

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

Denizbank Anonim Şirketi

Consolidated Interim Financial Statements
As of and for the Six Months Period Ended
30 June 2008

With Independent Auditor's Review Report Thereon

- 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

Denizbank A.Ş.
To the Board of Directors
İstanbul

We have reviewed the consolidated balance sheet of Denizbank A.Ş. (the Bank) and its subsidiaries as of 30 June 2008 and the related 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. The consolidated financial statements of Denizbank A.Ş. and its subsidiaries as of 31 December 2007 have been audited by another auditor and an unqualified audit opinion has been issued on 28 February 2008.

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 consolidated 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 A.Ş. and its subsidiaries as of 30 June 2008, 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 Articles 37 and 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.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Hasan Kılıç
Partner, SMMM
İstanbul, 14 August 2008

Additional paragraph for convenience translation to English:

As explained in Note 3.I.2, the effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Banks's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DENİZBANK A.Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 JUNE 2008

Address of the Bank's Headquarters

Büyükdere Caddesi No:106
34394 –ESETEPE/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 consolidated 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 OF THE PARENT BANK
- DISCLOSURES ON 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 Dexia bank, Moscow		
7	Deniz Portföy Yönetimi A.Ş.		
8	Deniz Finansal Kiralama A.Ş.		
9	Deniz Faktoring A.Ş.		
10	Deniz Hayat Sigorta A.Ş.		

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

HAKAN ELVERDİ

Senior Vice President
International and Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU

Executive Vice President
Financial Affairs

HAKAN ATEŞ

Member of Board of Directors
and President and Chief Executive Officer

ERIC P.B.A. HERMANN

Member of Board of Directors
and Audit Committee

MUSTAFA TINAS TİTİZ

Deputy Chairman of Board of Directors
and Member of Audit Committee

DIRK G.M. BRUNEEL

Chairman of Board of Directors
and Member of Audit Committee

Contact information for questions on this financial report:

Name/Title: İmge İhtiyar / Department Head, International Reporting Department

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Denizbank Anonim Şirketi

Consolidated Financial Report as of 30 June 2008

(Currency: Thousands of TRY - 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 upon obtaining a permission to operate. Bank's shares have been quoted on Istanbul Stock Exchange ("ISE") since 1 October 2004. 0.16% of the Bank's shares are publicly held as of 30 June 2008.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006. Subsequent to the transfer of shares, a tender offer was made for the publicly traded shares on the ISE, and Dexia Participation Belgique's ownership rate increased to 99.84%.

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 (Full TRY)	Share %
Dexia Participation Belgique SA	315,590,287	99.84
M. Cem Bodur	5	0.00
Hakan Ateş	5	0.00
Ayfer Yılmaz	5	0.00
Mustafa Tinas Titiz	5	0.00
Publicly traded	509,693	0.16
	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>Title</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	0.000002
Hakan Ateş	Member, President and CEO	0.000002
Ayfer Yılmaz	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	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	--
Dilek Duman	Information Technologies	--
Gökhan Ertürk	SME and Agricultural Banking	--
Arif İsfendiyaroğlu	Retail Banking	--
Tanju Kaya	Administrative Services	--
Oğuz Vecdi Öncü	Central Operations	--
Hasan Hüseyin Uyar	Corporate and Commercial Loans	--
Wouter G.M. Van Roste	Public and Project Finance and Corporate Banking	--
Mehmet Ali Yetim	Commercial Banking	--

Dilek Duman has been assigned as executive vice president responsible from information technologies by the resolution dated 6 February 2008 and numbered 2008/7 of the Board of Directors.

IV. Type of services provided and the areas of operations of the parent Bank

The parent Bank is a private sector deposit bank which provides banking services to its customers through 358 domestic and 1 foreign branch as of 30 June 2008.

Activities of the Bank as stated in the fourth clause of the Articles of Association are as follows:

- Accepting all kinds of deposits and performing banking activities.
- Dealing with transactions on all kinds of capital market tools within the limits set forth by the related deposit and Capital Market Law regulations.
- Entering into loan and intelligence agreements with domestic and international financial institutions and participating in consortiums and syndications.
- Lending all kinds of Turkish Lira and foreign currency short, medium and long term loans, and providing guarantee facilities.
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.
- Using the funds to be allocated or provided by laws, regulations or agreements for its own objectives.
- Making all kinds of agreements and legal transactions related with its operations; signing written contracts, notes and miscellaneous documents and establishing correspondences.
- Purchasing, producing, constructing, leasing or acquiring by other means all kinds of movables, immovables and rights, selling, transferring or renting all or a part of such items. Establishing or releasing all kinds of rights in such items.
- Giving all kinds of loans and obtaining borrowings as necessary for performing its activities.
- Receiving, transferring or releasing all kinds of cash or non-cash guarantees, including sureties, collaterals, mortgages, pledges, etc., relating to its operations.
- Establishing domestic and/or foreign partnerships and participating in existing partnerships.
- Performing all kinds of operations in compliance with the prevailing banking regulations.

V. 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 2008 - 30 June 2008

Unless stated otherwise, the accompanying consolidated financial statements and disclosures are presented in New Turkish Lira (TRY) 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 Recognized Income and Expense
- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows

ASSETS	Footnotes	REVIEWED CURRENT PERIOD (30/06/2008)			AUDITED PRIOR PERIOD (31/12/2007)		
		TRY	FC	Total	TRY	FC	Total
		I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	189,130	743,682	932,812	117,346
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(5.1.2)	460,235	229,581	689,816	400,699	208,973	609,672
2.1 Trading Securities		336,831	185,230	522,061	288,727	168,480	457,207
2.1.1 Public Sector Debt Securities		330,628	37,278	367,906	270,658	22,322	292,980
2.1.2 Share Certificates		5,943	11	5,954	17,700	10	17,710
2.1.3 Other Securities		260	147,941	148,201	369	146,148	146,517
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		123,404	44,351	167,755	111,972	40,493	152,465
III. BANKS	(5.1.3)	86,026	1,070,283	1,156,309	12,582	1,128,680	1,141,262
IV. DUE FROM MONEY MARKETS		330	14,196	14,526	1,150	12,035	13,185
4.1 Interbank Money Market		330	-	330	1,150	-	1,150
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		-	14,196	14,196	-	12,035	12,035
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	2,240,285	304,764	2,545,049	1,851,705	265,648	2,117,353
5.1 Share Certificates		3,869	61	3,930	3,869	54	3,923
5.2 Public Sector Debt Securities		2,236,416	209,603	2,446,019	1,847,836	180,635	2,028,471
5.3 Other Securities		-	95,100	95,100	-	84,959	84,959
VI. LOANS	(5.1.5)	8,711,977	5,819,377	14,531,354	7,303,443	4,671,108	11,974,551
6.1 Loans		8,627,469	5,773,120	14,400,589	7,250,756	4,656,261	11,907,017
6.1.1 Loans Utilized to the Bank's Risk Group		62	1	63	25	7,909	7,934
6.1.2 Others		8,627,407	5,773,119	14,400,526	7,250,731	4,648,352	11,899,083
6.2 Loans under Follow-Up		310,545	58,731	369,276	261,660	23,473	285,133
6.3 Specific Provisions (-)		226,037	12,474	238,511	208,973	8,626	217,599
VII. FACTORING RECEIVABLES		471,933	15,745	487,678	410,484	69,994	480,478
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	645	130,889	131,534	646	142,493	143,139
8.1 Public Sector Debt Securities		645	62,326	62,971	646	55,722	56,368
8.2 Other Securities		-	68,563	68,563	-	86,771	86,771
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	3,617	-	3,617	3,634	-	3,634
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		3,617	-	3,617	3,634	-	3,634
9.2.1 Financial Associates		44	-	44	51	-	51
9.2.2 Non-Financial Associates		3,573	-	3,573	3,583	-	3,583
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	5,599	-	5,599	5,700	-	5,700
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		5,599	-	5,599	5,700	-	5,700
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	173,975	1,038,584	1,212,559	155,250	801,949	957,199
12.1 Financial Lease Receivables		229,971	1,218,872	1,448,843	207,154	933,469	1,140,623
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		55,996	180,288	236,284	51,904	131,520	183,424
XIII. HEDGING PURPOSE DERIVATIVES	(5.1.11)	92,424	2,818	95,242	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		92,424	2,818	95,242	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		162,696	17,831	180,527	156,571	10,850	167,421
XV. INTANGIBLE ASSETS (Net)		14,763	7,107	21,870	11,833	4,092	15,925
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		14,763	7,107	21,870	11,833	4,092	15,925
XVI. INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.12)	46,354	4,239	50,593	20,216	1,184	21,400
17.1 Current Tax Assets		32,147	3,902	36,049	173	418	591
17.2 Deferred Tax Assets		14,207	337	14,544	20,043	766	20,809
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.13)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.14)	293,846	222,819	516,665	141,442	153,273	294,715
TOTAL ASSETS		12,953,835	9,621,915	22,575,750	10,592,701	8,054,699	18,647,400

