

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

Denizbank Anonim Şirketi and Its Subsidiaries

Consolidated Interim Financial Statements
As of and for the Six Months Period Ended
30 June 2007

With Independent Auditor's Review Report Thereon

Akis Serbest Muhasebeci
Mali Müşavirlik
Anonim Şirketi
14 August 2007

This report contains 63 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 June 2007 and the related consolidated statement of income, changes in shareholders' equity and cash flows for the six 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 June 2007, which statements reflect total assets constituting 14 percent; and total interest and commission income constituting 7 percent after elimination of intercompany balances and transactions as of and for the six months period ended 30 June 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 June 2007, and of the results of its operations and its cash flows for the six 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,
14 August 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. AND ITS SUBSIDIARIES
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 JUNE 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.	Global 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 **New Turkish Lira (YTL) thousands**.

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

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Denizbank Anonim Şirketi and Its Subsidiaries

Consolidated Financial Report as of 30 June 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. 0.22% of the Bank's shares are publicly held as of 30 June 2007.

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	315,394,034	99.78
M. Cem Bodur	5	0.00
Hakan Ateş	5	0.00
Ayfer Yılmaz	5	0.00
Mustafa Tinas Titiz	5	0.00
Publicly traded	705,946	0.22
	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 June 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			PRIOR PERIOD		
		(30/06/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	314,679	612,490	927,169	147,293	727,923	875,216
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(5.1.2)	290,409	160,912	451,321	204,258	171,100	375,358
2.1 Trading Securities		259,263	136,651	395,914	170,442	157,221	327,663
2.1.1 Public Sector Debt Securities		247,614	11,406	259,020	156,845	20,937	177,782
2.1.2 Share Certificates		11,278	12	11,290	13,209	-	13,209
2.1.3 Other Securities		371	125,233	125,604	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		31,146	24,261	55,407	33,816	13,879	47,695
III. BANKS AND OTHER FINANCIAL INSTITUTIONS	(5.1.3)	14,113	2,392,306	2,406,419	63,629	2,717,593	2,781,222
IV. INTERBANK MONEY MARKET		335,142	5,306	340,448	260,743	27,390	288,133
4.1 Interbank Money Market Placements		1,300	-	1,300	-	27,390	27,390
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	1,450	-	1,450
4.3 Receivables from Reverse Repurchase Agreements		333,842	5,306	339,148	259,293	-	259,293
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	839,051	301,062	1,140,113	582,181	391,585	973,766
5.1 Share Certificates		3,927	58	3,985	3,867	58	3,925
5.2 Public Sector Debt Securities		835,124	211,297	1,046,421	578,314	288,063	866,377
5.3 Other Securities		-	89,707	89,707	-	103,464	103,464
VI. LOANS	(5.1.5)	5,706,938	3,315,755	9,022,693	4,992,720	3,070,659	8,063,379
6.1 Loans		5,698,315	3,310,853	9,009,168	4,986,668	3,070,323	8,056,991
6.2 Loans under Follow-Up		197,132	10,571	207,703	166,049	3,885	169,934
6.3 Specific Provisions (-)		188,509	5,669	194,178	159,997	3,549	163,546
VII. FACTORING RECEIVABLES		324,409	20,259	344,668	288,469	16,365	304,834
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	7,904	153,024	160,928	-	177,381	177,381
8.1 Public Sector Debt Securities		7,904	35,541	43,445	-	62,591	62,591
8.2 Other Securities		-	117,483	117,483	-	114,790	114,790
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	3,686	-	3,686	3,686	-	3,686
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated		3,686	-	3,686	3,686	-	3,686
9.2.1 Financial Investments		104	-	104	104	-	104
9.2.2 Non-Financial Investments		3,582	-	3,582	3,582	-	3,582
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	5,450	-	5,450	5,145	-	5,145
10.1 Unconsolidated Financial Investments		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Investments		5,450	-	5,450	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)	114,663	592,244	706,907	87,048	443,819	530,867
12.1 Financial Lease Receivables		154,979	685,512	840,491	117,657	523,850	641,507
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		40,316	93,268	133,584	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)		88,581	3,884	92,465	94,484	3,796	98,280
XV. INTANGIBLE ASSETS (Net)		46,939	3,206	50,145	43,628	3,353	46,981
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		46,939	3,206	50,145	43,628	3,353	46,981
XVI. TAX ASSETS		9,008	86	9,094	-	-	-
16.1 Current Tax Assets		516	86	602	-	-	-
16.2 Deferred Tax Assets	(5.1.12)	8,492	-	8,492	-	-	-
XVII. ASSETS HELD FOR SALE (Net)		15,260	-	15,260	15,363	-	15,363
XVIII. OTHER ASSETS	(5.1.13)	158,395	100,265	258,660	118,678	46,738	165,416
TOTAL ASSETS		8,274,627	7,660,799	15,935,426	6,907,325	7,797,702	14,705,027

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(30/06/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(5.II.1)	4,128,013	6,017,174	10,145,187	3,260,206	6,202,819	9,463,025
II. NEGATIVE VALUE OF TRADING PURPOSE DERIVATIVES	(5.II.2)	50,597	18,970	69,567	26,037	20,243	46,280
III. FUNDS BORROWED	(5.II.3)	309,430	2,289,270	2,598,700	255,029	2,445,707	2,700,736
IV. INTERBANK MONEY MARKET		784,532	-	784,532	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		784,532	-	784,532	455,630	-	455,630
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		238,647	84,939	323,586	222,137	63,718	285,855
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	81,850	21,419	103,269	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		2	-	2	2	1	3
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		1	-	1	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)	96,192	9,639	105,831	68,546	12,664	81,210
12.1 General Provisions		58,374	151	58,525	52,559	-	52,559
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Termination Benefits		7,422	1,279	8,701	6,071	601	6,672
12.4 Insurance Technical Provisions (Net)		12,474	-	12,474	-	-	-
12.5 Other Provisions		17,922	8,209	26,131	9,916	12,063	21,979
XIV. TAX LIABILITIES	(5.II.8)	58,643	4,276	62,919	52,365	3,011	55,376
14.1 Current Tax Liability		58,619	4,098	62,717	51,041	2,978	54,019
14.2 Deferred Tax Liability		24	178	202	1,324	33	1,357
XV. PAYABLES RELATED TO ASSETS HELD FOR SALE		-	-	-	-	-	-
XIII. SUBORDINATED LOANS		-	228,334	228,334	-	166,746	166,746
XVI. SHAREHOLDERS' EQUITY	(5.II.9)	1,459,821	53,679	1,513,500	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		294,698	5,377	300,075	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)	7,114	5,377	12,491	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		629,339	17,214	646,553	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		598,367	10,576	608,943	317,136	10,486	327,622
16.3.4 Other Profit Reserves		165	1,621	1,786	4,844	5,686	10,530
16.4 Profit or Loss		219,684	31,088	250,772	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		167,744	-	167,744	325,852	16,437	342,289
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		7,207,726	8,727,700	15,935,426	5,709,687	8,995,340	14,705,027

