

*(Convenience Translation of the Independent Auditor's Review Report
Originally Prepared and Issued in Turkish See Note 3.1.3)*

DENİZBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

**INDEPENDENT AUDITOR'S REVIEW REPORT, CONSOLIDATED
INTERIM FINANCIAL STATEMENTS AND NOTES FOR THE NINE
MONTHS PERIOD ENDED 30 SEPTEMBER 2014**

- I. Independent Auditor's Review Report
- II. Publicly Disclosed Consolidated Financial Report

Convenience Translation of the Independent Auditor's Review Report
Originally Issued in Turkish, See Note I. Three of Section Three

Denizbank A.Ş.
To the Board of Directors
İstanbul

**DENİZBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE PERIOD 1 JANUARY-30 SEPTEMBER 2014**

We have reviewed the consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 30 September 2014 and the related consolidated statement of income, consolidated statement of recognized profits and losses accounted for under equity, consolidated statement of cash flows, and consolidated statement of changes in shareholders' equity for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent principles set out as per the Banking Act No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Group's management, 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 give a true and fair view of the financial position of Denizbank A.Ş. and its consolidated subsidiaries at 30 September 2014 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.3 of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A Member Firm of **ERNST&YOUNG GLOBAL LİMİTED**

Fatma Ebru Yücel
SMMM, Partner

İstanbul, 6 November 2014

DENİZBANK A.Ş. FOR THE NINE MONTHS PERIOD
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 SEPTEMBER 2014

Address of the Bank's Headquarters

Büyükdere Caddesi No:106
34394 -ESENTEPE/İSTANBUL

Telephone and Fax Numbers

Tel: 0.212.355 08 00
Fax: 0.212.336 30 80

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 AND RISK MANAGEMENT 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:

| | Subsidiaries | Associates | Jointly Controlled Companies |
|----|---|------------|------------------------------|
| 1 | Denizbank AG, Vienna | | |
| 2 | Eurodeniz International Banking Unit Ltd. | | |
| 3 | Ekspres Menkul Değerler A.Ş. | | |
| 4 | Deniz Yatırım Menkul Kıymetler A.Ş. | | |
| 5 | CJSC Denizbank, Moscow | | |
| 6 | Deniz Portfoy Yönetimi A.Ş. | | |
| 7 | Deniz Finansal Kiralama A.Ş. | | |
| 8 | Deniz Faktoring A.Ş. | | |
| 9 | Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. | | |
| 10 | Destek Varlık Yönetim A.Ş. | | |

The "Structured Entity", DFS Funding Corp., which is not a subsidiary of the Bank but over which the Bank has 100% controlling power, has been included in consolidation.

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 Turkish Lira.

6 November 2014

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

NİHAT SEVİNÇ
Member of Board of Directors
and Audit Committee

WOUTER G.M. VAN ROSTE
Member of Board of Directors
and Audit Committee

DENIS BUGROV
Member of Board of Directors
and Audit Committee

HERMAN GREF
Chairman of Board of
Directors

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SECTION ONE

General Information

| | | |
|------|---|---|
| I. | Parent Bank's date of establishment, beginning statute, its history including changes on its statute | 1 |
| II. | Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and, if exists, changes on these issues and the Group that the Bank belongs to | 1 |
| III. | Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistant and shares of the Parent Bank they possess and their areas of responsibility | 2 |
| IV. | Explanations regarding the real person and corporate qualified shareholders at the Parent Bank | 3 |
| V. | Type of services provided and the areas of operations of the Parent Bank | 4 |
| VI. | A short explanation on the differences between the communique on consolidated financial statement reporting and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none | 4 |
| VII. | Existing or potential, actual or legal obstacles to immediate transfer of capital between Parent Bank and its subsidiaries and repayment of debts | 4 |

SECTION TWO

Consolidated Financial Statements

| | | |
|------|---|----|
| I. | Consolidated balance sheets | 6 |
| II. | Consolidated statements of off-balance sheet items | 8 |
| III. | Consolidated statements of income | 9 |
| IV. | Consolidated statements of recognized profits and losses accounted for under equity | 10 |
| V. | Consolidated statements of changes in shareholders' equity | 11 |
| VI. | Consolidated statements of cash flows | 12 |

SECTION THREE

Accounting Policies

| | | |
|--------|---|----|
| I. | Basis of presentation | 13 |
| II. | Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies | 14 |
| III. | Information regarding the consolidated subsidiaries | 15 |
| IV. | Explanations on forward transactions, options and derivative instruments | 17 |
| V. | Explanations on interest income and expenses | 17 |
| VI. | Explanations on fees and commissions | 17 |
| VII. | Explanations on financial assets | 17 |
| VIII. | Explanations on impairment of financial assets | 19 |
| IX. | Explanations on offsetting financial instruments | 20 |
| X. | Explanations on sale and repurchase agreements and transactions related to the lending of securities | 20 |
| XI. | Explanations on assets held for sale and discontinued operations | 20 |
| XII. | Explanations on goodwill and other intangible assets | 21 |
| XIII. | Explanations on tangible assets | 22 |
| XIV. | Explanations on Investment Properties | 22 |
| XV. | Explanations on leasing activities | 22 |
| XVI. | Explanations on provisions and contingent liabilities | 23 |
| XVII. | Explanations on obligations for employee benefits | 23 |
| XVIII. | Explanations on taxation | 24 |
| XIX. | Additional explanations on borrowings | 25 |
| XX. | Explanations on issuance of share certificates | 25 |
| XXI. | Explanations on acceptances | 25 |
| XXII. | Explanations on government grants | 25 |
| XXIII. | Explanations on segment reporting | 25 |
| XXIV. | Explanations on other matters | 25 |

SECTION FOUR

Consolidated Financial Position

| | | |
|-------|--|----|
| I. | Explanations related to the consolidated capital adequacy standard ratio | 26 |
| II. | Explanations related to the consolidated market risk | 38 |
| III. | Explanations related to the consolidated foreign currency exchange rate risk | 39 |
| IV. | Explanations related to the consolidated interest rate risk | 41 |
| V. | Position risk of equity shares on banking book | 46 |
| VI. | Explanations related to the consolidated liquidity risk | 47 |
| VII. | Securitization exposures | 49 |
| VIII. | Credit risk mitigation techniques | 49 |
| IX. | Risk management objectives and policies | 51 |
| X. | Explanations related to the consolidated segment reporting | 52 |

SECTION FIVE

Disclosures and Footnotes on Consolidated Financial Statements

| | | |
|------|--|----|
| I. | Explanations and disclosures related to consolidated assets | 54 |
| II. | Explanations and disclosures related to consolidated liabilities | 69 |
| III. | Explanations and disclosures related to consolidated off-balance sheet items | 77 |
| IV. | Explanations and disclosures related to consolidated statement of income | 78 |
| V. | Explanations and disclosures related to DFS Group's risk group | 83 |

SECTION SIX

Other Disclosures and Footnotes

| | | |
|----|--|----|
| I. | Other explanations related to DFS Group's operations | 85 |
|----|--|----|

SECTION SEVEN

Independent Auditor's Review Report

| | | |
|-----|---|----|
| I. | Information on the independent auditor's review report | 87 |
| II. | Disclosures and footnotes prepared by independent auditor | 87 |

SECTION ONE GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes in 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 Borsa Istanbul ("BIST") since 1 October 2004. 0,15% of the Bank's shares are publicly held as of 30 September 2014.

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, Dexia Participation Belgique's ownership rate increased to 99,85%.

On 8 June 2012 Dexia Group and Sberbank of Russia ("Sberbank") have signed a sale and purchase agreement regarding the acquisition of 715.010.291,335 Parent Bank shares representing 99,85% of the Bank's capital. The transaction covers the Parent Bank as well as all of its subsidiaries in Turkey, Austria and Russia. Following all the necessary regulatory authorizations in the countries in which seller and buyer operate including that of the European Commission, after the approvals of Competition Authority on 9 August 2012, the Banking Regulation and Supervision Agency on 12 September 2012 and the Capital Markets Board on 24 September 2012, Dexia has transferred 99,85% of shares of the Parent Bank to Sberbank with a total consideration of TL 6.469.140.728 (Euro 2.790 million) which is the Preliminary Purchase Price determined as per the sale and purchase agreement as of 28 September 2012. Following the completion of the adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Share Purchase Agreement, an additional amount of Euro 185 Million which is equivalent of TL 430.947.685 was paid on 27 December 2012. Ultimately the process was completed with a total Purchase Price of TL 6.900.088.413 (Euro 2.975 million).

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

Current Period

| Name of the Shareholder | Amount (Full TL) | Share (%) |
|-------------------------|------------------|-----------|
| Sberbank of Russia | 715.044.303 | 99,85 |
| Publicly traded | 1.055.663 | 0,15 |
| Others shareholders | 34 | - |
| Total | 716.100.000 | 100,00 |

Prior Period

| Name of the Shareholder | Amount (Full TL) | Share (%) |
|-------------------------|------------------|-----------|
| Sberbank of Russia | 715.044.303 | 99,85 |
| Publicly traded | 1.055.663 | 0,15 |
| Others shareholders | 34 | - |
| Total | 716.100.000 | 100,00 |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistants and shares of the Parent Bank they possess and their areas of responsibility

| Name | Title | Shares owned (%) |
|-------------------------------------|--|------------------|
| President of the Board of Directors | | |
| Herman Gref | Chairman | -- |
| Board of Directors | | |
| Deniz Ülke Arıboğan | Deputy Chairman | -- |
| Hakan Ateş | Member, President and CEO | 0,000002 |
| Alexander Vedyakhin | Member | -- |
| Nihat Sevinç | Member | -- |
| Wouter G.M. Van Roste | Member | -- |
| Timur Kozintsev | Member | -- |
| Sergey Gorkov | Member | -- |
| Vadim Kulik | Member | -- |
| Denis Bugrov | Member | -- |
| Derya Kumru | Member | -- |
| Igor Kondrashov | Member | -- |
| Alexander Morozov | Member | -- |
| Artem Dovlatov | Member | -- |
| Audit Committee | | |
| Wouter G.M. Van Roste | Member | -- |
| Denis Bugrov | Member | -- |
| Nihat Sevinç | Member | -- |
| Executive Vice Presidents | | |
| Bora Böcügöz | Treasury, Financial Institutions, Private Banking | -- |
| Suavi Demircioğlu | Financial Affairs | -- |
| Dilek Duman | Information Technologies and Support Operations | -- |
| Tanju Kaya | Central Operations and Foreign Subsidiaries | -- |
| Gökhan Sun | SME and Agricultural Banking | -- |
| Mustafa Özel | Branch and Central Operations | -- |
| İbrahim Şen | Credit Follow-up and Risk Monitoring | -- |
| Mehmet Aydoğdu | Commercial Banking and Public Finance | -- |
| Mustafa Saruhan Özel | Economic Research, Strategy and Project Management | -- |
| Cem Demirağ | Head of Internal Control Unit and Compliance | -- |
| Ali Murat Dizdar | Chief Legal Advisor | -- |
| Ayşenur Hıçkıran | Card Payment Systems and Non-Branch Sales Channels | -- |
| Murat Çelik | Digital Generation Banking | -- |
| Hayri Cansever | Corporate Banking | -- |
| Selim Efe Teoman | Corporate and Commercial Loans | -- |
| Ramazan Işık | Head of Inspection Board | -- |
| Kürşad Taçalan | General Secretary | -- |
| Ruslan Abil | Group Reporting and Asset/Liability Management | -- |
| Önder Özcan | Managerial Reporting and Budget Planning | -- |
| Necip Yavuz Elkin | Human Resources and Deniz Academy | -- |
| Burak Koçak | SME Banking | -- |
| Oğuzhan Özark | Retail Banking Affluent Banking Sales Management | -- |
| Cemil Cem Önenç | Private Banking | -- |
| Sinan Yılmaz | Risk Management Group leader | -- |
| Hakan Turan Pala | Corporate and Commercial Loans Analysis | -- |
| Fatma Ayperi Karahan | Individual SME and Agricultural Banking Loans | -- |

IV. Explanations regarding the real person and corporate qualified shareholders at the Parent Bank

| Commercial Title | Share Amounts | Share Percentages | Paid-in Capital | Unpaid Capital |
|--------------------|---------------|-------------------|-----------------|----------------|
| Sberbank of Russia | 715.044 | 99,85% | 715.044 | -- |

Sberbank of Russia is the controlling party of the Parent Bank's capital having both direct and indirect qualified shares.