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND EQUITY	Footnotes	REVIEWED CURRENT PERIOD (30/06/2008)			AUDITED PRIOR PERIOD (31/12/2007)		
		TRY	FC	Total	TRY	FC	Total
		I. DEPOSITS	(5.II.1)	5,124,162	6,786,861	11,911,023	5,246,709
1.1 Deposits of the Bank's Risk Group		14,445	2,179	16,624	7,647	149,292	156,939
1.2 Others		5,109,717	6,784,682	11,894,399	5,239,062	6,097,663	11,336,725
II. NEGATIVE VALUE OF TRADING PURPOSE DERIVATIVES	(5.II.2)	134,265	47,416	181,681	174,115	43,897	218,012
III. FUNDS BORROWED	(5.II.3)	344,849	5,078,769	5,423,618	388,594	2,974,629	3,363,223
IV. DUE TO MONEY MARKETS		1,318,389	5,387	1,323,776	767,679	-	767,679
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		1,318,389	5,387	1,323,776	767,679	-	767,679
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Bank Borrowers' Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		256,855	114,534	371,389	231,612	65,409	297,021
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	546,652	37,617	584,269	224,974	26,379	251,353
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)	-	-	-	1	-	1
10.1 Financial Lease Payables		-	-	-	1	-	1
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)	61,421	11,969	73,390	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		61,421	11,969	73,390	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)	203,119	12,280	215,399	140,616	9,823	150,439
12.1 General Provisions		106,796	103	106,899	78,987	171	79,158
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		25,646	2,306	27,952	21,167	712	21,879
12.4 Insurance Technical Provisions (Net)		32,861	393	33,254	26,203	395	26,598
12.5 Other Provisions		37,816	9,478	47,294	14,259	8,545	22,804
XIII. TAX LIABILITIES	(5.II.8)	47,323	7,497	54,820	61,340	4,096	65,436
13.1 Current Tax Liability		47,323	7,113	54,436	61,340	4,096	65,436
13.2 Deferred Tax Liability		-	384	384	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS		-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	643,537	643,537	-	362,506	362,506
XVI. SHAREHOLDERS' EQUITY	(5.II.9)	1,715,000	77,848	1,792,848	1,602,227	75,839	1,678,066
16.1 Paid-In Capital		316,100	-	316,100	316,100	-	316,100
16.2 Supplementary Capital		214,479	(5,519)	208,960	299,737	6,541	306,278
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 Valuation Differences of Securities	(5.II.11)	(114,225)	(5,519)	(119,744)	12,211	6,541	18,752
16.2.4 Revaluation Fund on Tangible Assets		-	-	-	-	-	-
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property		-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures		11	-	11	11	-	11
16.2.8 Hedging Funds (Effective Portion)	(5.II.12)	41,178	-	41,178	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		189,164	-	189,164	189,164	-	189,164
16.3 Profit Reserves		833,222	29,729	862,951	617,330	7,834	625,164
16.3.1 Legal Reserves		41,369	5,018	46,387	30,807	5,018	35,825
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		792,216	11,173	803,389	590,929	11,772	602,701
16.3.4 Other Profit Reserves		(363)	13,538	13,175	(4,406)	(8,956)	(13,362)
16.4 Profit or Loss		351,199	53,638	404,837	369,060	61,464	430,524
16.4.1 Prior Periods' Profit or Loss		174,822	44,452	219,274	58,626	30,643	89,269
16.4.2 Current Period Profit or Loss		176,377	9,186	185,563	310,434	30,821	341,255
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		9,752,035	12,823,715	22,575,750	8,837,867	9,809,533	18,647,400

The accompanying notes are an integral part of these consolidated financial statements.

INCOME AND EXPENSE ITEMS	Footnotes	REVIEWED	REVIEWED	REVIEWED	REVIEWED
		CURRENT PERIOD (01/01/2008-30/06/2008)	PRIOR PERIOD (01/01/2007-30/06/2007)	CURRENT PERIOD (01/04/2008-30/06/2008)	PRIOR PERIOD (01/04/2007-30/06/2007)
I. INTEREST INCOME	(5.IV.1)	1,306,959	918,692	658,495	479,006
1.1 Interest from Loans		944,483	659,907	482,550	349,050
1.2 Interest from Reserve Deposits		21,002	18,190	10,512	9,121
1.3 Interest from Banks		19,004	53,459	9,362	25,728
1.4 Interest from Money Market Transactions		7,995	6,850	4,012	3,114
1.5 Interest from Securities Portfolio		243,847	126,478	114,696	64,092
1.5.1 Trading Securities		31,521	31,981	13,899	15,467
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		209,319	90,479	99,227	47,037
1.5.4 Held to Maturity Securities		3,007	4,018	1,570	1,588
1.6 Interest from Financial Leases		58,761	33,698	31,437	18,047
1.7 Other Interest Income		11,867	20,110	5,926	9,854
II. INTEREST EXPENSE	(5.IV.2)	725,886	519,045	365,042	271,282
2.1 Interest on Deposits		505,507	382,874	251,396	193,747
2.3 Interest on Funds Borrowed		120,965	83,566	60,746	42,736
2.4 Interest on Money Market Transactions		95,975	50,864	51,940	34,133
2.5 Interest on Securities Issued		-	-	-	-
2.6 Other Interest Expense		3,439	1,741	982	666
III. NET INTEREST INCOME (I - II)		581,073	399,647	293,453	207,724
IV. NET FEE AND COMMISSION INCOME /EXPENSE	(5.IV.9)	107,326	106,350	56,778	57,029
4.1 Fees and Commissions Received		157,886	145,869	83,997	78,079
4.1.1 Non-Cash Loans		23,019	26,215	12,263	12,145
4.1.2 Other		134,867	119,654	71,734	65,934
4.2 Fees and Commissions Paid		50,560	39,519	27,219	21,050
4.2.1 Non-Cash Loans		175	156	124	(309)
4.2.2 Other		50,385	39,363	27,095	21,359
V. DIVIDEND INCOME		1,650	294	276	3
VI. TRADING INCOME/LOSS (Net)	(5.IV.3)	(6,905)	656	1,644	3,963
6.1 Profit / Loss on Trading Account Securities		6,189	(57,574)	(140,445)	(63,063)
6.2 Foreign Exchange Gain / Loss		(13,094)	58,230	142,089	67,026
VII. OTHER OPERATING INCOME	(5.IV.4)	95,119	71,566	42,852	31,149
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		778,263	578,513	394,981	299,868
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.5)	137,223	68,857	46,987	29,347
X. OTHER OPERATING EXPENSES (-)	(5.IV.6)	401,050	304,869	212,892	165,151
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		239,990	204,787	135,102	105,370
XII. NEGATIVE GOODWILL		-	-	-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		239,990	204,787	135,102	105,370
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.IV.7)	(54,427)	(37,043)	(34,450)	(18,724)
16.1 Current Tax Provision		(16,544)	(44,662)	(14,350)	(24,778)
16.2 Deferred Tax Provision		(37,883)	7,619	(20,100)	6,054
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		185,563	167,744	100,652	86,646
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Assets Held for Sale		-	-	-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-	-	-
21.1 Current Tax Provision		-	-	-	-
21.2 Deferred Tax Provision		-	-	-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.IV.8)	185,563	167,744	100,652	86,646
23.1 Group's Profit / Loss		185,563	167,744	100,652	86,646
23.2 Minority Shares		-	-	-	-
Earnings / Losses per Share		0.59	0.53	0.32	0.27

The accompanying notes are an integral part of these consolidated financial statements.

	REVIEWED CURRENT PERIOD (01/01/2008-30/06/2008)	REVIEWED PRIOR PERIOD (01/01/2007-30/06/2007)
I. ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	(172,236)	2,238
II. REVALUATION ON TANGIBLE ASSETS	-	-
III. REVALUATION ON INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES	26,537	(8,744)
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	65,837	-
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	(21,919)	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER IAS	-	-
IX. DEFERRED TAXES ON VALUATION DIFFERENCES	31,153	(705)
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	(70,628)	(7,211)
XI. CURRENT PERIOD PROFIT/LOSS	185,563	167,744
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	(153)	(1,583)
1.2 Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-
1.3 Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-
1.4 Others	185,716	169,327
XII. TOTAL RECOGNIZED PROFIT AND LOSS FOR THE PERIOD (X±XI)	114,935	160,533

The accompanying notes are an integral part of these consolidated financial statements.

	REVIEWED CURRENT PERIOD (01/01/2008-30/06/2008)	REVIEWED PRIOR PERIOD (01/01/2007-30/06/2007)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit before Changes in Operating Assets and Liabilities	37,540	90,126
1.1.1 Interest Received	1,162,665	862,700
1.1.2 Interest Paid	676,790	518,192
1.1.3 Dividend Received	1,650	294
1.1.4 Fees And Commissions Received	157,886	145,869
1.1.5 Other Income	(28,823)	(10,900)
1.1.6 Collections from Previously Written-Off Loans and Other Receivables	73,315	40,467
1.1.7 Payments to Personnel and Service Suppliers	222,345	162,360
1.1.8 Taxes Paid	55,424	39,265
1.1.9 Other	(374,594)	(228,487)
1.2 Changes in Operating Assets and Liabilities	(2,128,739)	(494,181)
1.2.1 Net (Increase) Decrease in Trading Securities	(271,144)	(31,369)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3 Net (Increase) Decrease in Banks	(718,727)	(261,376)
1.2.4 Net (Increase) Decrease in Loans	(2,679,345)	(1,129,750)
1.2.5 Net (Increase) Decrease in Other Assets	(293,958)	(43,640)
1.2.6 Net Increase (Decrease) in Bank Deposits	(130,827)	143,306
1.2.7 Net Increase (Decrease) in Other Deposits	517,540	536,117
1.2.8 Net Increase (Decrease) in Funds Borrowed	87,984	(164,221)
1.2.9 Net Increase (Decrease) in Due Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	1,359,738	456,752
I. Net Cash (Used in)/Provided by Banking Operations	(2,091,199)	(404,055)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided by / (Used in) Investing Activities	(437,461)	(173,769)
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries	-	305
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries	101	-
2.3 Fixed Assets Purchases	47,275	19,373
2.4 Fixed Assets Sales	838	558
2.5 Cash Paid for Purchase of Investments Available for Sale	603,879	369,590
2.6 Cash Obtained From Sale of Investments Available for Sale	183,607	207,714
2.7 Cash Paid for Purchase of Investment Securities	-	8,367
2.8 Cash Obtained from Sale of Investment Securities	29,147	15,594
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash from Financing Activities	1,977,757	(18,430)
3.1 Cash Obtained from Funds Borrowed and Securities Issued	2,348,303	1,131,295
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	370,546	1,149,725
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	(19,460)	125,014
V. Net Increase (Decrease) in Cash and Cash Equivalents	(570,363)	(471,240)
VI. Cash and Cash Equivalents at the Beginning of Period	2,088,065	3,017,102
VII. Cash and Cash Equivalents at the End of Period	1,517,702	2,545,862

The accompanying notes are an integral part of these consolidated financial statements.

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 changes in accounting policies and financial statement presentation

3.1 Disclosures related to reclassifications

"Fees and commissions received", amounting TRY 13,543 at 30 June 2007 are reclassified to "interest income from loans"; portions of TRY 351 and TRY 2,487, which have been classified in "fee and commission paid for cash loans" at 30 June 2007, are reclassified to "interests paid for money market transactions" and "interest on funds borrowed".

"Assets held for sale" and "assets related to discontinued operations (net)", amounting TRY 15,325 at 31 December 2007 are reclassified to "other assets".

TRY 12,736 which was reported in "other provisions" as of 31 December 2007, has been classified in "provision for employee benefits".

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, and other regulations, communiques and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency. Those policies and principles are explained by footnotes II through XXIV below.

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 majority 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.

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 Bank hedges a portion of its floating rate liabilities by interest rate swaps for cash flow risk.