	Footnotes	CURRENT PERIOD (30/06/2007)			PRIOR PERIOD (31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		7,127,107	9,877,500	17,004,607	5,339,036	8,489,068	13,828,104
I. GUARANTEES	(5.III.1-3)	1,406,678	2,994,316	4,400,994	1,278,620	2,932,197	4,210,817
1.1. Letters of Guarantee		1,406,678	1,422,149	2,828,827	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		86,479	19,436	105,915	131,769	124,771	256,540
1.1.3. Other Letters of Guarantee		1,320,199	1,402,713	2,722,912	1,146,733	1,499,949	2,646,682
1.2. Bank Acceptances		-	103,175	103,175	-	142,409	142,409
1.2.1. Import Letter of Acceptance		-	103,175	103,175	-	142,409	142,409
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	1,259,223	1,259,223	118	1,086,574	1,086,692
1.3.1. Documentary Letters of Credit		-	924,755	924,755	118	687,528	687,646
1.3.2. Other Letters of Credit		-	334,468	334,468	-	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		-	209,769	209,769	-	78,494	78,494
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS		3,186,505	-	3,186,505	2,728,283	98,392	2,826,675
2.1. Irrevocable Commitments		3,185,824	-	3,185,824	2,727,602	98,392	2,825,994
2.1.1. Asset Purchase Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		100	-	100	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries		550	-	550	455	-	455
2.1.4. Loan Granting Commitments		49,972	-	49,972	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		511,603	-	511,603	431,925	-	431,925
2.1.8. Tax and Fund Obligations from Export Commitments	(5.III.1)	-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits	(5.III.1)	2,459,213	-	2,459,213	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		164,386	-	164,386	95,547	98,392	193,939
2.2. Revocable Commitments		681	-	681	681	-	681
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		681	-	681	681	-	681
III. DERIVATIVE FINANCIAL INSTRUMENTS		2,533,924	6,883,184	9,417,108	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		2,533,924	6,883,184	9,417,108	1,332,133	5,458,479	6,790,612
3.2.1. Forward Foreign Currency Purchases/Sales		422,872	4,271,667	4,694,539	363,959	3,637,017	4,000,976
3.2.1.1. Forward Foreign Currency Purchases		233,739	2,112,478	2,346,217	73,855	1,920,855	1,994,710
3.2.1.2. Forward Foreign Currency Sales		189,133	2,159,189	2,348,322	290,104	1,716,162	2,006,266
3.2.2. Currency and Interest Rate Swaps		849,915	1,875,666	2,725,581	467,519	1,013,491	1,481,010
3.2.2.1. Currency Swaps-Purchases		1,000	761,617	762,617	-	564,103	564,103
3.2.2.2. Currency Swaps-Sales		246,508	528,897	775,405	238,585	328,092	566,677
3.2.2.3. Interest Rate Swaps-Purchases		228,617	358,458	587,075	114,467	60,648	175,115
3.2.2.4. Interest Rate Swaps-Sales		373,790	226,694	600,484	114,467	60,648	175,115
3.2.3. Currency, Interest Rate and Security Options		979,256	711,213	1,690,469	500,654	770,858	1,271,512
3.2.3.1. Currency Options-Purchases		513,207	332,507	845,714	268,197	368,401	636,598
3.2.3.2. Currency Options-Sales		465,382	374,126	829,508	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		7,277	2,290	9,567	-	-	-
3.2.3.6. Securities Options-Sales		3,390	2,290	5,680	-	-	-
3.2.4. Currency Futures		-	1,650	1,650	-	13,906	13,906
3.2.4.1. Currency Futures-Purchases		-	1,650	1,650	-	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		281,881	22,988	304,869	1	17,585	17,586
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		12,085,219	4,504,892	16,590,111	8,361,794	4,409,305	12,771,099
IV. ITEMS HELD IN CUSTODY		3,046,764	780,648	3,827,412	2,646,418	818,888	3,465,306
4.1. Customers' Securities Held		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		2,255,703	195,303	2,451,006	1,805,642	156,617	1,962,259
4.3. Checks Received for Collection		161,745	143,006	304,751	266,618	231,591	498,209
4.4. Commercial Notes Received for Collection		177,126	442,339	619,465	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		451,843	-	451,843	3,015	83,185	86,200
4.8. Custodians		347	-	347	225,018	-	225,018
V. PLEDGED ITEMS		9,038,266	3,664,179	12,702,445	5,715,199	3,522,621	9,237,820
5.1. Securities		1,959,547	17,285	1,976,832	522,582	18,415	540,997
5.2. Guarantee Notes		1,989,875	585,500	2,575,375	1,178,272	586,352	1,764,624
5.3. Commodities		1,188,199	704,136	1,892,335	1,043,363	798,403	1,841,766
5.4. Warranties		-	-	-	-	-	-
5.5. Immovables		3,649,822	2,143,649	5,793,471	2,759,254	1,876,488	4,635,742
5.6. Other Pledged Items		250,823	213,609	464,432	211,728	242,963	454,691
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		189	60,065	60,254	177	67,796	67,973
TOTAL OFF BALANCE SHEET ITEMS (A+B)		19,212,326	14,382,392	33,594,718	13,700,830	12,898,373	26,599,203