As of 30 September 2014 the capital structure of Sberbank of Russia is as follows:

| Shareholders | Share Percentages |
|------------------------|-------------------|
| Central Bank of Russia | 50,00% |
| Publicly traded | 50,00% |
| Total | 100,00% |

Central Bank of Russia has 50% share and 1 voting right share.

V. 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 710 domestic and 1 foreign branch as of 30 September 2014.

Activities of the Parent Bank as stated in the 3rd clause of the Articles of Association are as follows:

In accordance with the Banking Law and regulations;

- Performing all kinds of banking activities.
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations.
- Establishing domestic and/or foreign entities and participating in existing entities. Entering into loan and intelligence agreements with domestic and international financial institutions. Participating in consortiums and syndications.
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.

Apart from the above-mentioned activities, in case different activities deemed advantageous and necessary for the company are to be undertaken in the future, they will be submitted to approval of the General Assembly based on Board of Director's decision and the company will be able to implement activities after the relevant decision is made by General Assembly.

VI. A short explanation on the differences between the communiqué on consolidated financial statement reporting and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none.

Banks are obligated to prepare consolidated financial statements for credit institutions and financial subsidiaries for creating legal restrictions on a consolidated basis based on the "Communiqué on Preparation of Consolidated Financial Statements of Banks" by applying Turkish Accounting Standards. There is not any difference between the related Communiqué and the consolidation operations based on Turkish Accounting Standards except the scope of non-financial associate and subsidiary. Information in regards to consolidated subsidiaries and consolidation methods are given in Section 3 Note III.

VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Parent Bank and its subsidiaries and repayment of debts.

None.

SECTION TWO CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheets
- II. Consolidated Statements of Off-Balance Sheet Items
- III. Consolidated Statements of Income
- IV. Consolidated Statements of Recognized Profits and Losses
Accounted for Under Equity
- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS
(STATEMENTS OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2014 AND 31 DECEMBER 2013
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| ASSETS | Footnotes | CURRENT PERIOD (30/09/2014) | | | PRIOR PERIOD (31/12/2013) | | |
|---|-----------|--|-------------------|-------------------|------------------------------|-------------------|-------------------|
| | | TL | FC | Total | TL | FC | Total |
| | | I. CASH AND BALANCES WITH THE CENTRAL BANK | (5.1.1) | 1.169.053 | 8.987.533 | 10.156.586 | 1.270.924 |
| II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net) | (5.1.2) | 246.079 | 1.069.755 | 1.315.834 | 255.463 | 879.197 | 1.134.660 |
| 2.1 Financial Assets Held For Trading | | 246.079 | 1.069.755 | 1.315.834 | 255.463 | 879.197 | 1.134.660 |
| 2.1.1 Public Sector Debt Securities | | 112.282 | 8.650 | 120.932 | 13.233 | 5.777 | 19.010 |
| 2.1.2 Share Certificates | | 275 | 280 | 555 | 32.698 | 263 | 32.961 |
| 2.1.3 Positive Value of Trading Purpose Derivatives | | 133.101 | 1.060.825 | 1.193.926 | 154.962 | 873.157 | 1.028.119 |
| 2.1.4 Other Securities | | 421 | - | 421 | 54.570 | - | 54.570 |
| 2.2 Financial Assets Designated at Fair Value | | - | - | - | - | - | - |
| 2.2.1 Public Sector Debt Securities | | - | - | - | - | - | - |
| 2.2.2 Share Certificates | | - | - | - | - | - | - |
| 2.2.3 Loans | | - | - | - | - | - | - |
| 2.2.4 Other Securities | | - | - | - | - | - | - |
| III. BANKS | (5.1.3) | 411.543 | 4.482.788 | 4.894.331 | 223.090 | 2.353.883 | 2.576.973 |
| IV. DUE FROM MONEY MARKETS | | 1.026.200 | - | 1.026.200 | 1.290.942 | - | 1.290.942 |
| 4.1 Interbank Money Market | | 5.886 | - | 5.886 | 437 | - | 437 |
| 4.2 Istanbul Stock Exchange | | - | - | - | - | - | - |
| 4.3 Reverse Repurchase Agreements | | 1.020.314 | - | 1.020.314 | 1.290.505 | - | 1.290.505 |
| V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net) | (5.1.4) | 5.966.539 | 1.881.354 | 7.847.893 | 3.610.873 | 1.312.077 | 4.922.950 |
| 5.1 Share Certificates | | 3.929 | 15 | 3.944 | 4.089 | 15 | 4.104 |
| 5.2 Public Sector Debt Securities | | 5.962.610 | 1.520.340 | 7.482.950 | 3.603.473 | 1.046.861 | 4.650.334 |
| 5.3 Other Securities | | - | 360.999 | 360.999 | 3.311 | 265.201 | 268.512 |
| VI. LOANS AND RECEIVABLES | (5.1.5) | 36.044.067 | 23.236.561 | 59.280.628 | 32.192.348 | 20.584.435 | 52.776.783 |
| 6.1 Loans and Receivables | | 35.474.152 | 23.232.127 | 58.706.279 | 31.764.709 | 20.573.592 | 52.338.301 |
| 6.1.1 Loans Utilized to the Bank's Risk Group | | 733 | - | 733 | 24.524 | - | 24.524 |
| 6.1.2 Public Sector Debt Securities | | - | - | - | - | - | - |
| 6.1.3 Others | | 35.473.419 | 23.232.127 | 58.705.546 | 31.740.185 | 20.573.592 | 52.313.777 |
| 6.2 Loans under Follow-Up | | 2.083.409 | 14.717 | 2.098.126 | 1.580.049 | 30.044 | 1.610.093 |
| 6.3 Specific Provisions (-) | | 1.513.494 | 10.283 | 1.523.777 | 1.152.410 | 19.201 | 1.171.611 |
| VII. FACTORING RECEIVABLES | | 1.609.850 | 131.244 | 1.741.094 | 1.564.755 | 341.374 | 1.906.129 |
| VIII. INVESTMENT HELD TO MATURITY (Net) | (5.1.6) | 2.671.267 | 406.655 | 3.077.922 | 2.159.096 | 412.366 | 2.571.462 |
| 8.1 Public Sector Debt Securities | | 2.671.267 | 374.466 | 3.045.733 | 2.159.096 | 362.298 | 2.521.394 |
| 8.2 Other Securities | | - | 32.189 | 32.189 | - | 50.068 | 50.068 |
| IX. INVESTMENTS IN ASSOCIATES (Net) | (5.1.7) | 10.260 | - | 10.260 | 10.078 | - | 10.078 |
| 9.1 Associates accounted for Under Equity Method | | - | - | - | - | - | - |
| 9.2 Unconsolidated Associates | | 10.260 | - | 10.260 | 10.078 | - | 10.078 |
| 9.2.1 Financial Associates | | 1.621 | - | 1.621 | 1.439 | - | 1.439 |
| 9.2.2 Non-Financial Associates | | 8.639 | - | 8.639 | 8.639 | - | 8.639 |
| X. INVESTMENTS IN SUBSIDIARIES (Net) | (5.1.8) | 5.649 | 52.144 | 57.793 | 5.649 | 29 | 5.678 |
| 10.1 Unconsolidated Financial Subsidiaries | | - | - | - | - | - | - |
| 10.2 Unconsolidated Non-Financial Subsidiaries | | 5.649 | 52.144 | 57.793 | 5.649 | 29 | 5.678 |
| XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net) | (5.1.9) | 2.800 | - | 2.800 | 2.800 | - | 2.800 |
| 11.1 Joint Ventures accounted for Under Equity Method | | - | - | - | - | - | - |
| 11.2 Unconsolidated Joint Ventures | | 2.800 | - | 2.800 | 2.800 | - | 2.800 |
| 11.2.1 Financial Joint Ventures | | - | - | - | - | - | - |
| 11.2.2 Non-Financial Joint Ventures | | 2.800 | - | 2.800 | 2.800 | - | 2.800 |
| XII. LEASE RECEIVABLES (Net) | (5.1.10) | 680.366 | 1.238.466 | 1.918.832 | 592.099 | 1.191.357 | 1.783.456 |
| 12.1 Financial Lease Receivables | | 860.699 | 1.414.691 | 2.275.390 | 750.422 | 1.358.437 | 2.108.859 |
| 12.2 Operational Lease Receivables | | - | - | - | - | - | - |
| 12.3 Others | | - | - | - | - | - | - |
| 12.4 Unearned Income (-) | | 180.333 | 176.225 | 356.558 | 158.323 | 167.080 | 325.403 |
| XIII. HEDGING PURPOSE DERIVATIVES | (5.1.11) | - | - | - | - | - | - |
| 13.1 Fair Value Hedge | | - | - | - | - | - | - |
| 13.2 Cash Flow Hedge | | - | - | - | - | - | - |
| 13.3 Hedging of a Net Investment in Foreign Subsidiaries | | - | - | - | - | - | - |
| XIV. TANGIBLE ASSETS (Net) | | 400.294 | 18.757 | 419.051 | 395.687 | 13.767 | 409.454 |
| XV. INTANGIBLE ASSETS (Net) | | 151.360 | 4.485 | 155.845 | 157.449 | 5.614 | 163.063 |
| 15.1 Goodwill | | 869 | - | 869 | 869 | - | 869 |
| 15.2 Others | | 150.491 | 4.485 | 154.976 | 156.580 | 5.614 | 162.194 |
| XVI. INVESTMENT PROPERTIES (Net) | (5.1.12) | 128.118 | - | 128.118 | 119.573 | - | 119.573 |
| XVII. TAX ASSETS | (5.1.13) | 77.612 | - | 77.612 | 155.595 | 8.758 | 164.353 |
| 17.1 Current Tax Assets | | 4.537 | - | 4.537 | 33.299 | 3.349 | 36.648 |
| 17.2 Deferred Tax Assets | | 73.075 | - | 73.075 | 122.296 | 5.409 | 127.705 |
| XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | (5.1.14) | - | - | - | - | - | - |
| 18.1 Held For Sale | | - | - | - | - | - | - |
| 18.2 Discontinued Operations | | - | - | - | - | - | - |
| XIX. OTHER ASSETS | (5.1.15) | 974.958 | 659.076 | 1.634.034 | 760.365 | 254.029 | 1.014.394 |
| TOTAL ASSETS | | 51.576.015 | 42.168.818 | 93.744.833 | 44.766.786 | 34.901.006 | 79.667.792 |