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 0.004% of the balance sheet size, counter positions are taken 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 2008 are translated to TRY by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TRY 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 2008	31 December 2007	30 June 2007
US Dollar	TRY 1.2186	TRY 1.1593	TRY 1.3046
Euro	TRY 1.9248	TRY 1.7060	TRY 1.7585

2.2 *Foreign exchange gains and losses included in the income statement*

Net foreign exchange loss included in the income statement amounts to TRY 13,094 (30 June 2007: net foreign exchange gain of TRY 58,230).

2.3 *Foreign operations*

The assets and liabilities of foreign operations are translated to TRY at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to TRY at year-to-date average foreign exchange rates. Foreign exchange differences arising on translation are recognized directly in equity. The foreign exchange differences derived from translation of income statements of consolidated subsidiaries, and arising from the difference between TRY equivalent of their equities and the Bank's share in their net assets are recorded in "other profit reserves". As of 30 June 2008, total foreign exchange difference in equity amount to TRY 13,538 (31 December 2007: TRY (8,956)).

DFS Group hedges its foreign currency exchange rate risk from retranslation of its foreign operations by net investment hedge accounting, through recognizing the effective portion of foreign exchange rate changes of a portion of its foreign currency denominated liabilities in shareholders' equity.

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 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 Dexia Bank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring) and Deniz Hayat Sigorta A.Ş. (Deniz Hayat), and these subsidiaries are consolidated as explained in detail in footnote 5.I.8.

Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. and Denizbank Kültür Sanat Ticaret A.Ş. which are also the subsidiaries of the Bank, are not consolidated since they are non-financial subsidiaries.

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

1. **With respect to subsidiaries**

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

The major principles of consolidation

- 1.1 The carrying amount of the Bank's investment in each subsidiary and the Bank's portion of equity of each subsidiary are eliminated.
- 1.2 All intercompany transactions and intercompany balances between the consolidated subsidiaries and with the Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 30 June 2008 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

DFS Group's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts. DFS Group does not have any embedded derivatives separated from the host contract.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps, options and futures that are classified as "hedging-purpose" and "trading purpose" transactions. 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 contractual notional amounts.

The derivative transactions are valued at fair value using market prices, discounted cash flows model, or pricing models subsequent to initial recognition and are presented in the "Positive Value of Trading / Hedging Purpose Derivatives" and "Negative Value of Trading / Hedging 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 are recognized in the income statement for trading purpose derivatives. The effective portion of the fair value changes are recognized in the shareholders' equity, while the ineffective portion is accounted for stays in the income statement for hedging purpose derivatives.

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 2008 and 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", published in the Official Gazette No. 26333 dated 1 November 2006, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

VI. Fees and commissions

Fees charged to customers for banking services, commissions received against cash and non-cash loans, and fees and commissions paid to other financial institutions are recognized in the period they are realized.

VII. Financial assets

Financial assets include cash; exchange right of cash or other financial asset acquisition or equity instrument transactions with the counterpart. 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. Differences between the fair value and cost of trading securities are also recorded in “trading securities”.

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

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

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

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 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.

Consumer price indexed government bonds issued on 21 February 2007 are in available for sale and trading portfolios and their maturity is 5 years. Nominal coupon rate is 5% per 6 months and constant in the entire duration. Besides, revaluation is performed based on the explanations of Treasury for the effects of inflation which refer to the index of issuing date and that of the balance sheet date.

The 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 at amortised cost based on internal rate of return less 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 on a settlement date basis.

4. Loans and specific provisions

Loans and receivables represent financial assets which have been occurred through money, commodity or service to the debtor.

Cash loans are accounted for 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 New 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 at amortised cost 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 and 26333 numbered official gazette dated on 1 November 2006. 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 related consolidated financial statements in accordance with TAS 36 "Impairment of Assets".

IX. Offsetting financial instruments

When the fair values of the listed 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.

Other than those expressed above, financial assets and liabilities are offset when there is legally enforceable right to set off, the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, no offsetting is made.

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 for on an accrual basis.

XI. Assets held for sale and discontinued operations

Assets held for sale are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

DFS Group does not have any assets held for sale as of 30 June 2008.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately.

DFS Group does not have any discontinued operation.

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. 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 in 2007 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 2003-2006	Purchased in 2007	Purchased in 2008
Movables				
- Office equipment	20%	40% - 50%	20% - 25%	10% - 25%
- Furniture and fixtures	20%	20%- 50%	10%- 20%	12.5% – 20%
- Vehicles	20%	40%- 50%	20% - 50%	20% - 50%
- Other equipment	20%	4.44% -50%	2.5% -50%	4% - 50%
Properties	2%	2%	2%	2%

The Bank has an impairment provision of TRY 4,402, which had been recorded in the prior year, for its buildings as of the balance sheet 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 contingent liabilities

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 reliably, a provision is recognized. If the amount of the obligation cannot be measured reliably 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 499 lawsuits against DFS Group with total risks amounting to TRY 35,484, USD 1,697,758 and Euro 163,099 as of 30 June 2008. There are also 8,447 follow-up cases amounting to TRY 24,561, Euro 196,251 and USD 663,604 in total that are filed by the DFS Group and are at courts.

XVI. Contingent assets

Contingent assets generally consist of unscheduled and other unexpected incidents which induce possible additional economic benefits to DFS Group. Provided that occurrence of those contingent assets is possible, they are expressed in the footnotes of the financial statements. Moreover, if occurrence is almost virtually certain, the related assets are recognized in the financial statements.

XVII. Commitments for personnel rights

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

The principal actuarial assumptions used are as follows:

	30.06.2008	31.12.2007
	%	%
Discount rate	5.71	5.71
Expected rate of salary/retirement pay ceiling limit increase	5.00	5.00
Turnover rate to estimate the probability of retirement	7.73	7.31

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 30 June 2008 is TRY 2.088; at 31 December 2007 it was TRY 2.030.

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.

XVIII. 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% (30% for 2005), beginning from 2006. In accordance with the amendment in the tax legislation, advance corporate taxes paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 30% for the advance tax periods subsequent to 1 January 2006 deducted from the subsequent advance corporate tax calculated.

Companies file their corporate tax returns between the 1st and 25th days of the following four months period after 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” in the liabilities and “Current Tax Provision” in the income statement.

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 paid-in 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 increased 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 TRY 14,544 of deferred tax assets and TRY 384 deferred tax liabilities.

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

XIX. Additional explanations on borrowings

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

The DFS Group uses general hedging techniques for borrowings against liquidity, interest rate and currency risks. The Group uses cash flow hedge accounting to maintain protection for a portion of its floating rate liabilities by interest rate swaps.

As of the balance sheet date, there are no convertible bonds issued and there exist no financial instruments representing borrowings issued by the Bank.

XX. Shares and share issuance

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.

XXI. 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.

XXII. Government grants

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

XXIII. 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 VI.

XXIV. Other explanations

None.

SECTION FOUR CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

The Bank's consolidated capital adequacy ratio is 12.69% as of 30 June 2008. This ratio is higher than the stipulated minimum legal ratio in the related legislation.

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

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

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

For the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside". The net amounts are then multiplied by the rates stated in the Article 21, paragraph (1) of "Regulation on the Establishment and Operations of Banks". For the calculation of their risk based values, derivative financial instruments are re-weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 21, paragraph (2) of "Regulation on the Establishment and Operations of Banks".

2. Consolidated and unconsolidated capital adequacy ratios

	Risk Weighted Assets						
	Consolidated						
	0%	10%	20%	50%	100%	150%	200%
Credit Risk Base							
Balance Sheet Items (Net)	2,184,909	--	1,250,315	2,273,600	13,471,733	17,544	153
Cash in Vault	251,465	--	339	--	--	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--
Central Bank of Turkey Domestic and Foreign Banks, Foreign Branches	250,021	--	--	--	--	--	--
Interbank Money Market	26,392	--	953,575	--	173,251	--	--
Receivables from Reverse Repos	330	--	--	--	--	--	--
Reserve Deposits	--	--	14,185	--	--	--	--
Loans	420,124	--	--	--	--	--	--
Loans	1,061,246	--	236,942	2,214,392	10,502,800	17,544	153
Non-performing Loans (Net)	--	--	--	--	130,765	--	--
Receivables from Leasing Operations	8,460	--	--	--	1,186,480	--	--
Investments Available-for-Sale	--	--	--	--	3,930	--	--
Investments Held-to-Maturity	62,097	--	36,591	--	30,993	--	--
Receivables from Sale of Assets	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	--	--	650,488	--	--
Accrued Interest and Other Income	38,081	--	8,683	59,208	298,910	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	9,216	--	--
Tangible Assets	--	--	--	--	180,527	--	--
Other Assets	66,693	--	--	--	304,373	--	--
Off-Balance Sheet Items	93,282	--	512,473	82,831	2,915,693	--	--
Non-Cash Loans and Commitments	93,282	--	176,202	82,831	2,898,004	--	--
Derivatives	--	--	336,271	--	17,689	--	--
Accounts Not Risk Weighted							
Total Risk Weighted Assets	2,278,191	--	1,762,788	2,356,431	16,387,426	17,544	153

Risk Weighted Assets							
Unconsolidated							
	%0	%10	%20	%50	%100	%150	%200
Credit Risk Base							
Balance Sheet Items (Net)	1,608,297	--	798,863	2,160,163	10,332,443	17,544	153
Cash in Vault	241,206	--	339	--	--	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--
Central Bank of Turkey	250,022	--	--	--	--	--	--
Domestic and Foreign Banks, Foreign Branches	--	--	559,092	--	10,428	--	--
Interbank Money Market	--	--	--	--	--	--	--
Receivables from Reverse Repos	--	--	--	--	--	--	--
Reserve Deposits	412,739	--	--	--	--	--	--
Loans	649,370	--	222,222	2,102,438	9,020,331	17,544	153
Non-performing Loans (Net)	--	--	--	--	71,317	--	--
Receivables from Leasing Operations	--	--	--	--	--	--	--
Investments Available-for-Sale	--	--	--	--	3,869	--	--
Investments Held-to-Maturity	--	--	9,664	--	--	--	--
Receivables from Sale of Assets	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	--	--	159,583	--	--
Accrued Interest and Other Income	28,341	--	7,546	57,725	249,273	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	405,777	--	--
Tangible Assets	--	--	--	--	160,307	--	--
Other Assets	26,619	--	--	--	251,558	--	--
Off-Balance Sheet Items	93,282	--	493,722	82,831	2,902,266	--	--
Non-Cash Loans and Commitments	93,282	--	176,202	82,831	2,891,606	--	--
Derivatives	--	--	317,520	--	10,660	--	--
Accounts Not Risk Weighted	--	--	--	--	--	--	--
Total Risk Weighted Assets	1,701,579	--	1,292,585	2,242,994	13,234,709	17,544	153