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2007-30/06/2007)	(01/01/2006-30/06/2006)	(01/04/2007-30/06/2007)	(01/04/2006-30/06/2006)
I. INTEREST INCOME	(5.IV.1)	905,149	650,155	471,271	371,546
1.1 Interest on Loans		646,364	456,332	341,315	265,047
1.2 Interest Received from Reserve Deposits		18,190	12,759	9,121	7,057
1.3 Interest Received from Banks		53,459	34,693	25,728	17,470
1.4 Interest Received from Money Market Transactions		6,850	28,954	3,114	23,214
1.5 Interest Received from Securities Portfolio		126,478	91,096	64,092	43,209
1.5.1 Trading Securities		31,981	9,344	15,467	3,372
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		90,479	71,073	47,037	32,637
1.5.4 Held to Maturity Securities		4,018	10,679	1,588	7,200
1.6 Interest Received from Financial Leases		33,698	17,403	18,047	10,024
1.7 Other Interest Income		20,110	8,918	9,854	5,525
II. INTEREST EXPENSE	(5.IV.2)	516,207	351,016	268,819	196,252
2.1 Interest on Deposits		382,874	253,685	193,747	141,004
2.3 Interest on Funds Borrowed		81,079	92,050	40,624	53,179
2.4 Para Piyasası İşlemlerine Verilen Faizler		50,513	4,186	33,782	1,336
2.5 Interest on Securities Issued		-	-	-	-
2.6 Other Interest Expense		1,741	1,095	666	733
III. NET INTEREST INCOME (I - II)		388,942	299,139	202,452	175,294
IV. NET FEES AND COMMISSIONS INCOME	(5.IV.9)	117,055	99,834	62,301	54,202
4.1 Fees and Commissions Received		159,412	131,750	85,814	71,262
4.1.1 Cash Loans		9,899	7,927	5,958	2,489
4.1.2 Non-Cash Loans		26,215	19,821	12,145	10,920
4.1.3 Other		123,298	104,002	67,711	57,853
4.2 Fees and Commissions Paid		42,357	31,916	23,513	17,060
4.2.1 Cash Loans		2,838	563	2,463	288
4.2.2 Non-Cash Loans		156	376	(309)	157
4.2.3 Other		39,363	30,977	21,359	16,615
V. DIVIDEND INCOME		294	952	3	349
VI. TRADING INCOME/LOSS (Net)	(5.IV.3)	656	(15,886)	3,963	(28,822)
6.1 Profit / Losses on Trading Account Securities		(57,574)	73,738	(63,063)	59,421
6.2 Foreign Exchange Gains / Losses		58,230	(89,624)	67,026	(88,243)
VII. OTHER OPERATING INCOME	(5.IV.4)	71,566	67,275	31,149	31,402
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		578,513	451,314	299,868	232,425
IX. PROVISION FOR LOAN LOSSES OR OTHER RECEIVABLES (-)	(5.IV.5)	68,857	82,984	29,347	47,634
X. OTHER OPERATING EXPENSES (-)	(5.IV.6)	304,869	241,504	165,151	126,721
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		204,787	126,826	105,370	58,070
XII. NEGATIVE GOODWILL		-	-	-	-
XIII. PROFIT / LOSS FROM ASSOCIATES		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. PROFIT / LOSS BEFORE TAXES (XI+XII+XIII+XIV)		204,787	126,826	105,370	58,070
XVI. PROVISION FOR TAXES ON INCOME (±)	(5.IV.7)	(37,043)	(18,074)	(18,724)	(4,486)
16.1 Current Tax Provision		(44,662)	(13,473)	(24,778)	7,225
16.2 Deferred Tax Provision		7,619	(4,601)	6,054	(11,711)
XVII. NET OPERATING PROFIT / LOSS AFTER TAXES (XV±XVI)		167,744	108,752	86,646	53,584
17.1 Ceased Operations		-	-	-	-
17.2 Other		167,744	108,752	86,646	53,584
XVIII. NET PROFIT /LOSS		167,744	108,752	86,646	53,584
18.1 Group's Profit / Loss		167,744	108,752	86,646	53,584
18.2 Minority Shares		-	-	-	-
Earnings / Losses per Share (Full YTL)		0.53	0.34	-	-

Denizbank Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the Six Month Periods Ended 30 June 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															Total Equity Attributable to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
		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				
PRIOR PERIOD																		
(30/06/2006)																		
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		-	-	-	-	-	-	-	-	4,761	7,117	-	-	8,323	20,201	-	20,201	
2.1 Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Changes in Accounting Policies		-	-	-	-	-	-	-	-	4,761	7,117	-	-	8,323	20,201	-	20,201	
III. Adjusted Beginning Balance (I + II)		316,100	189,164	98,351	-	5,631	-	106,983	702	231,213	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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	(65,481)	(65,481)	-	(65,481)	
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers																		
VII. Available-for-Sale Securities		-	-	3	-	-	-	-	-	-	-	-	-	-	(5,919)	(5,919)	-	(5,919)
VIII. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	108,752	-	-	-	-	108,752	-	108,752	
X. Profit Distribution		-	-	-	-	16,769	-	222,475	-	(231,213)	(3,822)	-	-	4,209	4,209	-	4,209	
10.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.2 Transferred to Reserves		-	-	-	-	16,769	-	222,475	-	-	(235,035)	-	-	4,209	4,209	-	4,209	
10.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI. Capital Increase		-	-	-	-	-	-	-	-	(231,213)	231,213	-	-	-	15,837	-	15,837	
11.1 Cash		-	-	-	-	-	-	-	-	16,539	(702)	-	-	-	-	-	-	
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		-	-	-	-	-	-	-	-	16,539	(702)	-	-	-	15,837	-	15,837	
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	-	22,400	-	329,458	17,241	108,752	30,398	-	11,490	45,712	1,169,069	-	1,169,069	
CURRENT PERIOD																		
(30/06/2007)																		
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	1,929	1,997	1,997	
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers																		
V. Available-for-Sale Securities		-	-	-	-	-	-	-	-	-	-	-	-	-	(1,979)	(1,979)	(1,979)	
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	167,744	-	-	-	-	167,744	-	167,744	
VIII. Profit Distribution		-	-	-	-	13,817	-	281,321	-	(342,289)	47,151	-	-	-	-	-	-	
8.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.2 Transferred to Reserves		-	-	-	-	13,817	-	281,321	-	-	(295,138)	-	-	-	-	-	-	
8.3 Others		-	-	-	-	-	-	-	-	(342,289)	342,289	-	-	-	-	-	-	
IX. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	(8,744)	-	(8,744)	
9.1 Cash		-	-	-	-	-	-	-	-	(8,744)	-	-	-	-	-	-	-	
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		-	-	-	-	-	-	-	-	(8,744)	-	-	-	-	(8,744)	-	(8,744)	
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	1,786	167,744	83,028	-	69	12,491	1,513,500	-	1,513,500	

	Footnotes	CURRENT PERIOD (30/06/2007)	PRIOR PERIOD (30/06/2006)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities(+)		70,758	184,713
1.1.1 Interest Received		849,157	497,117
1.1.2 Interest Paid (-)		515,354	307,112
1.1.3 Dividend Received (+)		294	952
1.1.4 Fees And Commissions Received (+)		159,412	131,750
1.1.5 Other Income (+)		29,567	215,240
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)		40,467	30,869
1.1.7 Payments to Personnel and Service Suppliers (-)		164,105	113,851
1.1.8 Taxes Paid (-)		35,362	16,833
1.1.9 Other (+/-)		(293,318)	(253,419)
1.2 Changes in Operating Assets and Liabilities		(210,186)	(1,130,549)
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)		(33,115)	(95,473)
1.2.2 Net (Increase) Decrease in Due From Banks And Other Financial Institutions(+/-)		-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)		(58,118)	(274,899)
1.2.4 Net (Increase) Decrease in Loans (+/-)		(1,129,750)	(2,525,878)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(27,198)	(128,853)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		143,306	78,800
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		536,117	883,990
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)		(97,899)	1,090,248
1.2.9 Net Increase (Decrease) in Due Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)		456,471	(158,484)
I. Net Cash (Used in)/Provided by Banking Operations (+/-)		(139,428)	(945,836)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (Used in) Investing Activities (+/-)		(169,889)	342,307
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)		305	385
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)		-	-
2.3 Fixed Assets Purchases (-)		17,479	10,254
2.4 Fixed Assets Sales (+)		2,544	1,850
2.5 Cash Paid for Purchase of Investments Available for Sale (-)		369,590	-
2.6 Cash Obtained From Sale of Investments Available for Sale (+)		207,714	281,739
2.7 Cash Paid for Purchase of Investment Securities(-)		8,367	13,342
2.8 Cash Obtained from Sale of Investment Securities (+)		15,594	82,699
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 (+/-)		40,261	(250,634)
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(269,056)	(854,163)
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)		2,748,046	2,234,860

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	Net Profit for the Period	Prior Period Net Profit	Total Equity
Balances Reported as of 31 December 2005	108,792	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
Balances Restated as of 31 December 2005	117,115	231,213	34,922	1,111,671

	Net Profit for the Period
Balances Reported as of 30 June 2006	109,695
Correction of Employee Termination Benefits (TAS 19)	(378)
Fair Value Corrections Made to Trading Securities (TAS 39)	(565)
Balances Restated as of 30 June 2006	108,752

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 XXII 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 June 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 June 2007	31 December 2006	30 June 2006
US Dollars	YTL 1.3046	YTL 1.4056	1.5697 YTL
Euro	YTL 1.7585	YTL 1.8515	1.9963 YTL

2.2 Foreign exchange gains and losses included in the income statement

Net foreign exchange loss included in the income statement amounts to YTL 58,230 (30 June 2006: net foreign exchange loss of YTL 89,624).