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS
(STATEMENTS OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2014 AND 31 DECEMBER 2013
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| LIABILITIES AND EQUITY | Footnotes | CURRENT PERIOD (30/09/2014) | | | PRIOR PERIOD (31/12/2013) | | |
|--|-----------|--------------------------------|------------|------------|------------------------------|------------|------------|
| | | TL | FC | Total | TL | FC | Total |
| I. DEPOSITS | (5.ii.1) | 22.440.693 | 38.555.679 | 60.996.372 | 21.952.972 | 30.503.558 | 52.456.530 |
| 1.1 Deposits of the Bank's Risk Group | | 11.720 | 461.178 | 472.898 | 20.905 | 668.791 | 689.696 |
| 1.2 Others | | 22.428.973 | 38.094.501 | 60.523.474 | 21.932.067 | 29.834.767 | 51.766.834 |
| II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING | (5.ii.2) | 282.303 | 905.245 | 1.187.548 | 263.073 | 191.753 | 454.826 |
| III. FUNDS BORROWED | (5.ii.3) | 2.172.382 | 9.964.273 | 12.136.655 | 2.408.670 | 8.576.156 | 10.984.826 |
| IV. DUE TO MONEY MARKETS | | 1.602.957 | 4.866 | 1.607.823 | 697.467 | 63.838 | 761.305 |
| 4.1 Interbank Money Market | | - | - | - | 51 | - | 51 |
| 4.2 Istanbul Stock Exchange | | - | - | - | - | - | - |
| 4.3 Repurchase Agreements | | 1.602.957 | 4.866 | 1.607.823 | 697.416 | 63.838 | 761.254 |
| V. SECURITIES ISSUED (Net) | (5.ii.4) | 1.939.388 | - | 1.939.388 | 1.620.133 | - | 1.620.133 |
| 5.1 Bills | | 1.159.894 | - | 1.159.894 | 857.025 | - | 857.025 |
| 5.2 Asset Backed Securities | | 568.009 | - | 568.009 | 567.759 | - | 567.759 |
| 5.3 Bonds | | 211.485 | - | 211.485 | 195.349 | - | 195.349 |
| VI. FUNDS | | - | - | - | - | - | - |
| 6.1 Borrowers Funds | | - | - | - | - | - | - |
| 6.2 Others | | - | - | - | - | - | - |
| VII. SUNDRY CREDITORS | | 999.054 | 484.151 | 1.483.205 | 990.325 | 512.336 | 1.502.661 |
| VIII. OTHER EXTERNAL RESOURCES | (5.ii.5) | 1.195.606 | 1.295.673 | 2.491.279 | 795.970 | 1.504.884 | 2.300.854 |
| IX. FACTORING PAYABLES | | - | - | - | - | - | - |
| X. LEASE PAYABLES (Net) | (5.ii.6) | - | - | - | - | - | - |
| 10.1 Financial Lease Payables | | - | - | - | - | - | - |
| 10.2 Operational Lease Payables | | - | - | - | - | - | - |
| 10.3 Others | | - | - | - | - | - | - |
| 10.4 Deferred Financial Leasing Expenses (-) | | - | - | - | - | - | - |
| XI. HEDGING PURPOSE DERIVATIVES | (5.ii.7) | - | - | - | - | - | - |
| 11.1 Fair Value Hedge | | - | - | - | - | - | - |
| 11.2 Cash Flow Hedge | | - | - | - | - | - | - |
| 11.3 Hedging of a Net Investment in Foreign Subsidiaries | | - | - | - | - | - | - |
| XII. PROVISIONS | (5.ii.8) | 993.704 | 27.386 | 1.021.090 | 951.895 | 50.801 | 1.002.696 |
| 12.1 General Provisions | | 757.902 | - | 757.902 | 700.374 | - | 700.374 |
| 12.2 Restructuring Provisions | | - | - | - | - | - | - |
| 12.3 Reserve for Employee Benefits | | 92.816 | 3.532 | 96.348 | 85.178 | 3.067 | 88.245 |
| 12.4 Insurance Technical Provisions (Net) | | - | - | - | - | - | - |
| 12.5 Other Provisions | | 142.986 | 23.854 | 166.840 | 166.343 | 47.734 | 214.077 |
| XIII. TAX LIABILITIES | (5.ii.9) | 120.384 | 13.737 | 134.121 | 125.737 | 16.045 | 141.782 |
| 13.1 Current Tax Liability | | 119.463 | 7.476 | 126.939 | 123.827 | 14.964 | 138.791 |
| 13.2 Deferred Tax Liability | | 921 | 6.261 | 7.182 | 1.910 | 1.081 | 2.991 |
| XIV. LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net) | | - | - | - | - | - | - |
| 14.1 Held For Sale | | - | - | - | - | - | - |
| 14.2 Discontinued Operations | | - | - | - | - | - | - |
| XV. SUBORDINATED LOANS | | - | 3.867.166 | 3.867.166 | - | 2.353.810 | 2.353.810 |
| XVI. SHAREHOLDERS' EQUITY | (5.ii.10) | 5.499.480 | 1.380.706 | 6.880.186 | 5.303.837 | 784.532 | 6.088.369 |
| 16.1 Paid-In Capital | | 716.100 | - | 716.100 | 716.100 | - | 716.100 |
| 16.2 Supplementary Capital | | (84.301) | (19.894) | (104.195) | (137.164) | (43.862) | (181.026) |
| 16.2.1 Share Premium | | 98.411 | - | 98.411 | 98.411 | - | 98.411 |
| 16.2.2 Share Cancellation Profits | | - | - | - | - | - | - |
| 16.2.3 Securities Revaluation Reserve | | (293.462) | (20.026) | (313.488) | (306.897) | (43.618) | (350.515) |
| 16.2.4 Revaluation Fund on Tangible Assets | (5.ii.12) | 306.054 | - | 306.054 | 306.054 | - | 306.054 |
| 16.2.5 Revaluation Fund on Intangible Assets | | - | - | - | - | - | - |
| 16.2.6 Revaluation Fund on Investment Properties | | - | - | - | - | - | - |
| 16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures | | 11 | - | 11 | 11 | - | 11 |
| 16.2.8 Hedging Funds (Effective Portion) | | (384.479) | 132 | (384.347) | (423.907) | (244) | (424.151) |
| 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 | | 3.956.335 | 356.533 | 4.312.868 | 3.498.827 | 417.004 | 3.915.831 |
| 16.3.1 Legal Reserves | | 144.542 | 5.019 | 149.561 | 144.542 | 5.019 | 149.561 |
| 16.3.2 Status Reserves | | - | - | - | - | - | - |
| 16.3.3 Extraordinary Reserves | | 3.791.149 | 11.173 | 3.802.322 | 3.336.994 | 11.173 | 3.348.167 |
| 16.3.4 Other Profit Reserves | | 20.644 | 340.341 | 360.985 | 17.291 | 400.812 | 418.103 |
| 16.4 Profit or Loss | | 905.172 | 1.044.067 | 1.949.239 | 1.188.782 | 411.390 | 1.600.172 |
| 16.4.1 Prior Periods' Profits / Losses | | 600.474 | 572.540 | 1.173.014 | 301.139 | 287.803 | 588.942 |
| 16.4.2 Current Period Profit / Loss | | 304.698 | 471.527 | 776.225 | 887.643 | 123.587 | 1.011.230 |
| 16.5 Minority Shares | (5.ii.11) | 6.174 | - | 6.174 | 37.292 | - | 37.292 |
| TOTAL LIABILITIES AND EQUITY | | 37.245.951 | 56.498.882 | 93.744.833 | 35.110.079 | 44.557.713 | 79.667.792 |

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF OFF-BALANCE SHEET ITEMS
AS OF 30 SEPTEMBER 2014 AND 31 DECEMBER 2013
(Currency: Thousands of TL- Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