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

	Consolidated		Unconsolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets	17,944,821	14,212,970	14,641,345	11,883,385
Value at Market Risk	726,613	473,700	472,338	343,363
Value at Operational Risk	1,675,745	1,302,840	1,353,779	1,101,051
Shareholders' Equity	2,582,274	2,006,093	2,244,399	1,759,472
Shareholders' Equity / (RWA+VAMR+VAOR)*100	%12.69	%12.55	%13.63	%13.20

RWA: Risk Weighted Assets

VAMR: Value at Market Risk

VAOR: Value at 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	46,387	35,825
I. Legal Reserve (Turkish Commercial Code 466/1)	46,387	35,825
II. Legal Reserve (Turkish Commercial Code 466/2)	--	--
Other Legal Reserve per Special Legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	816,564	589,339
Reserve Allocated at the General Assembly	803,389	602,701
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Translation Differences	13,175	(13,362)
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	--	--
Profit	404,837	430,524
Current Period Profit	185,563	341,255
Prior Periods' Profit	219,274	89,269
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	--	--
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital	--	--
Primary Subordinated Loans (Up to 15% of the Core Capital)	--	--
Accumulated Losses (-)	--	--
Current Period Loss	--	--
Prior Periods' Loss	--	--
Leasehold Improvements (-)	--	55,504
Prepaid Expenses (-)	29,449	22,214
Intangible Assets (-)	21,870	15,925
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--	--
Amount Excess of Article 56/3 of the Law (-)	--	--
Consolidation Goodwill (Net) (-)	--	--
Total Core Capital	1,871,403	1,659,303
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	106,899	79,158
45% of Revaluation Fund of Movable Fixed Assets	--	--
45% of Revaluation Fund of Properties	--	--
Revaluation Surplus	11	11
Amount not Included in Core Capital for Primary Subordinated Loans	--	--
Secondary Subordinated Loans	775,024	352,826
45% of Securities Value Increase Fund (100% If Negative)	(119,744)	8,438
Associates and Subsidiaries	--	--
Investments Available-for-Sale	(119,744)	8,438
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	--	--
Minority Interest	--	--
Total Supplementary Capital	762,190	440,433
TIER III CAPITAL (Including Minority Interest, If Existing)	--	--
CAPITAL	2,633,593	2,099,736
DEDUCTIONS FROM CAPITAL	51,319	93,643
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 Properties of the Banks, and Net Book Value of the Assets Held for Resale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years after Foreclosure	--	--
Others	--	--
TOTAL SHAREHOLDERS' EQUITY	2,582,274	2,006,093

(*) TRY 150,000 of the capital increase of TRY 400,000 was transferred on 26 June 2008 by the main shareholder Dexia Participation Belgique SA to the Bank's account. In line with the permission of the Banking Regulation and Supervision Agency, the amount is considered as Tier II capital for calculation of capital adequacy ratio until capital increase process is finalized.

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	27,239
(II) Capital Obligation against Specific Risk - Standard Method	12,144
(III) Capital Obligation against Currency Risk - Standard Method	18,746
(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)	58,129
(IX) Value-At-Market-Risk Amount (12,5 x VIII) or (12,5 x VII)	726,613

III. 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 taken by the DFS Group with in defined value at risk limits. 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". Value at Risk approach is used to measure the exchange rate risk and calculations are made on a daily 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**

In accordance with TAS 39, DFS Group applies net investment hedge accounting to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments in its consolidated financial statements.

3. Foreign exchange risk management strategy

Foreign currency exchange and parity risks are taken by the DFS Group with in defined value at risk limits. 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 TRY 1.2186
Euro purchase rate at the date of the balance sheet TRY 1.9248

Date	US Dollar	Euro
24 June 2008	1.2250	1.9063
25 June 2008	1.2182	1.8977
26 June 2008	1.2095	1.8981
27 June 2008	1.2237	1.9271
30 June 2008	1.2186	1.9248

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 2008 are TRY 1.2284 and TRY 1.9106, respectively.

6. Information on currency risk

Current Period	EUR	USD	JPY	Other	Total
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	122,329	605,720	374	15,259	743,682
Due from Banks and Other Financial Institutions	550,496	463,810	8,760	47,217	1,070,283
Financial Assets at Fair Value Through Profit or Loss	14,350	53,160	--	162,071	229,581
Interbank Money Market Placements	--	--	--	14,196	14,196
Investment Securities Available-for-Sale	127,283	177,481	--	--	304,764
Loans (*)	2,755,808	4,312,733	36,276	104,367	7,209,184
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	120,457	10,432	--	--	130,889
Hedging Purpose Financial Derivatives	--	2,818	--	--	2,818
Tangible Assets	5,651	24	--	12,156	17,831
Intangible Assets	3,906	32	--	3,169	7,107
Other Assets (*)	838,980	512,492	--	24,439	1,375,911
Total Assets	4,539,260	6,138,702	45,410	382,874	11,106,246
Liabilities					
Bank Deposits	43,085	147,855	--	67,677	258,617
Foreign Currency Deposits	3,321,019	3,068,510	6,962	131,753	6,528,244
Interbank Money Markets	--	--	--	5,387	5,387
Funds Borrowed from Other Financial Institutions	2,205,804	3,501,193	--	15,309	5,722,306
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	43,714	70,570	--	250	114,534
Hedging Purpose Financial Derivatives	--	11,969	--	--	11,969
Other Liabilities (**)	38,883	56,900	483	8,544	104,810
Total Liabilities	5,652,505	6,856,997	7,445	228,920	12,745,867
Net "On Balance Sheet Position"	(1,113,245)	(718,295)	37,965	153,954	(1,639,621)
Net "Off-Balance Sheet Position"	1,103,320	690,130	(37,691)	(34,223)	1,721,536
Financial Derivatives (Assets)	1,909,682	3,759,829	157,417	388,146	6,215,074
Financial Derivatives (Liabilities)	806,362	3,069,699	195,108	422,369	4,493,538
Non-Cash Loans	1,044,697	2,642,941	9,397	161,675	3,858,710
Prior Period					
Total Assets	3,356,326	5,198,319	16,560	397,650	8,968,855
Total Liabilities	3,784,323	5,721,954	7,741	219,676	9,733,694
Net "On Balance Sheet Position"	(427,997)	(523,635)	8,819	177,974	(764,839)
Net "Off-Balance Sheet Position"	394,807	398,793	(7,743)	(10,969)	774,888
Financial Derivatives (Assets)	1,220,279	2,596,371	71,239	264,351	4,152,240
Financial Derivatives (Liabilities)	825,472	2,197,578	78,982	275,320	3,377,352
Non-Cash Loans	783,257	2,368,729	5,697	64,799	3,222,482

(*) : 1,484,331 TRY Assets indexed to foreign currency are included.

(**) : FC equity items are excluded.

IV. 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 sensitivity in determining limits against negative market conditions and monitors the risk within this context. Sensitivity calculations is being done and limits are monitored on a weekly basis.

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 sensitivity analysis, historical stress-testing and value at risk methods to analyze and take precautions against interest rate risk faced during current period. Interest sensitivity limits have been defined and limits are being monitored on a weekly basis.

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 –12 Months	1 – 5 Years	5 Years 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	526,078	--	--	--	--	406,734	932,812
Due from Banks and Other Fin.Inst.	753,296	118,340	122,795	15,276	--	146,602	1,156,309
Financial Assets at Fair Value Through Profit or Loss	128,251	73,091	98,945	357,080	26,495	5,954	689,816
Interbank Money Market Placements	14,526	--	--	--	--	--	14,526
Investment Securities Av.-for-Sale	404,715	633,045	340,589	1,048,985	113,785	3,930	2,545,049
Loans	3,040,453	2,135,568	2,907,560	4,367,498	1,949,510	130,765	14,531,354
Investment Securities Held-to-Mat.	43,281	48,652	38,797	804	--	--	131,534
Other Assets(*)	532,175	290,407	519,774	816,397	67,814	347,783	2,574,350
Total Assets	5,442,775	3,299,103	4,028,460	6,606,040	2,157,604	1,041,768	22,575,750
Liabilities							
Bank Deposits	397,585	37,281	53,612	--	--	54,493	542,971
Other Deposits	6,453,721	582,081	828,819	1,049,744	174,223	2,279,464	11,368,052
Interbank Money Market Placements	1,323,776	--	--	--	--	--	1,323,776
Miscellaneous Payables	132	--	--	--	--	371,257	371,389
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	1,243,317	2,318,199	1,834,114	661,479	10,046	--	6,067,155
Other Liabilities(**)	80,848	70,415	80,180	103,691	20,027	2,547,246	2,902,407
Total Liabilities	9,499,379	3,007,976	2,796,725	1,814,914	204,296	5,252,460	22,575,750
On Balance Sheet Long Position	--	291,127	1,231,735	4,791,126	1,953,308	--	8,267,296
On Balance Sheet Short Position	(4,056,604)	--	--	--	--	(4,210,692)	(8,267,296)
Off-Balance Sheet Long Position	--	--	--	--	--	--	--
Off-Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(4,056,604)	291,127	1,231,735	4,791,126	1,953,308	(4,210,692)	--

(*) Other assets/non-interest bearings; Tangible Assets, Intangible Assets, Investments in Associates and Investments in Subsidiaries, Tax Assets, Assets Held for Sale and other assets with balances of TRY 180,527, TRY 21,870, TRY 3,617, TRY 5,599, TRY 50,593 and TRY 21,932 and TRY 63,645 respectively, are included.

(**) Other liabilities/non-interest bearings; Shareholders' Equity, Tax Liabilities, Provisions with balances, Capital Advance and other liabilities of TRY 1,792,848, TRY 54,820, TRY 215,399, TRY 150,000 and TRY 334,179 respectively, are included.