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 quarterly average foreign exchange rates. Foreign exchange differences arising on translation are recognized directly in equity. Those foreign exchange differences amount to YTL 1,786 as of 30 June 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) and Deniz Faktoring A.Ş. (Deniz Faktoring), 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. Global Hayat Sigorta A.Ş. is not consolidated because it is below the materiality level set forth for the Bank’s financial statements.

The Bank, as the parent bank, and its subsidiaries, Deniz Yatırım, Ekspres Yatırım, Deniz Türev, Eurodeniz, Deniz Portföy, Denizbank AG, Denizbank Moscow, Deniz Leasing and Deniz Faktoring 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 June 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 June 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 June 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, the arithmetic mean of the daily weighted average prices that are quoted during the five days prior to and including 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 15,260 (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 376 lawsuits against DFS Group with total risks amounting to YTL 31,250, USD 1,640,559 and Euro 110,799 as of 30 June 2007. There are also 5,810 follow-up cases amounting to YTL 21,714, Euro 196,251 and USD 454,066 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:

	31.03.2007	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 June 2007 is YTL 1,961; 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 8,492 of deferred tax assets and YTL 202 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 June 2006, in order to maintain compliance with the accompanying consolidated financial statements of 30 June 2007.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 12.80% as of 30 June 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. 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)	3,061,104	2,446,169	1,722,171	8,191,327	2,361,433	1,635,297	1,229,910	6,514,172
Cash in Vault	178,336	219	--	--	166,780	219	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--	--
Central Bank of Turkey Domestic and Foreign Banks, Foreign Branches	385,908	--	--	--	385,908	--	--	--
Interbank Money Market	1,300	--	--	--	--	--	--	--
Receivables from Reverse Repos	339,148	--	--	--	--	--	--	--
Reserve Deposits	356,765	--	--	--	351,414	--	--	--
Loans	640,539	31,905	1,685,018	6,453,210	405,818	23,404	1,201,504	5,843,025
Non-performing Loans (Net)	--	--	--	13,525	--	--	--	7,461
Receivables from Leasing Operations	--	--	--	698,294	--	--	--	--
Investments Available-for-Sale	984,546	85,687	--	9,943	982,643	--	--	6,310
Investments Held-to-Maturity	63,850	78,085	--	16,353	--	--	--	11,089
Receivables from Sale of Assets	--	--	--	677	--	--	--	321
Miscellaneous Receivables	--	--	--	428,225	--	--	--	84,523
Accrued Interest and Other Income	68,113	5,883	37,153	175,244	63,371	1,713	28,406	154,383
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	9,136	--	--	--	202,320
Tangible Assets	--	--	--	107,725	--	--	--	102,339
Other Assets	27,019	--	--	138,669	5,499	--	--	59,910
Off-Balance Sheet Items	84,075	1,164,546	459,053	1,669,006	84,075	1,125,501	455,183	1,642,083
Non-Cash Loans and Commitments	84,075	1,087,790	459,053	1,648,129	84,075	1,058,761	455,183	1,624,107
Derivatives	--	76,756	--	20,877	--	66,740	--	17,976
Accounts Not Risk Weighted				--	--	--	--	--
Total Risk Weighted Assets	3,145,179	3,610,715	2,181,224	9,860,333	2,445,508	2,760,798	1,685,093	8,156,255

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

	Consolidated		Unconsolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets	11,673,088	10,636,546	9,550,961	8,641,774
Value at Risk	549,463	223,500	484,675	309,350
Operation Risk (*)	1,135,830	--	861,211	--
Shareholders' Equity	1,709,646	1,503,537	1,529,014	1,388,419
Shareholders' Equity / (RWA+VAT)*100	12.80%	13.84 %	14.03 %	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	610,729	338,152
Reserve Allocated at the General Assembly	608,943	327,622
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Translation Differences	1,786	10,530
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	--	--
Profit	250,772	378,166
Current Period Profit	167,744	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 (-)	36,783	32,872
Prepaid Expenses (-)	29,398	18,485
Intangible Assets (-)	13,363	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	1,421,935	1,278,718
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	58,525	52,559
45% of Revaluation Fund of Securities	--	--
45% of Revaluation Fund of Real Estate	--	--
Revaluation Surplus	70	--
Amount not Included in Core Capital for Primary Subordinated Loans	--	--
Secondary Subordinated Loans	223,495	166,616
45% of Securities Value Increase Fund	5,621	5,644
Associates and Subsidiaries	1,814	--
Investments Available-for-Sale	3,807	5,644
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	--	--
Total Supplementary Capital	287,711	224,819
TIER III CAPITAL		
CAPITAL	1,709,646	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	1,709,646	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	20,722
(II) Capital Obligation against Specific Risk - Standard Method	13,596
(III) Capital Obligation against Currency Risk - Standard Method	9,639
(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)	43,957
(IX Value-At-Risk Amount (12,5 x VIII) or (12,5 x VII))	549,463

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 1.3046
Euro purchase rate at the date of the balance sheet	YTL 1.7585

Date	US Dollar	Euro
25 June 2007	1.3092	1.7615
26 June 2007	1.3192	1.7753
27 June 2007	1.3250	1.7805
28 June 2007	1.3174	1.7696
29 June 2007	1.3046	1.7585