| | Footnotes | CURRENT PERIOD (30/09/2014) | | | PRIOR PERIOD (31/12/2013) | | |
|---|-----------|--------------------------------|-------------|-------------|------------------------------|-------------|-------------|
| | | TL | FC | Total | TL | FC | Total |
| A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II-III) | | | | | | | |
| I. GUARANTEES | (5.III.1) | 51.897.377 | 81.598.978 | 133.496.355 | 39.511.070 | 61.697.941 | 101.209.011 |
| 1. Letters of Guarantee | | 7.451.630 | 11.976.540 | 19.428.170 | 6.596.343 | 11.819.173 | 18.415.516 |
| 1.1. Guarantees Subject to State Tender Law | | 7.430.611 | 7.961.480 | 15.392.091 | 6.585.003 | 7.281.121 | 13.866.124 |
| 1.1.1. Guarantees Given for Foreign Trade Operations | | - | - | - | - | - | - |
| 1.1.2. Guarantees Given for Foreign Trade Operations | | 79.122 | 128.199 | 207.321 | 79.122 | 170.493 | 249.615 |
| 1.1.3. Other Letters of Guarantee | | 7.351.489 | 7.833.281 | 15.184.770 | 6.505.881 | 7.110.628 | 13.616.509 |
| 1.2. Bank Acceptances | | 7.668 | 114.180 | 121.848 | 1.566 | 137.916 | 139.482 |
| 1.2.1. Import Letter of Acceptance | | 7.668 | 114.180 | 121.848 | 1.566 | 133.529 | 135.095 |
| 1.2.2. Other Bank Acceptances | | - | - | - | - | 4.387 | 4.387 |
| 1.3. Letters of Credit | | 2.175 | 2.619.784 | 2.621.959 | 3.148 | 2.692.992 | 2.696.140 |
| 1.3.1. Documentary Letters of Credit | | 2.175 | 2.205.689 | 2.207.864 | 3.055 | 2.285.477 | 2.288.532 |
| 1.3.2. Other Letters of Credit | | - | 414.095 | 414.095 | 93 | 407.515 | 407.608 |
| 1.4. Prefinancing Given As Guarantee | | - | - | - | - | - | - |
| 1.5. Endorsements | | - | - | - | - | - | - |
| 1.5.1. Endorsements to the Central Bank of Turkey | | - | - | - | - | - | - |
| 1.5.2. Other Endorsements | | - | - | - | - | - | - |
| 1.6. Purchase Guarantees for Securities Issued | | - | - | - | - | - | - |
| 1.7. Factoring Related Guarantees | | - | - | - | - | - | - |
| 1.8. Other Collaterals | | 11.176 | 1.281.096 | 1.292.272 | 6.626 | 1.707.144 | 1.713.770 |
| 1.9. Other Sureties | | - | - | - | - | - | - |
| II. COMMITMENTS | (5.III.1) | 22.606.810 | 4.585.725 | 27.192.535 | 15.713.821 | 3.588.438 | 19.302.259 |
| 2.1. Irrevocable Commitments | | 19.221.676 | 4.585.725 | 23.807.401 | 14.589.203 | 3.588.438 | 18.177.641 |
| 2.1.1. Asset Purchase and Sale Commitments | | 1.252.206 | 3.370.542 | 4.622.748 | 1.377.029 | 2.299.926 | 3.676.955 |
| 2.1.2. Deposit Purchase and Sales Commitments | | - | - | - | - | - | - |
| 2.1.3. Share Capital Commitments to Associates and Subsidiaries | | - | - | - | - | - | - |
| 2.1.4. Loan Granting Commitments | | 7.508.885 | 95.971 | 7.604.856 | 4.046.189 | 117.000 | 4.163.189 |
| 2.1.5. Securities Issuance Brokerage Commitments | | - | - | - | - | - | - |
| 2.1.6. Commitments for Reserve Deposit Requirements | | - | - | - | - | - | - |
| 2.1.7. Commitments for Cheque Payments | | 1.654.011 | - | 1.654.011 | 1.415.524 | - | 1.415.524 |
| 2.1.8. Tax and Fund Obligations from Export Commitments | | 745 | - | 745 | 864 | - | 864 |
| 2.1.9. Commitments for Credit Card Limits | | 8.777.466 | - | 8.777.466 | 7.731.311 | - | 7.731.311 |
| 2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services | | - | - | - | - | - | - |
| 2.1.11. Receivables from "Short" Sale Commitments On Securities | | - | - | - | - | - | - |
| 2.1.12. Payables for "Short" Sale Commitments On Securities | | - | - | - | - | - | - |
| 2.1.13. Other Irrevocable Commitments | | 28.363 | 1.119.212 | 1.147.575 | 18.286 | 1.171.512 | 1.189.798 |
| 2.2. Revocable Commitments | | 3.385.134 | - | 3.385.134 | 1.124.618 | - | 1.124.618 |
| 2.2.1. Revocable Loan Granting Commitments | | 3.384.575 | - | 3.384.575 | 1.124.059 | - | 1.124.059 |
| 2.2.2. Other Revocable Commitments | | 559 | - | 559 | 559 | - | 559 |
| III. DERIVATIVE FINANCIAL INSTRUMENTS | | 21.838.937 | 65.036.713 | 86.875.650 | 17.200.906 | 46.290.330 | 63.491.236 |
| 3.1. Hedging Purpose Derivatives | | - | - | - | - | - | - |
| 3.1.1. Fair Value Hedge | | - | - | - | - | - | - |
| 3.1.2. Cash Flow Hedge | | - | - | - | - | - | - |
| 3.1.3. Hedging of a Net Investment in Foreign Subsidiaries | | - | - | - | - | - | - |
| 3.2. Trading Purpose Derivatives | | 21.838.937 | 65.036.713 | 86.875.650 | 17.200.906 | 46.290.330 | 63.491.236 |
| 3.2.1. Forward Foreign Currency Purchases/Sales | | 768.150 | 1.518.544 | 2.286.694 | 1.994.052 | 3.310.137 | 5.304.189 |
| 3.2.1.1. Forward Foreign Currency Purchases | | 402.009 | 730.323 | 1.132.332 | 798.597 | 1.874.345 | 2.672.942 |
| 3.2.1.2. Forward Foreign Currency Sales | | 366.141 | 788.221 | 1.154.362 | 1.195.455 | 1.435.792 | 2.631.247 |
| 3.2.2. Currency and Interest Rate Swaps | | 14.358.618 | 55.246.881 | 69.605.499 | 7.958.719 | 34.886.842 | 42.845.561 |
| 3.2.2.1. Currency Swaps-Purchases | | 1.580.222 | 28.685.057 | 30.265.279 | 1.264.852 | 15.917.855 | 17.182.707 |
| 3.2.2.2. Currency Swaps-Sales | | 12.678.396 | 17.127.909 | 29.806.305 | 6.593.867 | 10.059.978 | 16.653.845 |
| 3.2.2.3. Interest Rate Swaps-Purchases | | 50.000 | 4.714.426 | 4.764.426 | 50.000 | 4.454.505 | 4.504.505 |
| 3.2.2.4. Interest Rate Swaps-Sales | | 50.000 | 4.719.489 | 4.769.489 | 50.000 | 4.454.504 | 4.504.504 |
| 3.2.3. Currency, Interest Rate and Security Options | | 5.946.099 | 7.025.891 | 12.971.990 | 7.166.756 | 8.025.407 | 15.192.163 |
| 3.2.3.1. Currency Options-Purchases | | 3.036.716 | 3.436.138 | 6.472.854 | 3.074.785 | 4.378.541 | 7.453.326 |
| 3.2.3.2. Currency Options-Sales | | 2.909.383 | 3.589.753 | 6.499.136 | 3.941.971 | 3.437.726 | 7.379.697 |
| 3.2.3.3. Interest Rate Options-Purchases | | - | - | - | - | 184.882 | 184.882 |
| 3.2.3.4. Interest Rate Options-Sales | | - | - | - | 150.000 | 24.258 | 174.258 |
| 3.2.3.5. Securities Options-Purchases | | - | - | - | - | - | - |
| 3.2.3.6. Securities Options-Sales | | - | - | - | - | - | - |
| 3.2.4. Currency Futures | | - | - | - | - | - | - |
| 3.2.4.1. Currency Futures-Purchases | | - | - | - | - | - | - |
| 3.2.4.2. Currency Futures-Sales | | - | - | - | - | - | - |
| 3.2.5. Interest Rate Futures | | - | - | - | - | - | - |
| 3.2.5.1. Interest Rate Futures-Purchases | | - | - | - | - | - | - |
| 3.2.5.2. Interest Rate Futures-Sales | | - | - | - | - | - | - |
| 3.2.6. Others | | 766.070 | 1.245.397 | 2.011.467 | 81.379 | 67.944 | 149.323 |
| B. CUSTODY AND PLEDGED ITEMS (IV+V+VI) | | 238.134.327 | 59.952.773 | 298.087.100 | 177.689.601 | 47.475.808 | 225.165.409 |
| IV. ITEMS HELD IN CUSTODY | | 39.111.596 | 2.065.749 | 41.177.345 | 18.934.749 | 1.426.461 | 20.361.210 |
| 4.1. Customers' Securities and Portfolios Held | | 253 | - | 253 | 161.547 | - | 161.547 |
| 4.2. Securities Held in Custody | | 37.616.517 | 879.824 | 38.496.341 | 17.538.558 | 437.538 | 17.976.096 |
| 4.3. Checks Received for Collection | | 505.337 | 940.979 | 1.446.316 | 498.193 | 813.467 | 1.311.660 |
| 4.4. Commercial Notes Received for Collection | | 988.348 | 230.663 | 1.219.011 | 735.455 | 161.939 | 897.394 |
| 4.5. Other Assets Received for Collection | | - | - | - | - | - | - |
| 4.6. Assets Received for Public Offering | | - | - | - | - | - | - |
| 4.7. Other Items under Custody | | - | 14.283 | 14.283 | - | 13.517 | 13.517 |
| 4.8. Custodians | | 1.141 | - | 1.141 | 996 | - | 996 |
| V. PLEDGED ITEMS | | 198.619.393 | 55.541.953 | 254.161.346 | 158.403.506 | 43.795.370 | 202.198.876 |
| 5.1. Securities | | 6.791.034 | 62.735 | 6.853.769 | 2.339.858 | 59.598 | 2.399.456 |
| 5.2. Guarantee Notes | | 132.194.222 | 21.169.202 | 153.363.424 | 107.339.454 | 19.253.329 | 126.592.783 |
| 5.3. Commodities | | 9.942.920 | 3.138.980 | 13.081.900 | 7.119.642 | 3.002.721 | 10.122.363 |
| 5.4. Warrants | | - | - | - | - | - | - |
| 5.5. Immovables | | 44.646.028 | 21.832.902 | 66.478.930 | 37.294.286 | 17.631.824 | 54.926.110 |
| 5.6. Other Pledged Items | | 5.045.189 | 9.338.134 | 14.383.323 | 4.310.266 | 3.847.898 | 8.158.164 |
| 5.7. Pledged Items-Depository | | - | - | - | - | - | - |
| VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES | | 403.338 | 2.345.071 | 2.748.409 | 351.346 | 2.253.977 | 2.605.323 |
| TOTAL OFF BALANCE SHEET ITEMS (A+B) | | 290.031.704 | 141.551.751 | 431.583.455 | 217.200.671 | 109.173.749 | 326.374.420 |

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

| INCOME AND EXPENSE ITEMS | Footnotes | CURRENT PERIOD | PRIOR PERIOD | CURRENT PERIOD | PRIOR PERIOD |
|--|-----------|--------------------|--------------------|--------------------|--------------------|
| | | (01/01-30/09/2014) | (01/01-30/09/2013) | (01/07-30/09/2014) | (01/07-30/09/2013) |
| I. INTEREST INCOME | (5.IV.1) | 5.219.683 | 4.019.209 | 1.822.995 | 1.398.006 |
| 1.1 Interest from Loans | | 4.359.473 | 3.324.587 | 1.530.380 | 1.162.314 |
| 1.2 Interest from Reserve Deposits | | - | - | - | - |
| 1.3 Interest from Banks | | 36.036 | 7.485 | 11.451 | 2.849 |
| 1.4 Interest from Money Market Transactions | | 59.166 | 4.131 | 12.784 | 823 |
| 1.5 Interest from Securities Portfolio | | 606.478 | 552.626 | 214.530 | 184.633 |
| 1.5.1 Trading Securities | | 20.279 | 88.800 | 3.381 | 20.277 |
| 1.5.2 Financial Assets at Fair Value Through Profit or Loss | | - | - | - | - |
| 1.5.3 Available for Sale Securities | | 348.130 | 413.148 | 138.953 | 128.143 |
| 1.5.4 Held to Maturity Securities | | 238.069 | 50.678 | 72.196 | 36.213 |
| 1.6 Interest from Financial Leases | | 122.919 | 103.867 | 42.380 | 37.777 |
| 1.7 Other Interest Income | | 35.611 | 26.513 | 11.470 | 9.610 |
| II. INTEREST EXPENSE | (5.IV.2) | 2.580.750 | 1.714.650 | 861.747 | 650.209 |
| 2.1 Interest on Deposits | | 1.901.302 | 1.351.405 | 633.460 | 508.963 |
| 2.2 Interest on Funds Borrowed | | 431.681 | 237.982 | 151.614 | 96.946 |
| 2.3 Interest on Money Market Transactions | | 92.331 | 38.733 | 22.170 | 15.076 |
| 2.4 Interest on Securities Issued | | 142.333 | 68.520 | 53.504 | 27.863 |
| 2.5 Other Interest Expense | | 13.103 | 18.010 | 999 | 1.361 |
| III. NET INTEREST INCOME (I - II) | | 2.638.933 | 2.304.559 | 961.248 | 747.797 |
| IV. NET FEES AND COMMISSION INCOME /EXPENSE | (5.IV.10) | 740.267 | 533.974 | 257.264 | 181.406 |
| 4.1 Fees and Commissions Received | | 975.634 | 716.101 | 341.796 | 245.294 |
| 4.1.1 Non-Cash Loans | | 96.776 | 76.524 | 34.178 | 26.373 |
| 4.1.2 Other | | 878.858 | 639.577 | 307.618 | 218.921 |
| 4.2 Fees and Commissions Paid | | 235.367 | 182.127 | 84.532 | 63.888 |
| 4.2.1 Non-Cash Loans | | 771 | 817 | 323 | 375 |
| 4.2.2 Other | | 234.596 | 181.310 | 84.209 | 63.513 |
| V. DIVIDEND INCOME | | 1.307 | 3.011 | 5 | (1) |
| VI. TRADING INCOME/LOSS (Net) | (5.IV.3) | (405.865) | 201.617 | (125.374) | (3.100) |
| 6.1 Profit / Loss on Securities Trading | | 82.131 | 159.695 | 27.471 | (150) |
| 6.2 Profit / Loss on Derivative Financial Transactions | | (126.428) | 609.886 | 398.823 | 238.360 |
| 6.3 Foreign Exchange Gains / Losses | | (361.568) | (567.964) | (551.668) | (241.310) |
| VII. OTHER OPERATING INCOME | (5.IV.4) | 446.013 | 303.925 | 137.546 | 137.881 |
| VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII) | | 3.420.655 | 3.347.086 | 1.230.689 | 1.063.983 |
| IX. PROVISION FOR LOANS AND OTHER RECEIVABLES (-) | (5.IV.5) | 666.841 | 818.579 | 258.117 | 250.527 |
| X. OTHER OPERATING EXPENSES (-) | (5.IV.6) | 1.746.796 | 1.414.651 | 604.640 | 515.589 |
| XI. NET OPERATING PROFIT/LOSS (VIII-IX-X) | | 1.007.018 | 1.113.856 | 367.932 | 297.867 |
| XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER | | - | - | - | - |
| XIII. INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY METHOD | | - | - | - | - |
| XIV. GAIN/LOSS ON NET MONETARY POSITION | | - | - | - | - |
| XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV) | (5.IV.7) | 1.007.018 | 1.113.856 | 367.932 | 297.867 |
| XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±) | (5.IV.8) | (229.796) | (239.864) | (96.683) | (58.502) |
| 16.1 Current Tax | | (180.944) | (99.323) | (41.815) | (43.612) |
| 16.2 Deferred Tax | | (48.852) | (140.541) | (54.868) | (14.890) |
| XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI) | (5.IV.9) | 777.222 | 873.992 | 271.249 | 239.365 |
| XVIII. PROFIT FROM DISCONTINUED OPERATIONS | | - | - | - | - |
| 18.1 Assets Held for Sale | | - | - | - | - |
| 18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures | | - | - | - | - |
| 18.3 Other | | - | - | - | - |
| XIX. LOSS FROM DISCONTINUED OPERATIONS (-) | | - | - | - | - |
| 19.1 Assets Held for Sale | | - | - | - | - |
| 19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures | | - | - | - | - |
| 19.3 Other | | - | - | - | - |
| XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX) | | - | - | - | - |
| XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±) | (5.IV.8) | - | - | - | - |
| 21.1 Current Tax | | - | - | - | - |
| 21.2 Deferred Tax | | - | - | - | - |
| XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI) | | - | - | - | - |
| XXIII. NET PROFIT / LOSS (XVII+XXII) | (5.IV.9) | 777.222 | 873.992 | 271.249 | 239.365 |
| 23.1 Group's Profit / Loss | | 776.225 | 873.698 | 271.063 | 238.939 |
| 23.2 Minority Shares | | 997 | 294 | 186 | 426 |
| Earnings / Losses per Share (Per thousand share) | | 1,08 | 1,22 | 0,38 | 0,33 |