Prior Period	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Year s 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	--	334,924	--	--	--	366,842	701,766
Due from Banks and Other Fin.Inst.	531,298	131,950	156,412	9,408	--	312,194	1,141,262
Financial Assets at Fair Value Through Profit or Loss	106,695	15,564	147,307	290,295	32,102	17,709	609,672
Interbank Money Market Placements	13,185	--	--	--	--	--	13,185
Investment Securities Av.-for-Sale	478,019	94,046	106,517	1,357,591	77,257	3,923	2,117,353
Loans	2,889,860	1,773,796	2,347,985	3,718,510	1,176,865	67,535	11,974,551
Investment Securities Held-to-Mat.	39,091	78,983	24,246	819	--	--	143,139
Other Assets(*)	440,202	243,951	373,286	602,078	41,904	245,051	1,946,472
Total Assets	4,498,350	2,673,214	3,155,753	5,978,701	1,328,128	1,013,254	18,647,400
Liabilities							
Bank Deposits	529,912	35,229	34,928	--	--	71,478	671,547
Other Deposits	6,069,613	885,476	827,600	485,219	463	2,553,746	10,822,117
Interbank Money Market Placements	767,679	--	--	--	--	--	767,679
Miscellaneous Payables	4,799	--	--	--	--	292,222	297,021
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	942,755	1,735,735	832,440	214,799	--	--	3,725,729
Other Liabilities(**)	38,984	73,012	35,996	92,502	8,177	2,114,636	2,363,307
Total Liabilities	8,353,742	2,729,452	1,730,964	792,520	8,640	5,032,082	18,647,400
On Balance Sheet Long Position	--	--	1,424,789	5,186,181	1,319,488	--	7,930,458
On Balance Sheet Short Position	(3,855,392)	(56,238)	--	--	--	(4,018,828)	(7,930,458)
Off-Balance Sheet Long Position	--	--	--	--	--	--	--
Off-Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(3,855,392)	(56,238)	1,424,789	5,186,181	1,319,488	(4,018,828)	--

(*) Other assets/non-interest bearings; Tangible Assets, Intangible Assets, Investments in Associates and Investments in Subsidiaries, Tax Assets and Assets Held for Sale, and Other Assets with balances of TRY 167,421, TRY 15,925, TRY 3,634, TRY 5,700, TRY 21,400, TRY 15,325, and TRY 15,646 respectively, are included.

(**) Other liabilities/non-interest bearings; Shareholders' Equity, Tax Liabilities, Provisions, and Other External Resources with balances of TRY 1,678,066, TRY 65,436, TRY 150,439, and TRY 220,695 respectively, are included.

4. Average interest rates applied to monetary financial instruments

Current Period	EUR	USD	JPY	TRY
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.00	--	12.18
Due from Banks and Other Financial Institutions	4.15	3.73	--	17.45
Financial Assets at Fair Value Through Profit or Loss	6.80	6.96	--	18.60
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	6.26	6.68	--	20.52
Loans	6.34	5.67	2.49	16.07
Investment Securities Held-to-Maturity	4.15	7.79	--	--
Liabilities				
Bank Deposits	5.30	3.76	--	18.02
Other Deposits	4.50	3.98	0.25	17.78
Interbank Money Market Placements	--	--	--	18.13
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.19	4.08	--	13.69

Prior Period	EUR	USD	JPY	TRY
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	--	11.81
Due from Banks and Other Financial Institutions	3.42	5.04	--	16.83
Financial Assets at Fair Value Through Profit or Loss	5.00	6.11	--	17.12
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	5.57	5.81	--	16.95
Loans	6.26	6.89	2.70	21.20
Investment Securities Held-to-Maturity	--	7.83	--	--
Liabilities				
Bank Deposits	--	5.15	--	16.87
Other Deposits	3.94	4.98	0.28	17.57
Interbank Money Market Placements	--	--	--	16.03
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.18	6.08	--	12.25

V. 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 6% of the balance sheet is allocated to cash balances, 7% 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 6% of balance sheet size is allocated to cash balances, 7% 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 Dollar 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 residual maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	502,175	--	430,637	--	--	--	--	932,812
Due from Banks and Other Financial Institutions	146,602	680,193	87,325	197,497	44,692	--	--	1,156,309
Financial Assets at Fair Value Through Profit or Loss	--	128,201	61,305	90,613	369,971	33,772	5,954	689,816
Interbank Money Market Placements	--	14,526	--	--	--	--	--	14,526
Investment Securities Available-for-Sale	--	383,487	41,455	297,933	1,677,634	140,610	3,930	2,545,049
Loans	130,765	2,230,254	926,189	3,506,984	5,377,691	2,359,471	--	14,531,354
Investment Securities Held-to-Maturity	--	--	--	107	10,434	120,993	--	131,534
Other Assets	510,086	82,332	290,407	519,774	816,397	67,814	287,540	2,574,350
Total Assets	1,289,628	3,518,993	1,837,318	4,612,908	8,296,819	2,722,660	297,424	22,575,750
Liabilities								
Bank Deposits	54,493	397,585	37,281	53,612	--	--	--	542,971
Other Deposits	2,279,464	6,577,661	664,000	1,153,807	653,408	39,712	--	11,368,052
Funds Borrowed from Other Financial Institutions	--	690,154	329,029	1,750,722	2,064,630	1,232,620	--	6,067,155
Interbank Money Markets	--	1,323,776	--	--	--	--	--	1,323,776
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	371,257	132	--	--	--	--	--	371,389
Other Liabilities	556,302	80,837	70,255	69,775	90,939	11,232	2,023,067	2,902,407
Total Liabilities	3,261,516	9,070,145	1,100,565	3,027,916	2,808,977	1,283,564	2,023,067	22,575,750
Net Liquidity Gap	(1,971,888)	(5,551,152)	736,753	1,584,992	5,487,842	1,439,096	(1,725,643)	--
Prior Period								
Total Assets	974,814	3,059,879	1,570,085	4,417,707	6,845,577	1,481,845	297,493	18,647,400
Total Liabilities	3,013,433	8,054,948	2,184,748	1,577,138	1,013,245	788,867	2,015,021	18,647,400
Net Liquidity Gap	(2,038,619)	(4,995,069)	(614,663)	2,840,569	5,832,332	692,978	(1,717,528)	--

(*) 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.

VI. 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 (consumer loans, real estate, and automotive), 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 as of 30 June 2008 is presented in the following table:

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total
Operating income	476,799	266,558	33,256	776,613
Net operating income	105,680	114,418	18,242	238,340
Income from associates				1,650
Provision for taxes on income				(54,427)
Net profit for the period				185,563
Segment assets	7,165,789	9,065,802	5,565,288	21,796,879
Subsidiaries and associates				9,216
Undistributed assets				769,655
Total assets				22,575,750
Segment liabilities	7,953,374	3,488,114	8,115,537	19,557,025
Undistributed liabilities				1,225,877
Shareholders' equity				1,792,848
Total liabilities				22,575,750

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	
	TRY	FC	TRY	FC
Cash	84,145	167,319	83,647	136,884
Central bank of Turkey	104,985	154,882	33,699	121,001
Other (*)	--	421,481	--	326,535
Total	189,130	743,682	117,346	584,420

(*) Includes TRY 421,142 of reserve deposit, and TRY 339 of cheques purchased.

1.1 Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted Demand Deposits	104,985	154,882	33,699	121,001
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	--	--	--
Total	104,985	154,882	33,699	121,001

1.2 Explanation related to "Other" item

According to the no. 2005/1 communiqué of the Central Bank of Turkey, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to %6 of the liabilities in Turkish Lira and %11 of the liabilities in foreign currencies. The Central bank of Turkey makes interest payments on a quarterly basis. The interest rates given by the Central Bank of Turkey are %12.18 for TRY, 1.00% for USD and %1.80 for Euro as of 30 June 2008.

2. Financial assets at fair value through profit or loss

2.1 Trading securities given as collateral or blocked

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar				
Marketable Securities	--	146	14,821	272
Other	--	--	--	--
Total	--	146	14,821	272

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	
	TRY	FC	TRY	FC
Government Bonds	103,069	--	92,397	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	103,069	--	92,397	--

2.3 *Positive value of trading purpose derivatives*

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	2,601	8,329	716	3,539
Swap Transactions	76,804	31,416	68,882	27,629
Futures	--	168	--	135
Options	43,999	4,438	42,374	9,190
Other	--	--	--	--
Total	123,404	44,351	111,972	40,493

3. **Information on Banks and other financial institutions**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	17,844	248,123	7,505	467,852
Foreign	68,182	822,160	5,077	660,828
Foreign branches	--	--	--	--
Total	86,026	1,070,283	12,582	1,128,680

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 (TRY 3,869) that are not listed on 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 TRY 320,309 (31 December 2007: TRY 303,965).

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	--	--	--	--
Bonds, T-bills and Similar Securities	170,469	149,840	168,041	135,924
Other	--	--	--	--
Total	170,469	149,840	168,041	135,924

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	1,226,738	--	738,302	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds issued or guaranteed by Banks	--	--	--	--
Asset backed securities	--	--	--	--
Other	--	--	--	--
Total	1,226,738	--	738,302	--

4.5 *Available-for-sale securities*

	Current Period	Prior Period
Debt instruments	2,645,281	2,116,529
Listed	2,645,281	2,116,529
Unlisted	--	--
Equity instruments	3,930	3,923
Listed	--	--
Unlisted	3,930	3,923
Impairment provision (-)	104,162	3,099
Total	2,545,049	2,117,353

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	--	19,649	--	2,666
Loans Granted to Employees	22,153	39	17,481	4
Total	22,153	19,688	17,481	2,670

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	13,059,567	--	354,688	1,054
Discount Notes	6,937	--	--	--
Export Loans	979,378	--	3,047	--
Import Loans	12,157	--	--	--
Loans Given to Financial Sector	271,398	--	--	--
Foreign Loans	298,640	--	--	--
Consumer Loans	3,076,823	--	258,065	--
Credit Cards	478,759	--	36,284	--
Precious Metal Loans	20,665	--	--	--
Other	7,914,810	--	57,292	1,054
Specialization Loans	977,665	--	--	--
Other Receivables	7,615	--	--	--
Total	14,044,847	--	354,688	1,054

5.3 Information on consumer loans

	Short Term	Medium or Long Term	Total
Consumer Loans-TRY	60,119	2,851,799	2,911,918
Real estate Loans	4,748	1,055,799	1,060,547
Automotive Loans	1,542	68,108	69,650
Consumer Loans	53,829	1,727,892	1,781,721
Other	--	--	--
Consumer Loans-Indexed to FC	3,006	300,862	303,868
Real estate Loans	1,069	272,750	273,819
Automotive Loans	119	9,347	9,466
Consumer Loans	1,818	18,765	20,583
Other	--	--	--
Consumer Loans-FC	102	54,135	54,237
Real estate Loans	--	7,279	7,279
Automotive Loans	--	--	--
Consumer Loans	102	46,856	46,958
Other	--	--	--
Credit Cards-TRY	493,612	1,743	495,355
Installment	131,829	1,743	133,572
Non installment	361,783	--	361,783
Credit Cards-FC	465	--	465
Installment	--	--	--
Non installment	465	--	465
Loans Given to Employees-TRY	1,980	11,677	13,657
Real estate Loans	--	2,676	2,676
Automotive Loans	--	80	80
Consumer Loans	1,980	8,921	10,901
Other	--	--	--
Loans Given to Employees - Indexed to FC	8	19	27
Real estate Loans	--	--	--
Automotive Loans	--	19	19
Consumer Loans	8	--	8
Other	--	--	--
Loans Given to Employees - FC	170	362	532
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	170	362	532
Other	--	--	--
Employee Credit Cards-TRY	7,897	26	7,923
Installment	3,092	26	3,118
Non installment	4,805	--	4,805
Employee Credit Cards-FC	14	--	14
Installment	--	--	--
Non installment	14	--	14
Overdraft Loans-TRY (Individual)	65,647	--	65,647
Overdraft Loans-FC (Individual)	1,253	--	1,253
Total	634,273	3,220,623	3,854,896

