942,126
Other Ins. Deposits	34,225	--	25,751	10,103	41	25	--	--	70,145
Precious Metal Deposits	8,585	--	--	--	--	--	--	--	8,585
Bank Deposits	31,518	--	398,495	51,103	22,074	8,363	7,791	--	519,344
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	2,951	--	262,834	2,105	1,011	1,011	--	--	269,912
Foreign Banks	28,567	--	135,661	48,998	21,063	7,352	7,791	--	249,432
Special Financial Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	2,027,228	--	2,999,422	3,129,145	406,438	560,618	340,174	--	9,463,025

1.1 Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	1,416,613	1,138,519	1,239,248	833,524
Foreign Currency Savings Deposits	710,643	656,789	1,526,994	1,297,654
Other Saving Deposits	--	--	--	--
Foreign branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	2,127,256	1,795,308	2,766,242	2,131,178

1.2 Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Savings Deposits at Foreign Branches	1,349,382	551,930
Savings Deposits at Off-shore Branches	99,384	97,944
Total	1,448,766	649,874

2. Information on trading purpose derivatives

2.1 Negative value of trading purpose derivatives

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	4,757	13,870	11,058	12,097
Swaps	96,741	24,844	14,960	4,933
Futures	--	152	19	--
Options	62,546	4,480	--	3,104
Other	--	--	--	109
Total	164,044	43,346	26,037	20,243

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	--	--	--	--
Domestic Bank and Institutions	151,747	32,177	105,253	52,094
Foreign Bank, Institutions and Funds	137,148	2,038,182	149,776	2,393,613
Total	288,895	2,070,359	255,029	2,445,707

3.1 Maturity information of funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	256,751	799,901	255,029	1,620,393
Medium and Long-Term	32,144	1,270,458	--	825,314
Total	288,895	2,070,359	255,029	2,445,707

4. Components of other liabilities, those that exceed 10% of total liabilities or those that exceed 20% of the individual liability items in the consolidated balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Criteria used in the determination of lease instalments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

The maximum period of the lease agreements is mostly 4 years. Interest rate and cash flow of the Bank are the criteria which are taken into consideration in the leasing contracts. There are no significant obligations imposed on the Bank as a result of the lease agreements.

5.1 Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period.

5.2 Obligations under financial leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	--	--	2	1
Between 1-4 years	1	1	1	1
More than 4 years	--	--	--	--
Total	1	1	3	2

5.3 Information on operational lease

DFS Group has operational lease agreements for its bank branches and motor vehicles. Rental payments for the majority of these agreements are made and expensed on a monthly basis. The unexpired portion of payments made for rent agreements on a yearly basis are accounted under prepaid expenses in "other assets". The Group does not have any liabilities related to operational lease agreements.

5.4 Information on "Sale -and- lease back" agreements

The Bank does not have any sale and lease back transactions in the current period.

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions

7.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	56,644	45,925
Provisions for Loans and Receivables in Group II	--	--
Provisions for Non Cash Loans	9,223	6,634
Other	--	--
Total	65,867	52,559

7.2 Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	72,729	18,487

(*) Netted against loans in assets

7.3 Information on other provisions

7.3.1 Information on general reserves for possible loan losses

	Current Period	Prior Period
General Reserves for Possible Loan Losses	539	542

7.3.2 Information on other provisions exceeding 10% of total provisions

	Current Period	Prior Period
Specific Provisions for Non-Cash Loans that are not Indemnified and Converted into Cash	15,209	13,848
Other	9,662	7,589
Total	24,871	21,437

8. Taxation

8.1 Current taxes

8.1.1 Current tax liability

As of 30 September 2007, DFS Group has current tax liability of YTL 56,601 (31 December 2006: YTL 54,019) after deducting prepaid taxes.

8.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	20,597	15,645
Taxation on securities	9,544	6,686
Capital gains tax on property	428	507
Banking Insurance Transaction Tax (BITT)	7,138	9,131
Taxes on foreign exchange transactions	589	585
Value added tax payable	105	207
Other	9,904	13,782
Total	48,305	46,543

8.1.3 Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	3,064	2,469
Social security premiums- employer share	4,325	3,485
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	210	178
Unemployment insurance- employer share	432	350
Other	265	994
Total	8,296	7,476

9. Information on shareholders' equity

9.1 *Paid-in capital*

	Current Period	Prior Period
Common Stock	316,100	316,100
Preferred Stock	--	--

The Bank's paid-in capital has been presented in nominal values. As of 30 September 2007, the Bank has "other capital reserves" amounting to YTL 189,164 (31 December 2006: YTL 189,164) arising from the effect of inflation on the paid-in capital.