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF RECOGNIZED
PROFITS AND LOSSES ACCOUNTED FOR
UNDER EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| | CURRENT PERIOD (01/01-30/09/2014) | PRIOR PERIOD (01/01-30/09/2013) |
|---|--------------------------------------|------------------------------------|
| I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS | 47.941 | (745.214) |
| II. TANGIBLE ASSETS REVALUATION DIFFERENCES | - | - |
| III. INTANGIBLE ASSETS REVALUATION DIFFERENCES | - | - |
| IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS | (57.118) | 204.105 |
| V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences) | 5.060 | 32.598 |
| VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences) | 35.219 | (193.950) |
| VII. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS | - | - |
| VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER EQUITY DUE TO TAS | - | - |
| IX. DEFERRED TAXES OF VALUATION DIFFERENCES | (11.389) | 149.485 |
| X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX) | 19.713 | (552.976) |
| XI. CURRENT PERIOD PROFIT/LOSS | 777.222 | 873.992 |
| 1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss) | 17.457 | 194.555 |
| 1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement | (4.585) | (45.698) |
| 1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement | - | - |
| 1.4 Other | 764.350 | 725.135 |
| XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI) | 796.935 | 321.016 |

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| CHANGES IN SHAREHOLDERS' EQUITY | Paid-In Capital | Inflation Adjustments to Paid-In Capital | Share Premium | Share Cancellation Profits | Legal Reserves | Status Reserves | Extraordinary Reserves | Other Reserves | Current Period Net Profit / (Loss) | Prior Period Net Profit / (Loss) | Securities Revaluation Reserve | Revaluation Fund of Tang./Intang.A. | Bonus Shares Obtained from Associates | Hedging Reserves | Val. Diff. Related to Assets Held for Sale/Disc. Opr. | Total Equity Attrib. to Equity Holders of the Parent | Minority Interest | Total Shareholders' Equity |
|--|-----------------|--|---------------|----------------------------|----------------|-----------------|------------------------|----------------|------------------------------------|----------------------------------|--------------------------------|-------------------------------------|---------------------------------------|------------------|---|--|-------------------|----------------------------|
| | | | | | | | | | | | | | | | | | | |
| PRIOR PERIOD 01/01-30/09/2013 | | | | | | | | | | | | | | | | | | |
| I. Balances at the Beginning of Period | 716.100 | 189.164 | 98.411 | - | 149.561 | - | 2.535.535 | 87.789 | 717.427 | 705.820 | 297.599 | 306.054 | 11 | (154.611) | - | 5.648.860 | 15.764 | 5.664.624 |
| II. Adjustment in accordance with TMS 8 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1 Effect of adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2 Effect of changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. New Balance (I+II) | 716.100 | 189.164 | 98.411 | - | 149.561 | - | 2.535.535 | 87.789 | 717.427 | 705.820 | 297.599 | 306.054 | 11 | (154.611) | - | 5.648.860 | 15.764 | 5.664.624 |
| Changes in the Period | | | | | | | | | | | | | | | | | | |
| IV. Increase / Decrease Related to Mergers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| V. Valuation Differences of Securities | - | - | - | - | - | - | - | - | - | - | (594.021) | - | - | - | - | (594.021) | - | (594.021) |
| VI. Hedging Transactions (Effective Portion) | - | - | - | - | - | - | - | - | - | - | - | - | - | (163.059) | - | (163.059) | - | (163.059) |
| 6.1 Cash Flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | 30.891 | - | 30.891 | - | 30.891 |
| 6.2 Hedging of a Net Investment in Foreign Subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | (193.950) | - | (193.950) | - | (193.950) |
| VII. Revaluation Fund of Tangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Revaluation Fund of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IX. Bonus Shares Obtained from Associates, Subsidiaries and Joint | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. Foreign Exchange Differences | - | - | - | - | - | - | - | 204.104 | - | - | - | - | - | - | - | 204.104 | - | 204.104 |
| XI. Changes Related to Sale of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. Changes Related to Reclassification of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. Effects of Changes in Equities of Associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. The Effect of Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.1 Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14.2 Internal Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. Issuance of Capital Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVII. Capital Reserves from Inflation Adjustments to Paid-In Capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVIII. Other | - | - | - | - | - | - | - | - | - | (176) | - | - | - | - | - | (176) | 176 | - |
| XIX. Current Period Net Profit / Loss | - | - | - | - | - | - | - | - | 873.698 | - | - | - | - | - | - | 873.698 | 294 | 873.992 |
| XX. Profit Distribution | - | - | - | - | - | - | - | 812.631 | (717.427) | (95.204) | - | - | - | - | - | - | - | - |
| 20.1 Dividends Distributed | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20.2 Transfer to Reserves | - | - | - | - | - | - | - | 812.631 | (717.427) | (95.204) | - | - | - | - | - | - | - | - |
| 20.3 Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balances at the End of Period (I+II+III+.....+XVIII+XIX+XX) | 716.100 | 189.164 | 98.411 | - | 149.561 | - | 3.348.166 | 291.893 | 873.698 | 610.440 | (296.422) | 306.054 | 11 | (317.670) | - | 5.969.406 | 16.234 | 5.985.640 |
| CURRENT PERIOD 01/01-30/09/2014 | | | | | | | | | | | | | | | | | | |
| I. Balances at the Beginning of Period | 716.100 | 189.164 | 98.411 | - | 149.561 | - | 3.348.167 | 418.103 | 1.011.230 | 588.942 | (350.515) | 306.054 | 11 | (424.151) | - | 6.051.077 | 37.292 | 6.088.369 |
| Changes in the Period | | | | | | | | | | | | | | | | | | |
| II. Increase / Decrease Related to Mergers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| III. Valuation Differences of Securities | - | - | - | - | - | - | - | - | - | - | 37.027 | - | - | - | - | 37.027 | - | 37.027 |
| IV. Hedging Transactions (Effective Portion) | - | - | - | - | - | - | - | - | - | - | - | - | - | 39.804 | - | 39.804 | - | 39.804 |
| 4.1 Cash Flow Hedge | - | - | - | - | - | - | - | - | - | - | - | - | - | 4.585 | - | 4.585 | - | 4.585 |
| 4.2 Hedging of a Net Investment in Foreign Subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | - | 35.219 | - | 35.219 | - | 35.219 |
| V. Revaluation Fund of Tangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VI. Revaluation Fund of Intangible Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VII. Bonus Shares Obtained from Associates, Subsidiaries and Joint | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| VIII. Foreign Exchange Differences | - | - | - | - | - | - | - | (57.118) | - | - | - | - | - | - | - | (57.118) | - | (57.118) |
| IX. Changes Related to Sale of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| X. Changes Related to Reclassification of Assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XI. Effects of Changes in Equities of Associates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XII. The Effect of Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12.1 Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12.2 Internal Resources | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIII. Issuance of Capital Stock | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XIV. Share Cancellation Profits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XV. Capital Reserves from Inflation Adjustments to Paid-In Capital | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| XVI. Other (*) | - | - | - | - | - | - | - | - | - | 26.997 | - | - | - | - | - | 26.997 | (32.115) | (5.118) |
| XVII. Current Period Net Profit / Loss | - | - | - | - | - | - | - | - | 776.225 | - | - | - | - | - | - | 776.225 | 997 | 777.222 |
| XVIII. Profit Distribution | - | - | - | - | - | - | - | 454.155 | (1.011.230) | 557.075 | - | - | - | - | - | - | - | - |
| 18.1 Dividend Distributed | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18.2 Transfer to Reserves | - | - | - | - | - | - | - | 454.155 | (1.011.230) | 557.075 | - | - | - | - | - | - | - | - |
| 18.3 Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balances at the End of Period (I+II+III+.....+XVI+XVII+XVIII) | 716.100 | 189.164 | 98.411 | - | 149.561 | - | 3.802.322 | 360.985 | 776.225 | 1.173.014 | (313.488) | 306.054 | 11 | (384.347) | - | 6.874.012 | 6.174 | 6.880.186 |

(*) Portion of Deniz Yatırım on Deniz Gayrimenkul Yatırım Ortaklığı shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