5.4 Information on installment corporate loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Corporate Loans - TRY	105,456	658,056	763,512
Real estate Loans	1,362	118,121	119,483
Automotive Loans	3,220	56,912	60,132
Consumer Loans	100,874	482,319	583,193
Other	--	704	704
Installment Corporate Loans – Indexed to FC	15,983	194,208	210,191
Real estate Loans	828	29,818	30,646
Automotive Loans	737	39,200	39,937
Consumer Loans	14,307	124,535	138,842
Other	111	655	766
Installment Corporate Loans - FC	--	9,133	9,133
Real estate Loans	--	3,740	3,740
Automotive Loans	--	--	--
Consumer Loans	--	5,393	5,393
Other	--	--	--
Corporate Credit Cards - TRY	11,069	6	11,075
Installment	117	6	123
Non installment	10,952	--	10,952
Corporate Credit Cards - FC	211	--	211
Installment	--	--	--
Non installment	211	--	211
Overdraft Loans-TRY (Corporates)	112,795	--	112,795
Overdraft Loans-FC (Corporates)	17,831	--	17,831
Total	263,345	861,403	1,124,748

5.5 Domestic and international loans

	Current Period	Prior Period
Domestic Loans	14,101,949	11,688,868
Foreign Loans	298,640	218,149
Total	14,400,589	11,907,017

5.6 Loans granted to subsidiaries and investments

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Investments	--	7,934
Indirect Loans Granted to Subsidiaries and Investments	--	--
Total	--	7,934

5.7 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	23,518	14,321
Loans and Receivables with Doubtful Collectibility	42,495	51,636
Uncollectible Loans and Receivables	172,498	151,642
Total	238,511	217,599

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period	638	1,481	18,076
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	638	1,481	18,076
Prior Period	201	78	23,857
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	201	78	23,857

5.8.2 Information on total non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balances at Beginning of Period	48,402	59,810	176,921
Additions (+)	120,562	17,302	19,594
Transfers from Other Categories of Non-Performing Loans (+)	14,505	75,338	39,653
Transfers to Other Categories of Non-Performing Loans (-)	67,785	39,653	22,058
Collections (-)	32,766	20,555	19,994
Write-offs (-)	--	--	--
Corporate and Commercial Loans	--	--	--
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
Balances at End of the Period	82,918	92,242	194,116
Specific Provisions (-)	23,518	42,495	172,498
Net Balance on Balance Sheet	59,400	49,747	21,618

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Period End Balance	18,758	22,209	17,764
Specific Provisions (-)	922	6,802	4,750
Net Balance on Balance Sheet	17,836	15,407	13,014
Prior Period			
Period End Balance	--	4,241	19,232
Specific Provisions (-)	--	3,746	4,880
Net Balance on Balance Sheet	--	495	14,352

5.8.4 Information on non performing loans according to beneficiary group

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	59,400	49,747	21,618
Loans Allowed to Real Persons and Corporates (Gross)	82,918	84,179	194,100
Specific provisions (-)	23,518	36,645	172,486
Loans Allowed to Real Persons and Corporates (Net)	59,400	47,534	21,614
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	8,063	16
Specific provisions (-)	--	5,850	12
Other Loan and Receivables (Net)	--	2,213	4
Prior Period (Net)	34,081	8,174	25,279
Loans Allowed to Real Persons and Corporates (Gross)	48,402	59,521	176,921
Specific provisions (-)	14,321	51,355	151,642
Loans Allowed to Real Persons and Corporates (Net)	34,081	8,166	25,279
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	289	--
Specific provisions (-)	--	281	--
Other Loan and Receivables (Net)	--	8	--

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	
	TRY	FC	TRY	FC
Bills	--	--	--	--
Bonds and Similar Marketable Securities	--	57,948	646	77,458
Other	--	--	--	--
Total	--	57,948	646	77,458

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

	Current Period	Prior Period
Government Bonds	62,971	55,961
Treasury Bills	--	--
Other Government Securities	--	407
Total	62,971	56,368

6.3 Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	131,534	143,139
Quoted	--	--
Unquoted	131,534	143,139
Impairment (-)	--	--
Total	131,534	143,139

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	143,139	177,381
Foreign exchange differences (*)	17,542	(15,227)
Purchases	--	1,054
Redemptions (**)	(29,147)	(20,069)
Impairment (-)	--	--
Balance at the end of the period	131,534	143,139

(*) Accruals of investment securities held-to-maturity are included in "foreign exchange differences".

(**) Redemptions from securities held-to-maturity are related to coupon payments.

7. Investments in associates

7.1 Investments in unconsolidated associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	19,694	15,725	1,877	--	--	3,457	4,262	--
2	6,566	6,511	3	279	--	216	662	--

(*) Amounts given are as of the year ended 31 December 2007.

7.2 Investments in consolidated associates

None.

8. Investments in subsidiaries

The Bank has 99.95% 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, margin trading, short sale, securities lending, portfolio management services, repo and reverse repo transactions, investment advisory 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.

Deniz Yatırım purchased a portion of Ekspres Yatırım shares that corresponds to a nominal value of TRY 12.8 from Savings Deposit Insurance Fund on 18 June 2008, in exchange of TRY 20.

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, Innsbruck, Floridsdorf and Neustadt, and provides trade finance and payment services to its customers in Europe and Turkey.

The Bank acquired 49% of the outstanding shares of İktisat Bank Moscow at the beginning of 2003. The remaining 51% of the shares were acquired by Denizbank AG. Subsequent to the acquisition, the name of İktisat Bank Moscow was changed to CJSC Denizbank Moscow and then to CJSC Dexia Bank in February 2008. CJSC Dexia Bank is licensed to undertake all commercial banking transactions. Located in Moscow, the bank 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 paid-in capital has increased to 99.2% 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 TRY 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.

On 22 November 2007, Deniz Leasing increased its paid-in capital by TRY 162,000. TRY 149,678 of this amount was paid in cash, TRY 12,283 from extra ordinary reserves, TRY 39 from legal reserve inflation adjustment account. As of 31 March 2008, 84% of the paid-in capital of Deniz Leasing belongs to the Bank, while the remaining 16% belongs to Deniz Faktoring.

The Bank acquired 99.99% of the shares of Deniz Faktoring for TRY 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 TRY 2,515 on 30 March 2007. Global Hayat Sigorta A.Ş. changed its name to Deniz Hayat Sigorta A.Ş. (Deniz Hayat) on 10 August 2007. Deniz Hayat increased its paid-in capital by paying TRY 1,313 on 26 December 2007. The paid-in capital of Deniz Hayat has been decided to be further increased by TRY 20,000 in cash on 14 May 2008 and TRY 9,900 of its share amounting to TRY 19,980 in total of the Bank was paid on 17 June 2008. The remaining portion of TRY 9,990 will be paid until 6 June 2011.

Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (Deniz Kültür) increased its paid-in capital by TRY 105 on January 2007, TRY 30 on 17 April 2007, TRY 70 on 30 April 2007, TRY 100 on 12 June 2007 and TRY 200 on 30 July 2007, TRY 50 on 2 November 2007, all in cash.

CJSC Dexia Bank increased its paid-in capital in cash by US Dollar 24,938,145 (TRY 32,506) by the participation of the parent Bank and Denizbank AG on 18 January 2008.

Denizbank AG increased its paid-in capital in cash by Euro 14,998,183 (TRY 25,534) by the parent Bank on 28 January 2008.

8.1 Information on subsidiaries not consolidated

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage(%)	Other shareholders' share percentage(%)
1 İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	Istanbul/Turkey	%100	%0
2 Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	Istanbul/Turkey	%100	%0

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	2,045	1,155	108	79	97	36	401	--
2	1,247	1,101	181	--	5	(3)	153	--

The Bank sold its 99.9% share in Adana Haddecilik Metal Sanayi ve Ticaret A.Ş. by TRY 101 on 5 May 2008.

8.2 Information on subsidiaries consolidated

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Other subsidiaries' share percentage	Method of consolidation
1 Denizbank AG	Vienna / Austria	100%	0%	Full consolidation
2 Eurodeniz Off-Shore Bank Ltd. KKTC	Nicosia / Cyprus	100%	0%	Full consolidation
3 Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul / Turkey	100%	0%	Full consolidation
4 Deniz Türev Menkul Değerler A.Ş.	Istanbul / Turkey	88%	12%	Full consolidation
5 Ekspres Yatırım Menkul Değerler A.Ş.	Istanbul / Turkey	71%	29%	Full consolidation
6 CJSC Dexia Bank	Moscow / Russia	49%	51%	Full consolidation
7 Deniz Portföy Yönetimi A.Ş.	Istanbul / Turkey	0%	100%	Full consolidation
8 Deniz Finansal Kiralama A.Ş.	Istanbul / Turkey	84%	16%	Full consolidation
9 Deniz Faktoring A.Ş.	Istanbul / Turkey	100%	0%	Full consolidation
10 Deniz Hayat SigortaA.Ş.	Istanbul / 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	2,504,173	152,976	9,557	67,709	26,064	9,356	28,516	--
2	1,221,677	59,394	8	25,709	30,445	(8,502)	67,214	--
3	29,117	20,253	1,042	1,194	1,674	(3,718)	(960)	--
4	9,452	8,985	129	688	49	1,805	(820)	--
5	36,129	34,676	456	2,481	766	2,313	8,799	--
6	390,114	69,674	15,325	12,773	6,915	(2,432)	2,819	--
7	2,817	2,474	26	217	7	(144)	509	--
8	1,530,848	307,851	175	73,588	1,858	34,055	60,774	--
9	528,757	71,006	221	46,853	(3,020)	10,588	30,269	--
10	53,094	17,629	1,212	2,344	1,740	3,351	(7,700)	--

8.2.1 *Movement of consolidated subsidiaries*

	Current Period	Prior Period
Balance at the Beginning of the Period	395,071	230,321
Movements during the Period	68,548	164,750
Purchases	68,051	153,506
Bonus Shares Received	--	12,378
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	497	(1,134)
Impairment	--	--
Balance at the End of the Period	463,619	395,071
Capital Commitments	9,990	--
Share Percentage at the end of Period (%)	--	--

8.2.2 *Sectoral distribution of consolidated subsidiaries*

	Current Period	Prior Period
Banks	154,180	95,643
Insurance Companies	13,819	3,828
Factoring Companies	30,384	30,384
Leasing Companies	227,365	227,365
Finance Companies	37,871	37,851
Other Subsidiaries	--	--
Total	463,619	395,071

8.2.3 *Listed subsidiaries*

None.