9.2 *Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital*

Registered share capital system is not applicable at the Bank.

9.3 *Information on share capital increases and their sources; other information on any increase in capital shares during the current period*

None.

9.4 *Information on share capital increases from revaluation funds*

None.

9.5 *Capital commitments for current financial year and following period*

DFS Group does not have any capital commitments.

9.6 *Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators*

None.

9.7 *Information on the privileges given to stocks representing the capital*

The Bank does not have any preferred stocks.

10. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Shares (in thousands)	50,368,526	50,368,526
Preferred Stock	--	--
Common Stock Issue Premium	98,351	98,351
Common Stock Cancelling Profit	--	--
Other Equity Instruments	--	--
Total Common Stock Issued	50,369	50,369

11. Securities value increase fund

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Associates, Subsidiaries and JV's	--	--	3	--
FV Difference	11,591	5,899	5,245	7,293
Foreign Exchange Difference	--	--	--	--
Total	11,591	5,899	5,248	7,293

III. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities

1.1 Type and amount of irrevocable commitments

All of the DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 30 September 2007, non-cash loans, commitments for credit card limits and commitments for cheque payments are YTL 4,896,612, YTL 1,957,270 and YTL 511,538, respectively (31 December 2006: YTL 4,210,817, YTL 2,146,292 and YTL 431,925, respectively). These items are reflected in the off-balance sheet accounts.

1.2 Type and amount of possible losses from off-balance sheet items including those referred to below

1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

As of 30 September 2007, the DFS Group has letters of guarantee amounting to YTL 3,133,158, bills of exchange and acceptances amounting to YTL 100,296, and guarantees and sureties on letters of credit amounting to YTL 1,474,972. There are also other guarantees and sureties amounting to YTL 188,186.

As of 31 December 2006, the DFS Group has letters of guarantee amounting to YTL 2,903,222, bills of exchange and acceptances amounting to YTL 142,409, and guarantees and sureties amounting to YTL 1,086,692. There are other guarantees and sureties amounting to YTL 78,494.

1.2.2 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	386,932	189,818
Final Letters of Guarantee	2,034,425	2,121,361
Letters of Guarantee for advances	514,047	391,104
Letters of Guarantee given to Customs Offices	121,523	145,929
Other Letters of Guarantee	76,231	55,010
Total	3,133,158	2,903,222

2. Non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	216,657	121,336
With Original Maturity of 1 Year or Less	191,544	58,787
With Original Maturity of More Than 1 Year	25,113	62,549
Other Non-Cash Loans	4,679,955	4,089,481
Total	4,896,612	4,210,817

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	YTL	(%)	YTL	(%)	YTL	(%)	YTL	(%)
Agricultural	13,395	0.90	58,733	1.72	12,812	1.00	45,867	1.57
Farming and Cattle	13,191	0.89	55,772	1.63	12,302	0.96	38,636	1.32
Forestry	13	0.00	2,961	0.09	266	0.02	7,055	0.24
Fishing	191	0.01	--	0.00	244	0.02	176	0.01
Manufacturing	339,489	22.96	1,279,212	37.43	355,187	27.78	1,093,205	37.28
Mining	90,851	6.15	503,675	14.74	81,441	6.37	421,578	14.38
Production	228,466	15.45	635,080	18.58	267,251	20.90	648,985	22.13
Electric, gas and water	20,172	1.36	140,457	4.11	6,495	0.51	22,642	0.77
Construction	483,060	32.67	995,835	29.13	408,511	31.95	733,965	25.03
Services	494,779	33.48	993,199	29.05	398,172	31.14	979,915	33.42
Wholesale and retail trade	369,932	25.02	428,500	12.54	271,094	21.20	498,757	17.01
Hotel, food and beverage Services	13,871	0.94	41,723	1.22	13,156	1.03	25,520	0.87
Transportation and telecommunication	61,503	4.16	252,022	7.37	53,328	4.17	256,625	8.75
Financial institutions	33,285	2.25	261,176	7.64	38,430	3.01	196,319	6.70
Real estate and renting Services	86	0.01	5,124	0.15	72	0.01	21	0.00
Self-employment services	--	0.00	56	0.00	--	0.00	56	0.00
Education services	935	0.06	993	0.03	1,557	0.12	606	0.02
Health and social services	15,167	1.03	3,605	0.10	20,535	1.60	2,011	0.07
Other	147,704	9.99	91,206	2.67	103,938	8.13	79,245	2.70
Total	1,478,427	100.00	3,418,185	100.00	1,278,620	100.00	2,932,197	100.00