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 June 2007 are YTL 1.3146 and YTL 1.7635, 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.	89,842	504,897	1,599	16,152	612,490
Due from Banks and Other Financial Institutions	616,402	1,692,853	2,627	80,424	2,392,306
Financial Assets at Fair Value Through Profit or Loss	17,066	37,336	5	106,505	160,912
Interbank Money Market Placements	--	--	--	5,306	5,306
Investment Securities Available-for-Sale	121,438	179,624	--	--	301,062
Loans (*)	1,541,577	2,471,225	2,048	39,327	4,054,177
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	140,901	12,123	--	--	153,024
Hedging Purpose Financial Derivatives	--	--	--	--	--
Tangible Assets	3,425	15	--	444	3,884
Intangible Assets	2,431	177	--	598	3,206
Other Assets	424,131	275,326	171	13,226	712,854
Total Assets	2,957,213	5,173,576	6,450	261,982	8,399,221
Liabilities					
Bank Deposits	22,321	236,219	--	11,453	269,993
Foreign Currency Deposits	2,639,379	2,994,366	14,392	99,044	5,747,181
Interbank Money Markets	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	462,127	1,819,296	62	7,785	2,289,270
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	36,182	48,278	396	83	84,939
Hedging Purpose Financial Derivatives	--	--	--	--	--
Other Liabilities (**)	177,318	102,767	52	2,502	282,639
Total Liabilities	3,337,327	5,200,926	14,902	120,867	8,674,022
Net On Balance Sheet Position	(380,114)	(27,350)	(8,452)	141,115	(274,801)
Net Off Balance Sheet Position	346,652	(62,424)	4,289	(9,355)	279,162
Financial Derivatives (Assets)	938,455	1,878,592	261,438	502,688	3,581,173
Financial Derivatives (Liabilities)	591,803	1,941,016	257,149	512,043	3,302,011
Non-Cash Loans	742,945	2,189,867	4,815	56,689	2,994,316
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	--	366,720	--	--	--	560,449	927,169
Due from Banks and Other Fin.Inst.	1,926,395	162,291	182,781	16,602	22,533	95,817	2,406,419
Financial Assets at Fair Value Through Profit or Loss	95,719	6,598	13,865	26,025	297,824	11,290	451,321
Interbank Money Market Placements	340,448	--	--	--	--	--	340,448
Investment Securities Av.-for-Sale	461,380	86,315	45,479	22,999	519,958	3,982	1,140,113
Loans	1,986,496	1,554,936	1,015,387	1,072,423	3,379,926	13,525	9,022,693
Investment Securities Held-to-Mat.	34,396	71,053	6,037	37,079	12,363	--	160,928
Other Assets(*)	250,485	244,693	153,753	121,329	469,630	246,445	1,486,335
Total Assets	5,095,319	2,492,606	1,417,302	1,296,457	4,702,234	931,508	15,935,426
Liabilities							
Bank Deposits	73,555	190,774	107	133,230	7,202	63,011	467,879
Other Deposits	5,682,344	772,663	269,654	416,620	404,435	2,131,592	9,677,308
Interbank Money Market Placements	450,690	333,842	--	--	--	--	784,532
Miscellaneous Payables	475	1,516	1,432	3,431	205	316,527	323,586
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	240,162	1,005,962	170,458	643,565	538,553	--	2,598,700
Other Liabilities(**)	35,843	73,775	177,312	4,404	36,519	1,755,568	2,083,421
Total Liabilities	6,483,069	2,378,532	618,963	1,201,250	986,914	4,266,698	15,935,426
On Balance Sheet Long Position	--	114,074	798,339	95,207	3,715,320	--	4,722,940
On Balance Sheet Short Position	(1,387,750)	--	--	--	--	(3,335,190)	(4,722,940)
Off Balance Sheet Long Position	--	--	--	--	--	--	--
Off Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(1,387,750)	114,074	798,339	95,207	3,715,320	(3,335,190)	--

(*) 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 ; 92,465, YTL 50,145, YTL 3,686, YTL 9,094, YTL 5,450 and YTL , 15,260, respectively, are included.

(**) Other liabilities/non-interest bearings; Shareholders' Equity amounting YTL 1,513,500 YTL is 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 amounting YTL 1,354,482 YTL is 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	1.97	2.53	--	13.12
Due from Banks and Other Financial Institutions	4.12	5.42	--	18.01
Financial Assets at Fair Value Through Profit or Loss	5.19	5.87	--	19.33
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	4.48	6.09	--	18.81
Loans	6.10	7.21	1.63	19.95
Investment Securities Held-to-Maturity	4.64	7.88	--	--
Liabilities				
Bank Deposits	2.54	5.25	--	18.73
Other Deposits	3.57	5.20	0.20	18.53
Interbank Money Market Placements	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.97	6.34	--	11.57
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	0.00	0.00	--	0.00
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 15% of the balance sheet is allocated to cash balances, 1% 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 15% of balance sheet size is allocated to cash balances, 1% 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	560,449	--	366,720	--	--	--	--	927,169
Due from Banks and Other Financial Institutions	95,817	1,742,139	177,288	138,987	99,646	152,542	--	2,406,419
Financial Assets at Fair Value Through Profit or Loss	--	41,198	2,779	11,532	21,257	363,265	11,290	451,321
Interbank Money Market Placements	--	340,448	--	--	--	--	--	340,448
Investment Securities Available-for-Sale	--	10	15,878	14,379	22,999	1,082,865	3,982	1,140,113
Loans	--	1,809,945	762,534	1,068,864	1,199,336	4,168,489	13,525	9,022,693
Investment Securities Held-to-Maturity	--	4,220	--	7,851	26,696	122,161	--	160,928
Other Assets	218,529	75,401	244,716	153,753	121,329	469,630	202,977	1,486,335
Total Assets	874,795	4,013,361	1,569,915	1,395,366	1,491,263	6,358,952	231,774	15,935,426
Liabilities								
Bank Deposits	63,011	73,375	190,954	107	133,230	7,202	--	467,879
Other Deposits	2,131,592	5,646,571	772,516	269,654	415,543	441,432	--	9,677,308
Funds Borrowed from Other Financial Institutions	--	240,162	549,352	170,458	643,565	995,163	--	2,598,700
Interbank Money Markets	--	784,532	--	--	--	--	--	784,532
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	316,408	551	1,559	1,432	3,431	205	--	323,586
Other Liabilities	71,733	35,932	8,430	14,245	381	268,876	1,683,824	2,083,421
Total Liabilities	2,582,744	6,781,123	1,522,811	455,896	1,196,150	1,712,878	1,683,824	15,935,426
Net Liquidity Gap	(1,707,949)	(2,767,762)	47,104	939,470	295,113	4,646,074	(1,452,050)	--
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	372,115	168,708	24,852	12,544	578,219
Net operating income	96,929	81,611	14,026	11,927	204,493
Income from associates	--	--	--	--	294
Provision for taxes on income	--	--	--	--	(37,043)
Net profit for the period					167,744
Segment assets	4,614,933	5,459,134	5,426,398	--	15,500,465
Subsidiaries and associates	--	--	--	--	9,136
Undistributed assets	--	--	--	--	425,825
Total assets					15,935,426
Segment liabilities	6,383,224	3,293,936	4,150,025	--	13,827,185
Undistributed liabilities	--	--	--	--	594,741
Shareholders' equity	--	--	--	--	1,513,500
Total liabilities					15,935,426

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	53,691	120,633	68,991	158,736
Central bank of Turkey	254,047	132,702	78,301	151,691
Other	6,941	359,155	1	417,496
Total	314,679	612,490	147,293	727,923

1.1 Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	254,047	131,861	78,301	151,691
Unrestricted Time Deposits	--	841	--	--
Restricted Time Deposits	--	--	--	--
Total	254,047	132,702	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 13.12% for YTL, 2.53% for USD and 1.965% for Euro as of 30 June 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	19,150	298	8,388	6,324
Other	--	--	--	--
Total	19,150	298	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	18,985	--	73,151	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	18,985	--	73,151	--

2.3 Positive value of trading purpose derivatives

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	1,669	4,992	1,378	9,337
Swap Transactions	26,448	18,236	32,328	1,044
Futures	--	32	--	117
Options	3,029	1,001	110	3,368
Other	--	--	--	13
Total	31,146	24,261	33,816	13,879

3. Banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	14,113	2,392,133	63,629	2,716,433
Domestic	8,092	541,453	3,631	316,658
Foreign	6,021	1,850,680	59,998	2,399,775
Foreign Head Offices and Branches	--	--	--	--
Other Financial Institutions	--	173	--	1,160
Total	14,113	2,392,306	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 275,683 (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	155,792	119,891	47,806	190,418
Other	--	--	--	--
Total	155,792	119,891	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	468,451	--	128,881	--
Treasury Bills	--	--	4,074	--
Other Debt Securities	--	--	--	--
Bonds issued or guaranteed by				
Banks	--	--	--	--
Asset backed securities	--	--	--	--
Other	--	--	--	--
Total	468,451	--	132,955	--

4.5 *Available-for-sale securities*

	Current Period	Prior Period
Debt instruments	1,138,982	972,593
Quoted	1,138,982	972,593
Unquoted	--	--
Equity instruments	3,985	3,925
Quoted	--	--
Unquoted	3,985	3,925
Impairment provision (-)	2,854	2,752
Total	1,140,113	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	--	--	19	2,651
Loans Granted to Employees	14,378	--	12,631	37
Total	14,378	--	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	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	8,369,810	--	14,874	1,739
Discount Notes	18,526	--	--	--
Export Loans	804,282	--	3,565	--
Import Loans	25,543	--	--	--
Loans Given to Financial Sector	360,645	--	--	--
Foreign Loans	298,631	--	--	--
Consumer Loans	2,114,124	--	--	--
Credit Cards	435,118	--	--	--
Precious Metal Loans	8,267	--	--	--
Other	4,304,674	--	11,309	1,739
Specialization Loans	622,745	--	--	--
Other Receivables	--	--	--	--
Total	8,992,555	--	14,874	1,739

5.3 *Information on consumer loans*

	Short Term	Medium or Long Term	Total
Consumer Loans-YTL	33,473	1,888,601	1,922,074
Real estate Loans	5,543	614,999	620,542
Automotive Loans	1,652	102,363	104,015
Consumer Loans	26,278	1,171,239	1,197,517
Other	--	--	--
Consumer Loans-Indexed to FC	585	103,976	104,561
Real estate Loans	--	90,918	90,918
Automotive Loans	107	8,147	8,254
Consumer Loans	478	4,911	5,389
Other	--	--	--
Consumer Loans-FC	358	25,715	26,073
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	358	25,715	26,073
Credit Cards-YTL	407,852	14,321	422,173
Installment	110,822	14,321	125,143
Non installment	297,030	--	297,030
Credit Cards-FC	338	--	338
Installment	--	--	--
Non installment	338	--	338
Loans Given to Employees-YTL	1,475	7,118	8,593
Real estate Loans	--	874	874
Automotive Loans	11	13	24
Consumer Loans	1,464	6,231	7,695
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	406	406
Real estate Loans	--	375	375
Automotive Loans	--	31	31
Consumer Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	260	260
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	--	260	260
Employee Credit Cards-YTL	5,217	147	5,364
Installment	1,976	147	2,123
Non installment	3,241	--	3,241
Employee Credit Cards-FC	15	--	15
Installment	--	--	--
Non installment	15	--	15
Overdraft Account-YTL (Individual)	52,157	--	52,157
Overdraft Account-FC (Individual)	--	--	--
Total	501,470	2,040,544	2,542,014

5.4 *Information on installment corporate loans and corporate credit cards*

	Short Term	Medium or Long Term	Total
Installment Corporate Loans - YTL	93,652	391,077	484,729
Real estate Loans	3,246	81,708	84,954
Automotive Loans	10,167	71,068	81,235
Consumer Loans	80,239	235,879	316,118
Other	--	2,422	2,422
Installment Corporate Loans – Indexed to FC	13,429	115,739	129,168
Real estate Loans	1,286	17,702	18,988
Automotive Loans	2,405	25,077	27,482
Consumer Loans	9,738	70,494	80,232
Other	--	2,466	2,466
Installment Corporate Loans - FC	--	7,453	7,453
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	7,453	7,453
Other	--	--	--
Corporate Credit Cards - YTL	7,107	63	7,170
Installment	124	63	187
Non installment	6,983	--	6,983
Corporate Credit Cards - FC	58	--	58
Installment	--	--	--
Non installment	58	--	58
Overdraft Account-YTL (Individual)	60,743	--	60,743
Overdraft Account-FC (Individual)	12,722	--	12,722
Total	187,711	514,332	702,043

5.5 *Domestic and international loans*

	Current Period	Prior Period
Domestic Loans	8,710,537	7,699,061
Foreign Loans	298,631	357,930
Total	9,009,168	8,056,991

5.6 *Loans granted to subsidiaries and investments*

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Investments	9,099	8,738
Indirect Loans Granted to Subsidiaries and Investments	--	--
Total	9,099	8,738

5.7 *Specific provisions for loans*

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	30,644	17,549
Loans and Receivables with Doubtful Collectibility	37,947	34,980
Uncollectible Loans and Receivables	125,587	111,017
Total	194,178	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	17	904	10,748
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	17	904	10,748
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 (+)	65,872	8,675	3,697
Transfers from Other Categories of Non-Performing Loans (+)	--	34,607	21,137
Transfers to Other Categories of Non-Performing Loans (-)	34,607	21,137	--
Collections (-)	18,129	12,730	9,607
Write-offs (-)	--	9	--
Balances at End of the Period	30,677	44,774	132,252
Specific Provisions (-)	30,644	37,947	125,587
Net Balance on Balance Sheet	33	6,827	6,665

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 receivables
Current Period			
Period End Balance	--	10,396	175
Specific Provision (-)	--	5,494	175
Net Balance on Balance Sheet	--	4,902	--
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*

None.

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	7,904	5,684	--	26,016
Other	--	--	--	--
Total	7,904	5,684	--	26,016

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

	Current Period	Prior Period
Government Bonds	41,467	62,591
Treasury Bills	1,515	--
Other Government Securities	463	--
Total	43,445	62,591

6.3 *Information on investment securities held-to-maturity*

	Current Period	Prior Period
Debt Securities	160,928	177,381
Listed	140,883	164,752
Unlisted	20,045	12,629
Impairment (-)	--	--
Total	160,928	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	(9,226)	30,401
Purchases	8,367	12,306
Redemptions	(15,594)	(101,035)
Impairment (-)	--	--
Balance at the end of the period	160,928	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

(*) Amounts given below are as of the year ended 31 December 2005.

The Bank acquired 5% of the shares of Gelişen İşletmeler Piyasaları A.Ş. for YTL 500 on 1 March 2006. All of the amount was paid in cash in March and July.