8.2.4 *Subsidiaries disposed during the current period*

None.

8.2.5 *Subsidiaries purchased in the current period*

None.

9. Information on other investments:

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	447,947	369,383	48,976	44,704
Between 1-4 years	873,800	735,903	741,891	642,053
Over 4 years	127,096	107,273	349,756	270,442
Total	1,448,843	1,212,559	1,140,623	957,199

10.2 Information on net financial lease receivables

	Current Period	Prior Period
Gross finance lease receivable	1,448,843	1,140,623
Unearned finance income (-)	236,284	183,424
Cancelled leasing agreements (-)	--	--
Net investment on leases	1,212,559	957,199

10.3 Information on financial lease agreements of the Bank

None.

11. Information on hedging purpose derivatives:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair Value Hedge	--	--	--	--
Cash Flow Hedge	92,424	2,818	--	--
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	92,424	2,818	--	--

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 TRY 14,544 (31 December 2007: TRY 20,809) and deferred tax liability is TRY 384 (31 December 2007: None). The amount is the net of deductible temporary differences and taxable temporary differences calculated as of the balance sheet date.

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 prior periods 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 assets held for sale

DFS Group has no discontinued operations during the current period.

14. Information on other assets

14.1 Information on prepaid expense, tax and similar items

Prepaid expenses are TRY 29,449 (31 December 2007: TRY 22,214).

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

15. Information on investment properties

None.

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 Months-1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	278,985	--	641,616	2,448,819	17,507	23,978	4,410	--	3,415,315
Foreign Currency Deposits	1,264,741	--	1,157,868	1,926,816	154,789	1,081,012	935,416	--	6,520,642
Residents in									
Turkey	803,749	--	1,053,757	1,768,606	54,083	311,102	193,353	--	4,184,650
Residents Abroad	460,992	--	104,111	158,210	100,706	769,910	742,063	--	2,335,992
Public Sector Deposits	201,177	--	1,378	1,509	--	--	10	--	204,074
Commercial Deposits	515,928	--	423,958	195,743	11,596	12,679	3,632	--	1,163,536
Other Ins. Deposits	11,031	--	27,318	16,910	1,277	339	8	--	56,883
Precious Metal Deposits	7,602	--	--	--	--	--	--	--	7,602
Bank Deposits	54,493	--	174,104	127,444	32,011	150,686	4,233	--	542,971
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	14,842	--	160,494	1,938	--	--	3,039	--	180,313
Foreign Banks	37,871	--	13,610	125,506	32,011	150,686	1,194	--	360,878
Special Financial Inst.	1,780	--	--	--	--	--	--	--	1,780
Other	--	--	--	--	--	--	--	--	--
Total	2,333,957	--	2,426,242	4,717,241	217,180	1,268,694	947,709	--	11,911,023

Prior Period

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	332,368	--	495,945	2,092,873	29,768	30,466	3,294	--	2,984,714
Foreign Currency Deposits	1,326,248	--	1,365,253	1,654,290	313,866	794,338	543,993	--	5,997,988
Residents in									
Turkey	916,781	--	1,126,117	1,536,187	123,739	233,426	90,173	--	4,026,423
Residents Abroad	409,467	--	239,136	118,103	190,127	560,912	453,820	--	1,971,565
Public Sector Deposits	116,965	--	1,228	2,545	15	--	--	--	120,753
Commercial Deposits	764,766	--	631,465	229,898	13,182	15,348	1,089	--	1,655,748
Other Ins. Deposits	11,211	--	22,475	26,486	515	39	--	--	60,726
Precious Metal Deposits	2,188	--	--	--	--	--	--	--	2,188
Bank Deposits	71,478	--	402,284	181,340	7,987	8,429	29	--	671,547
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	42,263	--	342,211	26,808	3,280	1,051	--	--	415,613
Foreign Banks	23,844	--	60,073	154,532	4,707	7,378	29	--	250,563
Special Financial Inst.	5,371	--	--	--	--	--	--	--	5,371
Other	--	--	--	--	--	--	--	--	--
Total	2,625,224	--	2,918,650	4,187,432	365,333	848,620	548,405	--	11,493,664

1.1 Information on saving 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	1,686,585	1,498,799	1,572,223	1,385,275
Foreign Currency Saving Deposits	719,771	690,167	1,666,783	1,505,279
Other Saving Deposits	--	--	--	--
Foreign branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	2,406,356	2,188,966	3,239,006	2,890,554

1.2 Saving deposits in Turkey are not covered under insurance in another country since the headquarter of the Bank is not located abroad.

1.3 Saving deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	1,635,380	635,598
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	7,259	3,946
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	--	--
Deposits belong to Off-Shore Banks who are established in Turkey.	181,444	114,032
Total	1,824,083	753,576

2. Information on trading purpose derivatives

2.1 Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forwards	5,555	4,212	8,887	3,316
Swaps	84,827	38,648	123,175	31,064
Futures	--	68	--	144
Options	43,883	4,488	42,053	9,373
Other	--	--	--	--
Total	134,265	47,416	174,115	43,897

3. Information on funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of Turkey	--	--	--	--
Domestic Bank and Institutions	263,950	72,253	82,592	29,930
Foreign Bank, Institutions and Funds	80,899	5,006,516	306,002	2,944,699
Total	344,849	5,078,769	388,594	2,974,629

3.1 Maturity information of funds borrowed

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-Term	313,962	1,972,337	319,208	166,797
Medium and Long-Term	30,887	3,106,432	69,386	2,807,832
Total	344,849	5,078,769	388,594	2,974,629

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.

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	--	--	1	1
Between 1-4 years	--	--	--	--
More than 4 years	--	--	--	--
Total	--	--	1	1

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:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Fair Value Hedge	--	--	--	--
Cash Flow Hedge	61,421	11,969	--	--
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	61,421	11,969	--	--

7. Information on provisions

7.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	88,066	69,991
Provisions for Loans and Receivables in Group II	7,115	--
Provisions for Non Cash Loans	11,718	9,167
Other	--	--
Total	106,899	79,158

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 (*)	40,591	76,864

(*) 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	24,500	--

(*) As of 30 June 2008, the Bank booked a provision of TRY 24,500 for future probable risks in its loans.

7.3.2 Information on other provisions exceeding 10% of total provisions

TRY 17,653 of other provisions consists of unindemnified and unconverted cash amount of specific provision of non-cash loans. TRY 2,974 comprises credit card promotions related to banking services and TRY 2,167 comprises other provisions.

8. Taxation

8.1 Current taxes

8.1.1 Current tax liability

As of 30 June 2008, tax provision of DFS Group amounts to TRY 17,483, and it has been offset with prepaid taxes.

As of 30 June 2008, DFS Group's total tax liability amounts to TRY 54,436 (31 December 2007: TRY 65,436).

8.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	17,483	27,349
Taxation on securities	11,373	10,864
Capital gains tax on property	583	431
Banking Insurance Transaction Tax (BITT)	8,829	9,496
Taxes on foreign exchange transactions	--	660
Value added tax payable	181	333
Other	9,036	10,038
Total	47,485	59,171

8.1.3 Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	2,844	2,398
Social security premiums- employer share	3,548	3,364
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	206	165
Unemployment insurance- employer share	345	334
Other	8	4
Total	6,951	6,265

8.2 Information on deferred tax liabilities

Deferred tax liabilities calculated on the basis of related regulation is TRY 384 (31 December 2007: None).

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 2008, the Bank has "other capital reserves" amounting to TRY 189,164 (31 December 2007: TRY 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 paid-in capital system is applicable at bank; if so the amount of registered paid-in capital*

Registered paid-in capital system is not applicable at the Bank.

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

None.

9.4 *Information on paid-in 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 (*)	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

* Related to the parent Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital had increased from TRY 202,000 to TRY 290,000; and TRY 50,369 of the increase had been received in cash through issuance of new shares to public.

** The share price for the above mentioned public issuance had been Turkish Lira "twothousandeighthundredseventyfive" and a total issuance premium of TRY 94,440 had been realized. The inflation effect amounting to TRY 3,911 had also been recognized over the original balance until December 2004.

11. Valuation difference of securities

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Associates, Subsidiaries and JV's	--	--	--	--
FV Difference	(114,225)	(5,519)	12,211	6,541
Foreign Exchange Difference	--	--	--	--
Total	(114,225)	(5,519)	12,211	6,541

12. Information on hedging funds

12.1 Information on cash flow hedge items

The parent Bank hedges a portion of its floating rate liabilities by interest rate swaps. The effective portion of the fair value changes of those swaps, amounting to TRY 63,097, has been disclosed in hedge funds in shareholders' equity.

12.2 Information on hedging foreign net investment risk

DFS Group hedges its foreign currency exchange rate risk from retranslation of its foreign operations by net investment hedge accounting, through recognizing the effective portion of foreign exchange rate changes of a portion of its foreign currency denominated liabilities in shareholders' equity. The related hedging fund amounts to TRY (21,919) as of 30 June 2008.

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 2008, non-cash loans, commitments for credit card limits and commitments for cheque payments are TRY 5,493,132, TRY 2,297,805 and TRY 552,394, respectively (31 December 2007: TRY 4,739,501, TRY 2,113,934 and TRY 485,468, 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 2008, the DFS Group has letters of guarantee amounting to TRY 3,418,870, bills of exchange and acceptances amounting to TRY 110,156, and guarantees and sureties on letters of credit amounting to TRY 1,787,652. There are also other guarantees and sureties amounting to TRY 181,454.

As of 31 December 2007 the DFS Group has letters of guarantee amounting to TRY 3,043,089, bills of exchange and acceptances amounting to TRY 92,713, and guarantees and sureties amounting to TRY 1,425,357. There are other guarantees and sureties amounting to TRY 178,342.