| | CURRENT PERIOD (01/01-30/09/2014) | PRIOR PERIOD (01/01-30/09/2013) |
|--|--------------------------------------|------------------------------------|
| A. CASH FLOWS FROM BANKING OPERATIONS | | |
| 1.1 Operating Profit before Changes in Operating Assets and Liabilities (+) | 2.075.537 | 954.213 |
| 1.1.1 Interest Received (+) | 4.635.850 | 3.588.162 |
| 1.1.2 Interest Paid (-) | 2.410.215 | 1.515.088 |
| 1.1.3 Dividend Received (+) | 1.307 | 3.011 |
| 1.1.4 Fees And Commissions Received (+) | 964.787 | 677.506 |
| 1.1.5 Other Income (+) | 533.338 | 480.256 |
| 1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+) | 352.564 | 391.983 |
| 1.1.7 Payments to Personnel and Service Suppliers (-) | 799.147 | 594.277 |
| 1.1.8 Taxes Paid (-) | 210.521 | 138.119 |
| 1.1.9 Other (+/-) | (992.426) | (1.939.221) |
| 1.2 Changes in Operating Assets and Liabilities | 241.848 | (2.562.461) |
| 1.2.1 Net (Increase) Decrease in Trading Securities (+/-) | (9.869) | 509.779 |
| 1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-) | - | - |
| 1.2.3 Net (Increase) Decrease in Banks (+/-) | 321.652 | 356.238 |
| 1.2.4 Net (Increase) Decrease in Loans (+/-) | (6.980.277) | (13.959.380) |
| 1.2.5 Net (Increase) Decrease in Other Assets (+/-) | (2.372.535) | (2.687.334) |
| 1.2.6 Net Increase (Decrease) in Bank Deposits (+/-) | (185.967) | 1.374.504 |
| 1.2.7 Net Increase (Decrease) in Other Deposits (+/-) | 8.593.790 | 9.718.596 |
| 1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-) | (152.098) | 1.576.947 |
| 1.2.9 Net Increase (Decrease) in Due Payables (+/-) | - | - |
| 1.2.10 Net Increase (Decrease) in Other Liabilities (+/-) | 1.027.152 | 548.189 |
| I. Net Cash (Used in)/Provided from Banking Operations (+/-) | 2.317.385 | (1.608.248) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| II. Net Cash Provided from / (Used in) Investing Activities (+/-) | (3.284.723) | (253.221) |
| 2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-) | 52.125 | 64.656 |
| 2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+) | 188 | - |
| 2.3 Fixed Assets Purchases (-) | 90.205 | 64.859 |
| 2.4 Fixed Assets Sales (+) | 26.442 | 9.322 |
| 2.5 Cash Paid for Purchase of Investments Available for Sale (-) | 5.436.219 | 4.237.606 |
| 2.6 Cash Obtained From Sale of Investments Available for Sale (+) | 2.250.976 | 5.007.251 |
| 2.7 Cash Paid for Purchase of Investment Securities (-) | 189 | 1.045.665 |
| 2.8 Cash Obtained from Sale of Investment Securities (+) | - | - |
| 2.9 Other (+/-) | 16.409 | 142.992 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| III. Net Cash Provided from / (Used in) Financing Activities (+/-) | 2.959.403 | 2.729.288 |
| 3.1 Cash Obtained from Funds Borrowed and Securities Issued (+) | 5.360.281 | 4.215.140 |
| 3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-) | 2.400.878 | 1.485.852 |
| 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 (+/-) | 5.973 | 509.772 |
| V. Net Increase / (Decrease) in Cash and Cash Equivalents | 1.998.038 | 1.377.591 |
| VI. Cash and Cash Equivalents at the Beginning of Period (+) | 6.583.374 | 3.593.313 |
| VII. Cash and Cash Equivalents at the End of Period | 8.581.412 | 4.970.904 |

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the consolidated 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 consolidated financial statements have been prepared in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006, which refers to "Turkish Accounting Standards" ("TAS"), put into effect by Public Oversight Accounting and Auditing Standards Authority ("KGK"), and "Turkish Financial Reporting Standards" ("TFRS") issued by the "Turkish Accounting Standards Board" ("TASB") and other decrees, notes and explanations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"). The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué.

The Parent Bank, maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared, under the historical cost convention except for the financial assets and liabilities carried at fair value.

Amounts at the consolidated financial statements and explanations and notes relating to them are represented as thousands TL unless otherwise specified.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet. These estimates, are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimations applied are explained relevant footnotes.

The accounting policies compatible with the accounting policies applied to consolidated financial statements yearly as of 31 December 2013 and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS.

These accounting policies and valuation principles are explained in Notes II to XXIV below.

The amendments of TAS and TFRS which have entered into force as of 1 January 2014 have no material impact on the DFS Group's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, will have no significant impact on the accounting policies, financial condition and performance of the DFS Group. DFS Group assesses the impact of TFRS 9 Financial Instruments standard.

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

None.

3. Additional paragraph for convenience translation:

The effects of differences between accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411 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) have not been quantified in the accompanying financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

II. Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies

1. Strategy for the use of financial instruments

Denizbank Financial Services Group's ("DFS Group") 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 falling 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.

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 Parent Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

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

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

No risks are taken as far as possible on foreign currencies other than US Dollar and Euro. Transactions are made under the determined limits to cover the position.

Net foreign currency position of DFS Group in foreign enterprises is considered along with the position of the Parent Bank 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 their presentation 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 the balance sheet date are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TL by using foreign currency exchange rates of the Parent Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates are as follows.

| | <u>30 September 2014</u> | <u>31 December 2013</u> | <u>30 September 2013</u> |
|-----------|--------------------------|-------------------------|--------------------------|
| US Dollar | TL 2,2772 | TL 2,1304 | TL 2,0365 |
| Euro | TL 2,8746 | TL 2,9344 | TL 2,7502 |

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

Net foreign exchange loss included in the income statement amounts to TL 361.568 (1 January - 30 September 2013: net foreign exchange loss of TL 567.964).

2.3 *Total amount of valuation fund arising from foreign currency exchange rate differences*

The assets and liabilities of foreign operations are translated to TL at foreign exchange rates of the Parent Bank ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to TL at nine monthly average foreign exchange rates of the Parent Bank. The foreign exchange differences derived from translation of income statements of consolidated subsidiaries, and arising from the difference between TL equivalent of their equities and the Parent Bank's share in their net assets are recorded in "other profit reserves". As of 30 September 2014, total foreign exchange differences in equity amount to TL 340.341 (31 December 2013: TL 400.812).

The foreign exchange difference of TL 18.784 (31 December 2013: TL 15.580) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to TL is recorded in "other profit reserves".

DFS Group's foreign currency denominated subsidiaries on a consolidated basis of the difference in the resulting exchange contracts to hedge the net investment hedge strategy is being implemented. A part of financial borrowings is designated as hedging instrument and the effective portion of the foreign exchange difference of these financial liabilities is recognized under "Hedging funds" in equity.

III. Information regarding the consolidated subsidiaries

Consolidated financial statements are prepared in accordance with ("TAS 10") the "Turkish Accounting Standard for Consolidated Financial Statements".

The Parent Bank owns, directly or indirectly, the shares of Deniz Yatırım Menkul Kıymetler A.Ş. (Deniz Yatırım), Ekspres Menkul Değerler A.Ş. (Ekspres Menkul Değerler), Eurodeniz International Banking Unit Ltd. (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, CJSC Denizbank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring), and Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz GYO) and Destek Varlık Yönetim A.Ş. (Destek Varlık Yönetim), and these subsidiaries are consolidated fully.

DFS Funding Corp., which is a structured entity, is also included in the scope of consolidation.

Important changes on consolidated subsidiaries in reporting period

Pursuant to the resolution taken at the Board of Directors meeting of Parent Bank, it was decided that the sale of the shares held by the Parent Bank and Deniz Faktoring in the share capital of Deniz Finansal Kiralama A.Ş. at the rate of 34,6% and 16,4% to Denizbank AG, subsidiary of the Parent Bank, with amounting to TL 277,9 million (Euro 9,4 million) was performed as of September 29, 2014 in accordance with the required permissions were received upon the approval of the BRSA dated 18 September 2014 and numbered 6014.

The title of "Ekspres Yatırım Menkul Değerler A.Ş." was registered as "Ekspres Menkul Değerler A.Ş." as of 3 April 2014.

The title of "Deniz Varlık Yönetim A.Ş." was registered as "Destek Varlık Yönetim A.Ş." as of 9 April 2014.

Capital of Deniz Yatırım was increased with amounting to totally TL 95 million by the Parent Bank dating 18 February 2014 and 28 February 2014.

Portion of Deniz Yatırım on Deniz GYO shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

Pursuant to the resolution taken at the Board of Directors meeting of Deniz GYO held on February 6, 2014, it was decided that Deniz GYO shall be merged with Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş. ("Pupa"), a subsidiary of Deniz GYO, using the simplified merger method through the takeover of all assets and liabilities in accordance with the Turkish Commercial Code, Corporate Tax Law, Capital Markets Law and the provisions of the Communiqué on Mergers and Demergers II-23.2 of the Capital Market Board ("CMB"). The permission request was filed to CMB on February 11, 2014 and the necessary permission was received upon the approval of the CMB dated May 20, 2014 and numbered 394/5150. Upon the receipt of these permissions, the application made to the Istanbul Trade Registry, for the registration of the subject merger was concluded as of June 11, 2014 and the merger of Deniz Gyo and Pupa through the takeover method was completed on June 11, 2014.

The operations of Ekspres Yatırım were temporarily suspended as of December 31, 2013 pursuant to the resolution taken at the Board of Directors meeting of Ekspres Yatırım dated November 28, 2013 and numbered 2013/29.

The Parent Bank and its consolidated subsidiaries are referred to as "DFS Group" in the disclosures and footnotes related to the consolidated financial statements.

In addition, the non-financial subsidiaries of the parent bank; Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ("Intertech"), Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ("Deniz Kültür") and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") which is jointly controlled company and affiliates of Intertech; Deniz Kartlı Ödeme Sistemleri A.Ş. and Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş., Deniz Immobilien Service GMBH and CR Erdberg Eins GmbH & Co KG since they are non-financial subsidiaries of Denizbank AG are excluded from the consolidation process.

Consolidation principles for subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

According to this method, the financial statements of the Parent 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 carrying amount of the Parent Bank's investment in each subsidiary and the Parent Bank's portion of equity of each subsidiary are eliminated.

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

The financial statements which have been used in the consolidation are prepared as of 30 September 2014 and appropriate adjustments are made to financial statements to use uniform accounting policies for transactions and events alike in similar circumstances, in accordance with the principal of materiality.

IV. Explanations on 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.

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps, options and futures that are classified as "trading purpose" transactions. Derivative transactions are recorded with their fair values at contract date. 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 or pricing models subsequent to initial recognition and are presented in the "Positive Value of Trading Purpose Derivatives" and "Negative Value of Trading Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value are recognized in the income statement. Fair values of derivatives are calculated using discounted cash flow model or market value.

V. Explanations on interest income and expenses

Interest income and expenses are recognized as they are accrued taking into account the internal rate of return method. Interest accrual does not start until non-performing 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. Explanations on fees and commissions

Fees and commissions received and paid, and other fees and commissions paid to financial institutions are either recognized on an accrual basis over the period the service is provided or received or recognized as income or expense when collected or paid depending on their nature.

VII. Explanations on financial assets

Financial assets include cash; acquisition right of cash or acquisition right of other financial asset or bilateral exchange right of financial assets or equity instrument transactions with the counterpart. Financial assets are classified in four categories; as financial assets at fair value through profit or loss, financial assets available-for-sale, investment held-to-maturity, and loans and receivables.

1. Financial assets at fair value through profit or loss

1.1 *Financial assets held for trading*

Trading financial assets are financial assets which are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making.

Trading financial assets are recognized at their fair value in the balance sheet and remeasured at their fair value after recognition.

All gains and losses arising from valuations of trading financial assets are reflected in the income statement. In accordance with descriptions of the uniform chart of accounts, favorable difference between acquisition cost of financial asset and its discounted value are recognized in "Interest Income", in the case of fair value of asset is above its discounted value, favorable difference between them are recognized in "Capital Market Transactions Profits" account, in the case of fair value is below discounted value, unfavorable difference between them are recognized in "Capital Market Transactions Losses" account. In the case of financial asset is sold off before its maturity, consisted gains or losses are accounted within the same principals.

Derivative financial assets are classified as trading financial assets unless they are used for hedging purposes. The accounting of derivative financial assets is explained in Note IV of Section Three.

1.2 *Financial assets at fair value through profit or loss*

DFS Group does not have any securities designated 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 loans and receivables, held to maturity investments and financial assets at fair value through profit or loss.

After the recognition, financial assets available for sale are remeasured at fair value. Interest income arising from available for sale calculated with "Effective interest method" and dividend income from equity securities are reflected to the income statements. Unrealized gains and losses arising from the differences at fair value of securities classified as available for sale and that is representing differences between amortized cost calculated with effective interest method and fair value of financial assets are recognized under the account of "Marketable securities valuation differences" inside shareholder's equity items. Unrealized profits and losses do not represent on relevant income statement until these securities are collected or disposed of and the related fair value differences accumulated in the shareholders' equity are transferred to the income statement. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

3. Investment securities held-to-maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available for sale; and those that meet the definition of loans and receivables.