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	18,257	15,474	1,757	--	--	3,672	2,030	--
2	2,520	2,505	--	--	--	5	--	--

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 ten branches – three in Vienna, the others in Bregenz, Frankfurt, Linz, Graz, Dortmund, Innsbruck and Floridsdorf, 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 June 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 June 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, and YTL 100 on 12 June 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	3,541	2,965	47	145	2	(9)	(2,256)	--
2	775	692	147	--	--	(17)	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	2,143,278	98,783	5,857	61,242	11,909	5,539	--	--
2	777,279	30,769	22	41,033	(3,311)	18,925	12,026	--
3	364,586	24,034	1,076	2,116	381	(626)	(340)	--
4	15,485	5,678	226	709	166	1,134	(3,456)	--
5	32,040	28,714	597	2,303	680	4,653	833	--
6	307,260	39,225	1,042	11,025	5,335	2,737	541	--
7	2,648	2,442	16	206	11	182	151	--
8	854,075	105,087	150	38,134	(1,022)	16,343	25,400	--
9	371,935	51,634	7,091	33,909	(7,730)	7,399	(48)	--
10	15,387	2,487	339	421	380	(57)	(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	1,861	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	(725)	--
Impairment Provision (+)	--	--
Balance at the End of the Period	232,182	230,321
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

8.2.3 *Sectoral distribution of consolidated subsidiaries*

	Current Period	Prior Period
Banks	96,053	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	--	--

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	363,795	297,724	238,697	185,985
Between 1-4 years	420,152	358,896	363,363	308,483
Over 4 years	56,544	50,287	39,447	36,399
Total	840,491	706,907	641,507	530,867

10.2 Information on net financial lease receivables

	Current Period	Prior Period
Gross finance lease receivable	840,491	641,507
Unearned finance income (-)	133,584	110,640
Cancelled leasing agreements (-)	--	--
Net investment on leases	706,907	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 8,492 (31 December 2006: None) and deferred tax liability is YTL 202 (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 taxes are YTL 602 (31 December 2006: None) and prepaid expenses are YTL 29,376 (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	304,866	--	518,923	1,783,334	21,543	14,178	5,184	--	2,648,028
Foreign Currency									
Deposits	1,299,220	--	1,540,488	1,515,810	437,681	515,907	435,557	--	5,744,663
Residents in Turkey	1,069,296	--	1,106,852	1,343,087	196,765	126,271	53,060	--	3,895,331
Residents Abroad	229,924	--	433,636	172,723	240,916	389,636	382,497	--	1,849,332
Public Sector Deposits	12,997	--	797	895	--	--	--	--	14,689
Commercial Deposits	477,000	--	501,516	192,895	14,606	5,684	--	--	1,191,701
Other Ins. Deposits	34,998	--	22,139	18,313	237	29	--	--	75,716
Precious Metal									
Deposits	2,512	--	--	--	--	--	--	--	2,512
Bank Deposits	63,010	--	228,351	25,504	11,768	139,011	234	--	467,878
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	25,280	--	8,309	14,621	10,302	--	--	--	58,512
Foreign Banks	32,126	--	220,042	10,883	1,466	139,011	234	--	403,762
Special Financial Inst.	5,604	--	--	--	--	--	--	--	5,604
Other	--	--	--	--	--	--	--	--	--
Total	2,194,603	--	2,812,214	3,536,751	485,835	674,809	440,975	--	10,145,187

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	1,347,588	1,138,519	1,219,024	833,524
Foreign Currency Savings Deposits	714,890	656,789	1,553,536	1,297,654
Other Saving Deposits	--	--	--	--
Foreign branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	2,062,478	1,795,308	2,772,560	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	1,395,123	551,930
Savings Deposits at Off-shore Branches	108,259	97,944
Total	1,503,382	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	1,148	5,506	11,058	12,097
Swaps	46,541	12,380	14,960	4,933
Futures	--	--	19	--
Options	2,908	1,080	--	3,104
Other	--	4	--	109
Total	50,597	18,970	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	217,375	46,303	105,253	52,094
Foreign Bank, Institutions and Funds	92,055	2,242,967	149,776	2,393,613
Total	309,430	2,289,270	255,029	2,445,707

3.1 Maturity information of funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	277,402	557,786	255,029	1,620,393
Medium and Long-Term	32,028	1,731,484	--	825,314
Total	309,430	2,289,270	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	1	--	--	--
Total	2	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	50,727	45,925
Provisions for Loans and Receivables in Group II	--	--
Provisions for Non Cash Loans	7,798	6,634
Other	--	--
Total	58,525	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 (*)	36,140	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	14,496	13,848
Other	11,096	7,589
Total	25,592	21,437

8. Taxation

8.1 Current taxes

8.1.1 Current tax liability

As of 30 June 2007, DFS Group has current tax liability of YTL 62,717 (31 December 2006: YTL 54,019) after deducting prepaid taxes.

8.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	28,186	15,645
Taxation on securities	9,671	6,686
Capital gains tax on property	471	507
Banking Insurance Transaction Tax (BITT)	6,831	9,131
Taxes on foreign exchange transactions	831	585
Value added tax payable	291	207
Other	8,544	13,782
Total	54,825	46,543

8.1.3 Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	3,090	2,469
Social security premiums- employer share	4,111	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	207	178
Unemployment insurance- employer share	415	350
Other	69	994
Total	7,892	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 June 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	7,114	5,377	5,245	7,293
Foreign Exchange Difference	--	--	--	--
Total	7,114	5,377	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 June 2007, non-cash loans, commitments for credit card limits and commitments for cheque payments are YTL 4,400,994, YTL 2,459,213 and YTL 511,603, 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 June 2007, the DFS Group has letters of guarantee amounting to YTL 2,828,827, bills of exchange and acceptances amounting to YTL 103,175, and guarantees and sureties on letters of credit amounting to YTL 1,259,223. There are also other guarantees and sureties amounting to YTL 209,769.

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	211,031	189,818
Final Letters of Guarantee	2,006,805	2,121,361
Letters of Guarantee for advances	440,524	391,104
Letters of Guarantee given to Customs Offices	105,916	145,929
Other Letters of Guarantee	64,551	55,010
Total	2,828,827	2,903,222

2. Non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	130,882	121,336
With Original Maturity of 1 Year or Less	95,175	58,787
With Original Maturity of More Than 1 Year	35,707	62,549
Other Non-Cash Loans	4,270,112	4,089,481
Total	4,400,994	4,210,817

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	YTL	(%)	YTL	(%)	YTL	(%)	YTL	(%)
Agricultural	12,688	0.90	50,350	1.68	12,812	1.00	45,867	1.57
Farming and Cattle	12,492	0.89	46,637	1.56	12,302	0.96	38,636	1.32
Forestry	5	0.00	3,713	0.12	266	0.02	7,055	0.24
Fishing	191	0.01	--	0.00	244	0.02	176	0.01
Manufacturing	303,591	21.58	1,194,942	39.92	355,187	27.78	1,093,205	37.28
Mining	84,587	6.01	514,629	17.19	81,441	6.37	421,578	14.38
Production	213,839	15.20	637,943	21.31	267,251	20.90	648,985	22.13
Electric, gas and water	5,165	0.37	42,370	1.42	6,495	0.51	22,642	0.77
Construction	482,073	34.27	825,655	27.57	408,511	31.95	733,965	25.03
Services	470,864	33.48	856,493	28.60	398,172	31.14	979,915	33.42
Wholesale and retail trade	350,439	24.91	363,040	12.12	271,094	21.20	498,757	17.01
Hotel, food and beverage services	12,624	0.90	45,133	1.51	13,156	1.03	25,520	0.87
Transportation and telecommunication	51,461	3.66	267,395	8.93	53,328	4.17	256,625	8.75
Financial institutions	34,889	2.48	176,026	5.88	38,430	3.01	196,319	6.70
Real estate and renting services	76	0.01	--	0.00	72	0.01	21	0.00
Self-employment services	--	0.00	58	0.00	--	0.00	56	0.00
Education services	1,028	0.07	97	0.00	1,557	0.12	606	0.02
Health and social services	20,347	1.45	4,744	0.16	20,535	1.60	2,011	0.07
Other	137,462	9.77	66,876	2.23	103,938	8.13	79,245	2.70
Total	1,406,678	100.00	2,994,316	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	1,397,911	1,413,461	8,767	8,690
Bank acceptances	--	103,919	--	--
Letters of credit	--	1,258,480	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	--	209,440	--	326
Total	1,397,911	2,985,300	8,767	9,016