1.2.2 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	423,415	336,400
Final Letters of Guarantee	2,277,501	2,090,411
Letters of Guarantee for advances	573,049	486,266
Letters of Guarantee given to Customs Offices	136,821	127,153
Other Letters of Guarantee	3,0844	2,859
Total	3,413,870	3,043,089

2. Non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	220,980	228,406
With Original Maturity of 1 Year or Less	13,208	161,329
With Original Maturity of More Than 1 Year	207,772	67,077
Other Non-Cash Loans	5,272,152	4,511,095
Total	5,493,132	4,739,501

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	
	TRY	FC	TRY	FC
Short Term	388,065	41,629	315,684	40,345
Medium and Long Term	363,233	141,857	220,860	75,084
Loans Under Follow-Up	9,699	--	7,934	--
Source Utilization Support Fund	--	--	--	--
Total	760,997	183,486	544,478	115,429

Includes fees and commissions from cash loans granted.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Central Bank of Turkey	--	901	--	1,777
Domestic Banks	1,026	4,465	754	8,956
Foreign Banks	692	11,920	226	41,746
Foreign Branches	--	--	--	--
Total	1,718	17,286	980	52,479

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	
	TRY	FC	TRY	FC
Banks	28,544	92,421	17,448	66,118
Central Bank of Turkey	29	--	--	--
Domestic Banks	11,900	1,709	8,937	2,136
Foreign Banks	16,615	90,712	8,511	63,982
Foreign Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	28,544	92,421	17,448	66,118

Includes fees and commissions expenses from cash loans received.

2.2 Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	97	138

2.3 Information on interest expense paid to securities issued

None.

3. Trading profit / loss (net)

	Current Period	Prior Period
Profit	9,565,530	2,032,692
Capital Market Transactions:	485,456	91,443
<i>Derivatives Financial Transactions</i>	483,757	80,754
<i>Other</i>	1,699	10,689
Foreign Exchange Gain	9,080,074	1,941,249
Loss (-)	9,572,435	2,032,036
Capital Market Transactions:	479,267	149,017
<i>Derivatives Financial Transactions</i>	468,421	144,487
<i>Other</i>	10,846	4,530
Foreign Exchange Losses	9,093,168	1,883,019
Net Trading profit / (loss)	(6,905)	656

4. Other operating income

	Current Period	Prior Period
Reversal from prior year provisions	40,415	33,722
Income from customers for banking services	30,018	22,417
Communication income	4,007	5,522
Cheque book fees	2,512	2,208
Other	18,167	7,697
Total	95,119	71,566

5. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	53,290	53,610
<i>Loans and Receivables in Group III</i>	--	--
<i>Loans and Receivables in Group IV</i>	--	2,523
<i>Loans and Receivables in Group V</i>	53,290	51,087
Non-performing commissions and other receivables	--	--
General Provision Expenses	27,810	11,578
Provision for Possible Losses	24,500	--
Impairment Losses on Securities:	27,361	1,878
<i>Trading securities</i>	23,002	1,384
<i>Investment Securities Available-for-Sale</i>	4,359	494
Other Impairment Losses:	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	--	--
Other	4,262	1,791
Total	137,223	68,857

6. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	222,345	169,860
Reserve for Employee Termination Indemnity Benefits	1,074	1,745
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment of Tangible Assets	--	--
Amortisation Expenses of Tangible Assets	17,571	12,428
Impairment of Intangible Assets	--	--
Depreciation Expenses of Intangible Assets	4,492	8,940
Impairment of Investments in Associates	--	--
Impairment of Securities Held for Sale	--	--
Depreciation of Securities Held for Sale	374	158
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	122,484	90,288
<i>Operational Leases</i>	26,291	20,084
<i>Repair and Maintenance</i>	3,462	3,096
<i>Advertising</i>	13,641	9,685
<i>Other Expenses (*)</i>	79,090	57,423
Loss on Sales of Assets	731	516
Other	31,979	20,934
Total	401,050	304,869

(*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance, stationery, presentation and representation, heating and lighting, and others with balances of TRY 15,276, TRY 9,388, TRY 6,770, TRY 5,479, TRY 4,079, and TRY 38,098, respectively.

7. Taxes for continued and discontinued operations

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

The current period taxation charge is TRY 16,544 while deferred tax charge is TRY 37,883.

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

Deferred tax benefit/charge arising from temporary differences:	Current Period	Prior Period
Arising from Origination of Deductable Temporary Differences (+)	12,534	8,978
Arising from Reversal of Deductable Temporary Differences (-)	(45,671)	(4,576)
Arising from Origination of Taxable Temporary Differences (-)	(7,194)	(251)
Arising from Reversal of Taxable Temporary Differences (+)	2,448	3,468
Total	(37,883)	7,619

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

Sources of deferred tax benefit/charge:	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductable Temporary Differences	(33,137)	4,402
Arising from Origination (+)/ Reversal (-) of Taxable Temporary Differences	(4,746)	3,217
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	(37,883)	7,619

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 paid-in 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

Fee and Commission Received	Current Period	Prior Period
POS commissions	38,065	26,941
Credit card clearing commissions and others	29,887	32,801
Non-cash loans	23,019	26,215
Brokerage fees	27,562	32,784
Remittance commissions	9,200	5,732
Insurance services	5,288	5,010
Account management fees	4,572	3,905
Expertise fees	2,434	1,217
Other	17,859	11,264
Total	157,886	145,869

Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	42,733	31,044
Brokerage fees	1,373	2,479
Non-cash loans	175	156
EFT commissions	1,118	519
Other	5,161	5,321
Total	50,560	39,519

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 2008, DFS Group' risk group balances are: cash loans, placements, other assets, deposits, funds borrowed, subordinated loans, non-cash loans, and commitments, amounting to TRY 63, TRY 63,867, TRY 5,230, TRY 6,035, TRY 4,502,401, TRY 643,537, TRY 19,694, and TRY 254, respectively. As a result of the transactions with the risk group, the Bank has recorded net interest and commission expenses, and derivative transaction losses, amounting to TRY 102,577 and TRY 14,220, respectively.

1.2 Information on loans and other receivables to the DFS Group's risk group

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	9,676	834	6,167	2,666	49	35
Balance at the End of the Period	144	260	68,923	19,649	93	39
Interest and Commission Income Received	--	4	71	186	2	--

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	8,738	2,125	--	2,651	--	37
Balance at the End of the Period	9,676	834	6,167	2,666	49	35
Interest and Commission Income Received	--	2	2	--	--	--

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

1.2 Information on deposits held by and funds borrowed from 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
Balance at the Beginning of the Period	2,876	23	2,816,035	743,522	3,181	5,061
Balance at the End of the Period	2,425	2,876	5,145,977	2,816,035	3,571	3,181
Interest on Deposits	97	63	102,484	5,281	259	--

* 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	--	--	410,322	--	--	--
End of the Period	--	--	1,203,715	410,322	--	--
Total Income/Loss	--	--	(14,220)	311	--	--
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 2008, cash loans of the risk group represented 0.4% of the DFS Group's total cash loans granted, the deposits and borrowings represented 28.7% of the DFS Group's total deposits and borrowings. Non-cash loans granted represent 0.4% of the total balance.

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

The risk group, which the DFS Group belongs to, has entered into financial lease contracts with Deniz Finansal Kiralama A.Ş.

SECTION SIX OTHER DISCLOSURES

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

1. Explanations related to the Bank's operations

The Bank utilized a 10 years maturity subordinated loan from Dexia Credit Local, amounting to USD 200 millions on 27 February 2008.

The paid-in capital of the Bank has been decided to be increased from TRY 316,100 to TRY 716,100 by the resolution of the Board of Directors dated 27 March 2008 and it has been agreed that the additional amount of TRY 400,000 would be paid by the shareholders in cash. Following the authorizations granted by Banking Regulation and Supervision Agency and Capital Markets Board, the aforementioned paid-in capital increase was registered after the approval at the extraordinary General Assembly on 20 May 2008. The other developments related to the capital increase are explained in footnote VII.3.

TRY 150,000 of the capital increase of TRY 400,000 was transferred on 26 June 2008 by the main shareholder Dexia Participation Belgique SA to The Bank's account. In line with the permission of the Banking Regulation and Supervision Agency, the amount involved will be considered as second tier subordinated debt for calculation of capital adequacy ratio until process of capital increase is finalized.

The Bank signed "Municipality Global Loan" agreement with European Investment Bank (EIB), amounting to Euro 150 millions with a maturity of up to 12 years on 13 June 2008. Euro 40 millions tranche of the subject facility comprises the donation contribution of the European Commission.

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 12 December 2007, Fitch Ratings has upgraded Turkey's long-term local currency rating to BB- from BB-. Fitch Ratings has affirmed long-term foreign currency rating of BB- and the outlooks for long-term local and foreign currency at "Stable". There has been no change to Turkey's country ceiling rating of BB and short term foreign currency rating of B.

Denizbank's rating by Fitch Ratings

On 14 December 2007, Fitch Ratings has upgraded Denizbank's long term local currency rating to BBB- from BB+, short term local currency rating to F3 from B and national long-term rating to AAA from AA+. Fitch ratings affirmed Denizbank's long and short term foreign currency rating and the outlooks for foreign and local currency IDRs and the National rating at "Stable". On 22 May 2008, Fitch ratings affirmed Denizbank's credit rating.

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	F3	BBB- (Stable)	AAA (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". And domestic bill debt country ceiling was affirmed as A2.

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. Significant Events and Matters Arising Subsequent to Balance Sheet Date

New share prospectus, prepared for paid-in capital increase of the Parent Bank from TRY 316,100 to TRY 716,100, was published at the daily newspapers on 16 July 2008 and the process of exercising pre-emptive right has started on 18 July 2008 and ended on 1 August 2008. Pre-emptive right was exercised for TRY 399,990 of the increased paid-in capital of TRY 400,000. The remaining part of TRY 10 with nominal value, not exercised, was offered to primary market on 8 and 11 August 2008 in accordance with the approval of Capital Markets Board and sale of all shares was completed as of 11 August 2008. Banking Regulation and Supervision Agency's approval is being waited for the registration of the paid-in capital.

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 of the users of the financial statements.

SECTION SEVEN INDEPENDENT AUDITORS' REPORT

I. Information on the independent auditor's review audit report

DFS Group's consolidated financial statements and footnotes as of 30 June 2008 have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the review report dated 14 August 2008 has been presented in front of the financial statements.

II. Disclosures and footnotes of the independent auditor

There are no significant issues and required disclosures and footnotes to DFS Group's operations, deemed as necessary, which have not been explained in the above sections.