Held to maturity financial assets are initially recognized at acquisition cost including the transaction costs which reflects the fair value of the those instruments and subsequently recognized at amortized cost by using effective interest rate method.

Interest incomes obtained from held to maturity financial assets are presented in the line of "interest received from securities portfolio - investment securities held-to-maturity" in the consolidated statement of income.

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.

Real coupon of Consumer Price Index ("CPI") that is linked government bonds under available-for-sale and held-to maturity portfolios remains fixed until maturity. At the same time intended to effect of change in Consumer Price Index, valuation is carried out with using reference indexes at relating issue of security and preparation date of financial statements.

4. Loans and specific provisions

Loans and receivables are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or financial assets available for sale, are unlisted in an active market and whose payments are fixed or can be determined. Loans and receivables are carried initially by adding acquisition cost to transaction costs which reflect fair value and subsequently recognized at the discounted value calculated using the "Effective interest method".

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

In this respect, foreign currency loans are subject to evaluation and currency exchange differences arising from such re-measurements are reflected in "Foreign Exchange Gains/Losses" account in the consolidated income statement. Foreign currency-indexed loans are initially recognized in their Turkish Lira equivalents; repayments are calculated with exchange rate at payment date, currency exchange differences occurred are reflected in profit/loss accounts.

Specific and general allowances are made 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 numbered 26333 dated 1 November 2006, and which was amended with the communiqué published in the Official Gazette numbered 27513 dated 6 March 2010.

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 prior years. The interest income recovered is booked in "Other Interest Income" account.

VIII. Explanations on impairment of financial assets

The existence of objective evidence whether a financial asset or group of financial assets is impaired, is assessed at each balance sheet date. If such evidence exists, impairment provision is provided.

Impairment for held-to-maturity financial assets carried at amortized cost is calculated as the difference between the present value of the expected future cash flows discounted based on the "Effective interest method" and its carrying value. Regarding available-for-sale financial assets, when there is objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. An explanation about the impairment of loans and receivables is given in Note VII-4

IX. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the DFS Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. Explanations on sale and repurchase agreements and transactions related to the lending of securities

Government bonds and treasury bills sold to customers under repurchase agreements are classified according to purpose of being hold into portfolio on the assets side of the accompanying consolidated balance sheet within "Financial Assets Held for Trading", "Investment Securities Available for Sale" and "Investment Securities Held to Maturity" and are valuating according to valuation principles of relating portfolio. Funds obtained from repurchase agreements are presented on the liability side of the consolidated balance sheet within the account of "Funds Provided under Repurchase Agreements". The accrual amounts corresponding to the period is calculated over the sell and repurchase price difference determined in repurchase agreements. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in "Reverse Repurchase Agreements" account in liability part of the consolidated balance sheet.

Securities received with resale commitments are presented under "Reverse Repurchase Agreements" line in the balance sheet. The accrual amounts for the corresponding part to the period of the resale and repurchase price difference determined in reverse repurchase agreements are calculated using the "Effective interest method". The Parent Bank has not any security which subjected to borrowing activities.

XI. Explanations on assets held for sale and discontinued operations

An asset is regarded as "Asset held for resale" only when the sale is highly propable and the asset is available for immediate sale in its present condition. For a highly proable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Various events and conditions can prolong completion period of sale transaction to more than 1 year. This loss of time is realized due to events and conditions out of contol of an enterprise and in the position of competent evidence about sales plan of an enterprise for sale of relevant asset continuing, assets mentioned continuing to be classified as assets held for sale.

The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single balance.

A discontinued operation is a division of a bank that is either disposed or held for sale and represents a separate major line of business or geographical area of operations; or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

As 30 September 2014, DFS Group does not have non-current assets held for sale and a discontinued operation. (31 December 2013: None.)

XII. Explanations on goodwill and other intangible assets

1. Goodwill

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles. Assets of the acquired company which are not presented on financial statements but separated from goodwill represented with fair values of tangible assets (credit card brand equity, customer portfolio etc.) and/or contingent liabilities to financial statements in process of acquisition.

In accordance with "TFRS 3 - Business Combinations", the goodwill is not amortized. It is tested yearly or if there is any indication of impairment according to "Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets".

2. Other intangible assets

Intangible assets are initially classified over acquisition cost values and other costs which are required for activation of the financial asset in accordance with TAS 38 "Intangible Assets" standard. Intangible assets are evaluated over excess value of net cost that derived from accumulated depreciation and accumulated impairment after recognition period.

The Group's intangible assets consist of software, license rights and total values of credit cards and personal loans portfolio.

Intangible assets purchased before 1 January 2003 and after 31 December 2006 are amortized on a straight-line basis; and those purchased between the aforementioned dates are amortized by using the double-declining method. 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.

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

XIII. Explanations on tangible assets

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

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 method. The depreciation rates used are as below.

| | Estimated Economic Life (Year) | Received before 2003 year | Received between 2003-2006 years | Received in 2007 | Received between 2008-2013 years |
|------------------------|--------------------------------|---------------------------|----------------------------------|------------------|----------------------------------|
| Movables | | | | | |
| - Office machinery | 4 YEARS | 20% | 40% - 50% | 20% - 25% | 10% - 25% |
| - Furniture/Furnishing | 5 YEARS | 20% | 20% - 50% | 10% - 20% | 12,50% - 20% |
| - Means of transport | 5 YEARS | 20% | 40% - 50% | 20% - 50% | 20% - 50% |
| - Other equipment | 10 YEARS | 20% | 4,44% - 50% | 2,50% - 50% | 2,50% - 50% |
| Real estates | 50 YEARS | 2% | 2% | 2% | 2% - 2,94% |

As of 30 September 2014 the Parent Bank has an impairment provision of TL 4.402, which had been recorded in the prior years for its buildings.

Expenditures for maintenance and repairs that are routinely made on tangible assets are charged as expense. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset

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

XIV. Explanations on Investment Properties

Land and buildings that are held for rental yields or for capital appreciation or both rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property". Investment property is carried at fair value. Gains or losses arising from a change in the fair value of investment property are recognized in the income statement in the period in which they occur.

Investment property is derecognized through disposal or withdrawal from use and when no future economic benefit is expected from its disposal. Gains or losses arising from the disposal of investment property are recognized in the related statement of income or expense accounts in the period in which they occur.

XV. Explanations on leasing activities

Fixed assets acquired through financial leasing are recognized in tangible assets and depreciated in line with fixed assets group they relate to. The obligations under finance leases arising from the lease contracts are presented under "Finance Lease Payables" account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

DFS Group has finance lease transactions as "lessor" via its subsidiary, Deniz Leasing. The lease receivables related to leased assets are recorded as finance lease receivables. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unrecognized portion is followed under unearned interest income account.

Specific provisions for non-performing financial lease receivables of DFS Group are provided for in accordance with the "Communiqué On Procedures and Principles For The Provisions To Be Set Aside By Financial Leasing, Factoring and Financing Companies For Their Receivables" published in the Official Gazette numbered 28861 dated 24 December 2013 and it represented under loans and specific provision for receivables in the enclosed consolidated balance sheet.

Transactions regarding operational agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XVI. Explanations on provisions and contingent liabilities

Provisions other than specific and general provisions for loans and other receivables and free provisions for probable risks, 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 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 Parent Bank's attorneys, there are 5.725 lawsuits against DFS Group with total risks amounting to TL 158.422, US Dollar 2.712.299 and Euro 1.903.759 as of 30 September 2014. There are also 9.363 follow-up cases amounting to TL 330.385 and Euro 64.747 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 19.191 for the continuing lawsuits (31 December 2013: TL 19.085).

XVII. Explanations on obligations for employee benefits

Provision for employee benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

The Parent Bank in accordance with existing legislation in Turkey, is required to make retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to the this extents, the Parent Bank is required to make severance payment to each employee whose employment is terminated due to retirement, death, military service and to female employees following their marriage within one year leave the job of their own accords by fourteenth clause of Labour Law.

DFS Group, in accordance with TAS 19 "Employee Benefits" realized provision registry under the condition of prediction of present value of possible liability in the future related to employee termination benefits. Losses and gains which occur after 1 January 2013 are adjusting under the Equity Accounts in accordance with updated TAS 19 Standard.

The Bank has recognized vacation pay liability amount which is calculated from unused vacation to financial statement as a provision.

XVIII. Explanations on taxation

1. Current taxes

In accordance with the Corporate Tax Law No: 5520 published in the Official Gazette numbered 26205 dated 21 June 2006, the corporate tax rate is levied at 20% beginning from 1 January 2006.

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.

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.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 2006/10731 of the Council of Ministers published in the Official Gazette no. 26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the institutions residing in Turkey is 15%. While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The foreign subsidiaries of DFS Group that operate in Austria, the Russian Federation and Cyprus are subject to corporate tax rates of 25%, 20% and 2%, respectively.

Current Tax Effects that sourced from directly classified in equity transactions represent on equity accounts.

2. Deferred taxes

In accordance with TAS 12 "Income Taxes", 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 separate financial statements, but have not been offset in the consolidated balance sheet. As a result of offsetting, deferred tax assets of TL 73.075 (31 December 2013: TL 127.705) and deferred tax liabilities of TL 7.182 (31 December 2013: TL 2.991) have been recognized in the accompanying financial statements.

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

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax asset is not provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004.

XIX. Additional explanations on borrowings

Instruments representing the borrowings are initially recognized at cost represented its fair value and measured at amortized cost based on the internal rate of return at next periods. Foreign currency borrowings have been translated using the foreign currency buying rates of the Parent Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

General hedging techniques are used for borrowings against liquidity and currency risks. The Parent Bank, if required, borrows funds from domestic and foreign institutions. The Parent Bank can also borrows funds in the forms of syndication loans and securitization loans from foreign institutions.

Funds maintained via financial instruments representing borrowings issued by structured entity (SPE) are disclosed under "Funds Borrowed".

XX. Explanations on issuance of share certificates

Transactions related to issuance of share certificates are explained in footnote 5.II.10.8. No dividends have been declared subsequent to the balance sheet date.

XXI. Explanations on 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. Explanations on government grants

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

XXIII. Explanations on segment reporting

Segment reporting is presented in Section Four, Footnote X.

XXIV. Explanations on other matters

None.

SECTION FOUR CONSOLIDATED FINANCIAL POSITION

I. Explanations related to the consolidated capital adequacy standard ratio

As per the revised "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" effective from 1 July 2012, the consolidated capital adequacy ratio is 12,74% as of 30 September 2014 (unconsolidated capital adequacy ratio: 14,31%). This ratio is above the minimum rate specified in the related regulation.

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 Ratios of Banks (the "Regulations")", "Regulation on Credit Risk Mitigation Techniques" published in the Official Gazette no.28337, dated 28 June 2012 and the "Regulation on Equities of Banks" published in the Official Gazette no.28756, dated 5 September 2013.

In the calculation of the consolidated capital adequacy ratio, the data prepared in compliance with the current legislation is used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as "trading book" and "banking book" according to the regulation.

The items classified as trading book and the items deducted from the equity are not included in the calculation of credit risk. In the calculation of risk weighted assets, the assets subject to amortization or impairment, are taken into account on a net basis after being reduced by the related amortizations and provisions.

In the calculation of the value at credit risk for the non-cash loans and commitments and the receivables from counterparties in such transactions are weighted after netting with specific provisions and calculated based on the "Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables". The net amounts are then multiplied by the rates stated in the Article 5 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" according to comprehensive financial guarantee method and weighted as per Appendix-1 of the Regulation.