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	307,303	39,520	241,318	36,574
Medium and Long Term	220,258	71,349	123,018	52,140
Loans Under Follow-Up	7,934	--	3,282	--
Source Utilization Support Fund	--	--	--	--
Total	535,495	110,869	367,618	88,714

* Foreign exchange differences of foreign currency-indexed loans are included in "Interest Income on Loans" in the prior period.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	--	1,777	579	--
Domestic Banks	754	8,956	2,071	6,905
Foreign Banks	226	41,746	1,231	23,907
Foreign Branches	--	--	--	--
Total	980	52,479	3,881	30,812

1.3 Information on interest income received from associates and subsidiaries

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

2. Interest expense

2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	16,212	64,867	22,632	69,418
Central Bank of Turkey	--	--	--	--
Domestic Banks	8,937	2,136	8,636	528
Foreign Banks	7,275	62,731	13,996	68,890
Foreign Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	16,212	64,867	22,632	69,418

2.2 Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	138	2

3. Trading income / loss (net)

	Current Period	Prior Period
Profit	2,032,692	3,531,875
Capital Market Transactions:	91,443	149,386
Derivatives and Financial Trans.	80,754	131,352
Other	10,689	18,034
Foreign Exchange Gain	1,941,249	3,382,489
Loss (-)	2,032,036	3,547,761
Capital Market Transactions:	149,017	75,648
Derivatives and Financial Trans.	144,487	66,129
Other	4,530	9,519
Foreign Exchange Loss	1,883,019	3,472,113
Total	656	(15,886)

4. Other operating income

	Current Period	Prior Period
Reversal from prior year provisions	33,722	17,370
Income from customers for banking services	22,417	24,307
Communication income	5,522	5,680
Assets held for sale	73	1,068
Other	9,832	18,850
Total	71,566	67,275

5. Provision expenses on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	53,610	39,008
<i>Loans and Receivables in Group III</i>	--	404
<i>Loans and Receivables in Group IV</i>	2,523	81
<i>Loans and Receivables in Group V</i>	51,087	38,523
Non-performing commissions and other receivables	--	--
General Provision Expenses	11,578	9,537
Provision for Possible Losses	--	997
Foreign Exchange Losses on Foreign Currency Indexed Loans	--	--
Impairment Losses on Securities:	1,878	32,884
<i>Trading securities</i>	1,384	29,495
<i>Investment Securities Available-for-Sale</i>	494	3,389
Other Impairment Losses:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	--	--
Other	1,791	558
Total	68,857	82,984

6. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	169,860	113,573
Reserve for Employee Termination Indemnity Benefits	1,745	955
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment of Tangible Assets	--	6,474
Depreciation Expenses of Tangible Assets	12,428	11,543
Impairment of Intangible Assets	--	--
Impairment of Goodwill	--	--
Depreciation Expenses of Intangible Assets	8,940	8,455
Impairment of Investments in Associates	--	--
Impairment of Securities Held for Sale	--	--
Depreciation of Securities Held for Sale	158	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	90,288	80,248
Operational Leases	20,084	14,922
Repair and Maintenance	3,096	2,659
Advertising	9,685	12,235
Other Expenses	57,423	50,432
Loss on Sales of Assets	516	317
Other	20,934	19,939
Total	304,869	241,504

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 44,662 and deferred tax benefit is YTL 7,619.

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 Deductable Temporary Differences (+)	8,978	14,461
Arising from Reversal of Deductable Temporary Differences (-)	(4,576)	(4,321)
Arising from Origination of Taxable Temporary Differences (-)	(251)	(17,659)
Arising from Reversal of Taxable Temporary Differences (+)	3,468	2,918
Total	7,619	(4,601)

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 Deductable Temporary Differences	4,402	10,140
Arising from Origination (+)/ Reversal (-) of Taxable Temporary Differences	3,217	(14,741)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	7,619	(4,601)

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	62,568	35,318
Brokerage Fees	32,784	43,788
Non-Cash Loans	26,215	19,821
Cash Loans	9,899	7,927
Remittance Commissions	5,732	4,568
Insurance Services	5,010	5,523
Others	17,204	14,805
Total	159,412	131,750

Fees and Commissions Paid	Current Period	Prior Period
Credit Card / POS Commissions	31,044	20,174
Cash Loans	2,838	7,059
Brokerage Fees	2,479	563
Non-Cash Loans	156	188
Others	5,840	3,932
Total	42,357	31,916

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 June 2007, the Bank's risk group has deposits, cash and non-cash loans, and subordinated loans at the Bank amounting to YTL 1,000,047, YTL 16,567, YTL 1,834, and YTL 228,334, respectively. As a result of the transactions with the risk group, the Bank has recorded net interest and commission income/(expense) amounting to YTL (18,909).

Interest and commission income/(expense) also included the transactions made with Zorlu Group in the first six 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	9,099	834	7,429	944	39	56
Interest and Commission Income						
Received	--	--	3	710	1	--

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	1,756	23	1,220,460	743,522	6,165	5,061
Interest on Deposits	138	2	22,274	5,932	271	--

* 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	--	--	730,968	--	--	--
Total Income/Loss	--	--	3,060	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 June 2007, cash loans of the risk group represented 0.2% of the DFS Group's total cash loans and the deposits represented 9.6% of the DFS Group's total deposits. The non-cash loans of the risk group represented 0.1% of the DFS Group's total non-cash loans.

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, based on remittance flows. The maturity of the loan is 15 December 2014.

On 28 June 2007, the Bank signed a USD 350 million long-term securitization loan agreement with Dexia Bank Belgique and ABN Amro, based on remittance flows. The maturity of the loan is 15 June 2015.

On 28 June 2007, the Bank obtained a subordinated loan from Dexia SA, amounting to USD 50 million with a maturity of ten years.

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 17 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

On 12 July 2007, the Bank signed a loan agreement with European Investment Bank, amounting to Euro 250 million with a maturity of 10 years.

On 3 July 2007, the Bank early repaid its remaining portion of USD 150 million of its 2010 dated securitization loan amounting to USD 300 million and closed the loan.

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 June 2007 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. It was noted in their review report dated 14 August 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.