4. Information about the first and second group of non-cash loans

	I. Group		II. Group	
	YTL	FC	YTL	FC
Letters of guarantee	1,470,302	1,646,588	8,125	8,143
Bank acceptances	--	99,998	--	298
Letters of credit	--	1,474,972	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	--	187,885	--	301
Total	1,470,302	3,409,443	8,125	8,742

IV. Information on disclosures related to consolidated income statement

1. Interest income

1.1 Information on interest income received from loans

	Current Period		Prior Period	
	YTL	FC	YTL (*)	FC
Short Term	482,135	58,432	392,341	56,358
Medium and Long Term	357,872	117,259	207,546	84,974
Loans Under Follow-Up	12,533	--	5,945	--
Source Utilization Support Fund	--	--	--	--
Total	852,540	175,691	605,832	141,332

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	--	1,748	2,442	--
Domestic Banks	766	12,721	2,886	9,510
Foreign Banks	368	53,424	--	44,708
Foreign Branches	--	(0)	--	--
Total	1,133	67,893	5,328	54,218

1.3 Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	27	--

2. Interest expense

2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	30,766	101,705	21,419	123,242
Central Bank of Turkey	--	--	--	--
Domestic Banks	14,685	3,024	5,316	13,305
Foreign Banks	16,081	98,681	16,103	109,937
Foreign Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	30,766	101,705	21,419	123,242

2.2 Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	197	--

3. Trading income / loss (net)

	Current Period	Prior Period
Profit	4,165,744	4,838,062
Capital Market Transactions:	353,380	122,017
Derivatives and Financial Trans.	336,662	101,550
Other	16,718	20,467
Foreign Exchange Gain	3,812,364	4,716,045
Loss (-)	4,157,513	4,937,692
Capital Market Transactions:	444,155	85,380
Derivatives and Financial Trans.	434,421	55,519
Other	9,734	29,861
Foreign Exchange Loss	3,713,358	4,852,312
Total	8,231	(99,630)

4. Other operating income

	Current Period	Prior Period
Reversal from prior year provisions	39,734	25,507
Income from customers for banking services	33,023	31,157
Communication income	15,091	8,296
Assets held for sale	74	81,989
Other	7,563	65,733
Total	95,485	212,682

5. Provision expenses on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	75,388	55,432
<i>Loans and Receivables in Group III</i>	--	--
<i>Loans and Receivables in Group IV</i>	3,226	--
<i>Loans and Receivables in Group V</i>	72,162	55,432
Non-performing commissions and other receivables	--	--
General Provision Expenses	18,972	7,994
Provision for Possible Losses	--	--
Foreign Exchange Losses on Foreign Currency		
Indexed Loans	--	--
Impairment Losses on Securities:	9,064	8,181
<i>Trading securities</i>	1,416	5,338
<i>Investment Securities Available-for-Sale</i>	7,648	2,843
Other Impairment Losses:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	--	--
Other	3,171	980
Total	106,595	72,587

6. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	259,549	190,962
Reserve for Employee Termination Indemnity Benefits	2,427	133
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment of Tangible Assets	--	6,474
Depreciation Expenses of Tangible Assets	18,496	18,480
Impairment of Intangible Assets	--	--
Impairment of Goodwill	--	--
Depreciation Expenses of Intangible Assets	13,979	11,981
Impairment of Investments in Associates	--	--
Impairment of Securities Held for Sale	--	--
Depreciation of Securities Held for Sale (*)	269	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	142,114	122,544
Operational Leases	31,616	22,076
Repair and Maintenance	4,698	4,508
Advertising	17,503	20,279
Other Expenses	88,297	75,681
Loss on Sales of Assets	642	453
Other	29,505	34,069
Total	466,981	385,096

(*) Depreciation of fixed assets held for resale.

7. Provision for taxes on income

7.1 Current period taxation benefit or charge and deferred tax benefit or charge

The current period taxation charge is YTL 65,325 and deferred tax benefit is YTL 14,943.

Corporate Tax Rate is reduced from 30% to 20% in accordance with the article 32 of the new Corporate Tax Law No 5520, as announced in the Official Gazette dated 21 June 2006, no.26205. Consequently, corporate earnings is subject to 20% corporate tax rate starting from 1 January 2006. It is announced that corporate taxes which have been computed and paid using the corporate tax rate of 30% for the taxation periods before the new Law is enacted, will be offset against the corporate taxes of the following periods.

7.2 Deferred tax charge arising from origination or reversal of temporary differences

	Current Period	Prior Period
Deferred tax benefit/charge arising from temporary differences:		
Arising from Origination of Deductible Temporary Differences (+)	13,482	10,994
Arising from Reversal of Deductible Temporary Differences (-)	(1,647)	(5,856)
Arising from Origination of Taxable Temporary Differences (-)	(790)	(9,796)
Arising from Reversal of Taxable Temporary Differences (+)	3,898	3,045
Total	14,943	(1,613)

7.3 Deferred tax charge arising from temporary differences, tax losses or unused tax credits

	Current Period	Prior Period
Sources of deferred tax benefit/charge:		
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	11,835	5,138
Arising from Origination (+)/ Reversal (-) of Taxable Temporary Differences	3,108	(6,751)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	14,943	(1,613)

8. Net profit and loss

8.1 *Any further explanation on operating results needed for a proper understanding of the Bank's performance*

Income generated from the DFS Group's ordinary banking transactions during the current and prior period are mainly consisted of interest income from loans and marketable securities and income from other banking services. Main expense items are the interest expenses related to deposits and borrowings which are the main funding sources of marketable securities and loans. The size and recurring ratio of these items are not significant which would require additional explanation and disclosure.

8.2 Changes in estimations made by the DFS Group do not have a material effect on current and subsequent period profit/loss.

8.3 Since there is no minority right in the share capital of the DFS Group, there is not any profit or loss related to minority rights.

8.4 No changes have been made in the accounting estimates which may have a material effect in current period and materially affect subsequent periods.

9. **Information related to the components of other items in the income statement exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group**

Fees and Commissions Received	Current Period	Prior Period
Credit Card Commissions	95,002	59,537
Brokerage Fees	52,352	58,064
Non-Cash Loans	37,756	31,311
Cash Loans	14,804	12,221
Remittance Commissions	8,411	7,286
Insurance Services	7,111	7,436
Others	27,512	23,674
Total	242,948	199,529

Fees and Commissions Paid	Current Period	Prior Period
Credit Card / POS Commissions	49,334	33,947
Cash Loans	3,336	1,251
Brokerage Fees	3,517	9103
Non-Cash Loans	180	433
Others	11,102	8,277
Total	67,469	53,011

V. Information and disclosures related to the DFS Group's risk group

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 As of 30 September 2007, the Bank's risk group has deposits, cash and non-cash loans, and subordinated loans at the Bank amounting to YTL 1,633,949, YTL 50,107, YTL 1,793, and YTL 377,817, respectively. As a result of the transactions with the risk group, the Bank has recorded net interest and commission expense amounting to YTL 41,856. Interest and commission income/(expense) also included the transactions made with Zorlu Group in the first nine months of 2006.

Current Period

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	8,738	2,125	--	2,651	--	37
Balance at the End of the Period	10,837	843	39,237	911	33	39
Interest and Commission Income Received	27	2	5	719	1	3

Prior Period

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	6,589	3,992	21,162	186,340	--	--
Balance at the End of the Period	8,738	2,125	--	2,651	--	37
Interest and Commission Income Received	--	168	2,166	722	--	--

* As described in the Article 49 of Banking Law no.5411.

1.2 Information on deposits held by the DFS Group's risk group

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<u>Deposits</u>						
Balance at the beginning of the Period	23	2,732	743,522	643,137	5,061	14,144
Balance at the End of the Period	2,637	23	2,006,914	743,522	2,215	5,061
Interest on Deposits	197	2	42,097	5,932	319	--

* As described in the Article 49 of Banking Law no.5411.

1.3 Information on forward and option agreements and similar agreements made with the DFS Group's risk group

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Current Period	Prior Period	Current Period
Transactions for Trading Purposes:						
Beginning of the Period	--	--	--	--	--	--
End of the Period	--	--	700,774	--	--	--
Total Income/Loss	--	--	(3,553)	98	--	--
Transactions for Hedging Purposes:						
Beginning of the Period	--	--	--	--	--	--
End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

* As described in the Article 49 of Banking Law no.5411.

2. Disclosures of transactions with the DFS Group's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of 30 September 2007, cash loans of the risk group represented 0.5% of the DFS Group's total cash loans granted, the deposits and loans received represented 16% of the DFS Group's total deposits and loans received. Non-cash loans granted represent 0.04% of the total balance.

2.3 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The risk group, which the DFS Group belongs to, has entered into financial lease contracts with Deniz Leasing.

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. Other explanations related to the Parent Bank's operations

1. Explanations related to the Bank's operations

On 5 March 2007, the Bank fully repaid its club loan, amounting to USD 500 millions.

On 21 March 2007, the Bank signed a USD 150 million long-term securitization loan agreement (Series 2007-A), based on remittance flows. The maturity of the loan is 15 December 2014. On 17 September 2007, the Bank repaid the loan in full.

On 28 June 2007, the Bank obtained a securitization loan based on remittances, amounting to USD 350 million (Series 2007-B, USD 200 million, and Series 2007-C, USD 150 million) by the intermediation of Dexia Bank Belgium and ABN Amro Bank. The maturity of the loan is 15 June 2015.

The Bank obtained a 10 years maturity (repayable after 5 years) subordinated loan from Dexia SA, amounting to USD 50 million on 28 June 2007.

On 3 July 2007, the Bank fully repaid its securitization loan, amounting to USD 150 millions (Series 2005-A) which had an original maturity of 2010.

The Bank obtained a 10 years maturity (repayable after 5 years) subordinated loan from Dexia SA, amounting to USD 130 million on 27 September 2007.

The Bank signed a 10 years loan facility with European Investment Bank, amounting to Euro 250 million, on 12 July 2007. The loan is designed to be granted to small and medium sized enterprises, and commercial and corporate customers, in portions of Euro 150 million and Euro 100 million, respectively.

2. Information summary about ratings of the Banks which has been performed by the international risk rating institutions

Republic of Turkey's rating by Fitch Ratings

On 11 May 2007, Fitch Ratings affirmed Turkey's local and foreign currency ratings outlook at Stable. There has been no rating change to Turkey's country ceiling rating of BB, the long term local and foreign currency ratings of BB- and short term foreign currency ratings of B.

Denizbank's rating by Fitch Ratings

On 8 June 2007, Fitch Ratings has upgraded Denizbank's individual rating to C from C/D. On 1 June 2007, Fitch Ratings has raised the national long-term rating of Denizbank to AA+ from AA and affirmed the outlooks for foreign and local currency IDRs and the National rating at Stable. The latest ratings of Denizbank are as follows:

Foreign Currency				Local Currency		
Short Term	Long Term	Individual	Support	Short Term	Long Term	National
B	BB (Stable)	C	3	B	BB+ (Stable)	AA+ (Stable)

Republic of Turkey's rating by Moody's Investors Service

On 24 May 2006, Moody's Investors Service upgraded Turkey's country ceiling for foreign currency debt to Ba1 from Ba3. There has been no change to the Ba3 rating of Turkey's long term foreign currency bond ratings and Turkish government's long term foreign and local currency issuer ratings. Moody's affirmed foreign currency bank deposit country ceiling at B1, local currency bank deposit country ceiling at A3 and the outlooks on the country and government ratings at stable.

Denizbank's rating by Moody's Investors Service

On 24 April 2007, Moody's has raised Denizbank's financial strength rating to C- from D+ and assigned its outlook at Stable. The latest ratings of Denizbank are as follows:

Long Term Foreign Currency Deposit	Long Term Local Currency Deposit	Short Term Local Currency Deposit	Local Currency Deposit Outlook	Financial Strength Rating	Financial Strength Rating Outlook
B1 / Stable	A3	Prime-2	Stable	C-	Stable

3. Transactions that have not been finalized and their effect on the consolidated financial statements

None.

4. Information about effects on foreign currency transactions and financial statements of significant changes in foreign exchange rates after balance sheet date and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process should they not be mentioned.

SECTION SEVEN

INDEPENDENT AUDITORS' REVIEW REPORT

I. Information on the independent auditors' review report

The Bank's consolidated interim financial statements as of 30 September 2007 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. It was noted in their review report dated 9 November 2007 that nothing material has come to their attention that caused them to believe that the accompanying consolidated interim financial statements do not present fairly the financial position of Denizbank Anonim Şirketi and its subsidiaries in all material respects in accordance with regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411.