In the calculation of the value at credit risk for the derivative financial instruments and the credit derivatives classified in the banking book, the receivables from counterparties are multiplied by the rates stated in the Appendix-2 of the Regulation, reduced as per the "Regulation on Credit Risk Mitigation Techniques" and then included in the relevant exposure category defined in the article 6 of the Regulation and weighted as per Appendix-1 of the Regulation.

As per the article 5 of the Regulation, the "Counterparty Credit Risk" is calculated for repurchase transactions, securities and commodities borrowing agreements.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

2. Consolidated and unconsolidated capital adequacy ratios

| Current Period | Risk Weighted Assets | | | | | | | | | |
|--|----------------------|-----|-----------|-----------|------------|------------|-----------|-----------|---------|-------|
| | Consolidated | | | | | | | | | |
| | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% | 1250% |
| Credit Risk Base | -- | -- | 862.787 | 5.063.873 | 12.062.700 | 47.647.301 | 2.149.814 | 7.851.110 | 348.775 | -- |
| Risk classifications | | | | | | | | | | |
| Conditional and unconditional receivables from central governments or central banks | 18.596.320 | -- | -- | 905.357 | -- | -- | -- | -- | 73.075 | -- |
| Conditional and unconditional receivables from regional or local governments | -- | -- | 857.663 | 34.551 | -- | 28.070 | -- | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -- | -- | -- | -- | -- | 1 | -- | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | -- | -- | 3.456.188 | 2.123.300 | -- | 1.146.614 | 10.778 | -- | -- | -- |
| Conditional and unconditional receivables from corporates | -- | -- | -- | -- | -- | 42.268.293 | -- | -- | -- | -- |
| Conditional and unconditional retail receivables | -- | -- | -- | -- | 16.083.600 | 1.165.139 | -- | -- | -- | -- |
| Conditional and unconditional receivables secured by mortgages | -- | -- | -- | 7.035.281 | -- | 783.397 | -- | -- | -- | -- |
| Past due receivables | -- | -- | -- | 23.975 | -- | 411.013 | 111.313 | -- | -- | -- |
| Receivables defined in high risk category by BRSA | -- | -- | -- | 5.282 | -- | 24.849 | 1.311.118 | 3.925.555 | 66.435 | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other receivables | 1.466.371 | -- | 86 | -- | -- | 1.819.925 | -- | -- | -- | -- |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

| Prior Period | Risk Weighted Assets | | | | | | | | | | |
|--|----------------------|-----|-----------|-----------|------------|------------|-----------|-----------|---------|-------|----|
| | Consolidated | | | | | | | | | | |
| | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% | 1250% | |
| Credit Risk Base | -- | -- | 577.792 | 4.021.798 | 9.861.770 | 42.923.456 | 1.968.150 | 7.642.148 | 360.463 | -- | -- |
| Risk classifications | | | | | | | | | | | |
| Conditional and unconditional receivables from central governments or central banks | 14.601.007 | -- | -- | 438.546 | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from regional or local governments | -- | -- | 820.852 | 35.394 | -- | 31.973 | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -- | -- | -- | -- | -- | 1 | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | -- | -- | 260.059 | 830.611 | -- | 381.162 | 2 | -- | -- | -- | -- |
| Conditional and unconditional receivables from corporates | -- | -- | -- | -- | -- | 38.875.844 | 4.867 | -- | -- | -- | -- |
| Conditional and unconditional retail receivables | -- | -- | -- | -- | 13.149.026 | 902.651 | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables secured by mortgages | -- | -- | -- | 6.636.038 | -- | 748.756 | -- | -- | -- | -- | -- |
| Past due receivables | -- | -- | -- | 21.526 | -- | 344.966 | 109.763 | -- | -- | -- | -- |
| Receivables defined in high risk category by BRSA | -- | -- | -- | 3.705 | -- | 13.493 | 1.197.468 | 3.821.074 | 144.185 | -- | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | -- | -- | 1.808.007 | 77.776 | -- | 258.154 | -- | -- | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other receivables | 1.292.966 | -- | 42 | -- | -- | 1.366.456 | -- | -- | -- | -- | -- |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| Current Period | Risk Weighted Assets | | | | | | | | | |
|--|----------------------|-----|-----------|-----------|------------|------------|-----------|-----------|---------|-------|
| | Parent Bank | | | | | | | | | |
| | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% | 1250% |
| Credit Risk Base | -- | -- | 499.879 | 4.630.109 | 11.670.738 | 30.996.145 | 2.053.479 | 7.851.110 | 257.878 | -- |
| Risk classifications | | | | | | | | | | |
| Conditional and unconditional receivables from central governments or central banks | 17.509.590 | -- | -- | 402.685 | -- | -- | -- | -- | 36.716 | -- |
| Conditional and unconditional receivables from regional or local governments | -- | -- | 857.663 | -- | -- | 601 | -- | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -- | -- | -- | -- | -- | 1 | -- | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | -- | -- | 1.641.644 | 1.986.589 | -- | 972.938 | 10.777 | -- | -- | -- |
| Conditional and unconditional receivables from corporates | -- | -- | -- | -- | -- | 24.454.929 | -- | -- | -- | -- |
| Conditional and unconditional retail receivables | -- | -- | -- | -- | 15.560.984 | 1.165.139 | -- | -- | -- | -- |
| Conditional and unconditional receivables secured by mortgages | -- | -- | -- | 6.841.687 | -- | 747.904 | -- | -- | -- | -- |
| Past due receivables | -- | -- | -- | 23.975 | -- | 376.713 | 47.571 | -- | -- | -- |
| Receivables defined in high risk category by BRSA | -- | -- | -- | 5.282 | -- | 12.804 | 1.310.638 | 3.925.555 | 66.435 | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other receivables | 1.361.928 | -- | 86 | -- | -- | 3.265.116 | -- | -- | -- | -- |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| Prior Period | Risk Weighted Assets | | | | | | | | | |
|--|----------------------|-----|---------|-----------|------------|------------|-----------|-----------|---------|-------|
| | Parent Bank | | | | | | | | | |
| | 0% | 10% | 20% | 50% | 75% | 100% | 150% | 200% | 250% | 1250% |
| Credit Risk Base | -- | -- | 315.877 | 4.178.093 | 9.497.737 | 27.683.970 | 1.795.614 | 7.642.148 | 360.463 | -- |
| Risk classifications | | | | | | | | | | |
| Conditional and unconditional receivables from central governments or central banks | 13.237.439 | -- | -- | 355.725 | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from regional or local governments | -- | -- | 820.852 | -- | -- | 628 | -- | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | -- | -- | -- | -- | -- | 1 | -- | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | -- | -- | 230.289 | 1.315.135 | -- | 84.502 | -- | -- | -- | -- |
| Conditional and unconditional receivables from corporates | -- | -- | -- | -- | -- | 22.659.680 | -- | -- | -- | -- |
| Conditional and unconditional retail receivables | -- | -- | -- | -- | 12.663.649 | 902.651 | -- | -- | -- | -- |
| Conditional and unconditional receivables secured by mortgages | -- | -- | -- | 6.636.038 | -- | 748.756 | -- | -- | -- | -- |
| Past due receivables | -- | -- | -- | 21.526 | -- | 301.132 | 35.637 | -- | -- | -- |
| Receivables defined in high risk category by BRSA | -- | -- | -- | 4.040 | -- | 12.838 | 1.161.439 | 3.821.074 | 144.185 | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | -- | -- | 528.204 | 23.722 | -- | 5.143 | -- | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other receivables | 1.249.612 | -- | 42 | -- | -- | 2.968.639 | -- | -- | -- | -- |

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

| | Consolidated | | The Parent Bank | |
|--|----------------|--------------|-----------------|--------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| Capital Requirement for Credit Risk | 6.078.909 | 5.388.446 | 4.636.747 | 4.117.912 |
| Capital Requirement for Market Risk | 134.632 | 88.256 | 117.306 | 117.124 |
| Capital Requirement for Operational Risk | 451.257 | 364.719 | 360.673 | 305.076 |
| Equity(*) | 10.613.201 | 8.857.147 | 9.145.937 | 7.283.249 |
| Equity / (CRCR+CRMR+CROR)*12,5*100 | 12,74% | 12,13% | 14,31% | 12,83% |
| Tier 1 Capital / (CRCR+CRMR+CROR)*12,5*100 | 7,97% | -- | 8,16% | -- |
| Core capital / (CRCR+CRMR+CROR)*12,5*100 | 8,12% | -- | 8,34% | -- |

CRCR: Capital Requirement for Credit Risk (Risk Weighted Assets * 0,08)

CRMR: Capital Requirement for Market Risk

CROR: Capital Requirement for Operational Risk

(*) Equity Calculation has changed due to official legislation on bank's equity settlements which has been valid from 1 January 2014. Previous periods instructions has calculated in the case of valid legislation.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

4. Components of consolidated shareholders' equity

| | Current Period |
|---|----------------|
| CORE CAPITAL | |
| Paid-in capital following all debts in terms of claim in liquidation of the Bank | 905.264 |
| Share premium | 98.411 |
| Share cancellation profits | -- |
| Reserves | 3.951.883 |
| Gains recognized in equity as per TAS | 314.032 |
| Profit | 1.949.239 |
| Current Period Profit | 776.225 |
| Prior Period Profit | 1.173.014 |
| Provisions for Possible Risks | 8.000 |
| Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit | 11 |
| Minorities' Share | 6.174 |
| Core Capital Before Deductions | 7.233.014 |
| Deductions from Common Equity | |
| Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-) | 334.800 |
| Leasehold improvements (-) | 99.738 |
| Goodwill or other intangible assets and deferred tax liability related to these items (-) | 31.169 |
| Net deferred tax asset/liability (-) | -- |
| Shares obtained contrary to the 4th clause of the 56th Article of the Law (-) | -- |
| Direct and indirect investments of the Bank in its own Core Capital (-) | -- |
| Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Core Capital of the Bank (-) | -- |
| Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Core Capital of the Bank (-) | -- |
| Portion of mortgage servicing rights exceeding 10% of the Core Capital (-) | -- |
| Portion of deferred tax assets based on temporary differences exceeding 10% of the Core Capital (-) | -- |
| Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-) | -- |
| Excess amount arising from the net long positions of investments in core capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-) | -- |
| Excess amount arising from mortgage servicing rights (-) | -- |
| Excess amount arising from deferred tax assets based on temporary differences (-) | -- |
| Other items to be defined by the BRSA (-) | -- |
| Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-) | -- |
| Total Deductions From Core Capital | 465.707 |
| Total Common Equity | 6.767.307 |
| ADDITIONAL TIER I CAPITAL | |
| Capital amount and related premiums corresponding to preference shares that are not included in common equity | -- |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014) | -- |
| Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014) | -- |
| Third parties' share in the Tier I Capital | -- |
| Additional Tier I Capital before Deductions | -- |
| Deductions from Additional Tier I Capital | |
| Direct and indirect investments of the Bank in its own Additional Tier I Capital (-) | -- |
| Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-) | -- |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| | |
|--|-------------------|
| Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-) | -- |
| Other items to be defined by the BRSA (-) | -- |
| Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II is not available (-) | -- |
| Total Deductions From Additional Tier I Capital | -- |
| Total Additional Tier I Capital | -- |
| Deductions from Tier I Capital | |
| Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-) | 124.676 |
| Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-) | -- |
| Total Tier I Capital | 6.642.631 |
| TIER II CAPITAL | |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014) | 1.355.319 |
| Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014) | 1.907.028 |
| Sources pledged to the Bank by shareholders to be used in capital increases of the Bank | -- |
| General Loan Loss Provisions | 757.902 |
| Third parties' share in the Tier II Capital | -- |
| Tier II Capital Before Deductions | 4.020.249 |
| Deductions From Tier II Capital | |
| Direct and indirect investments of the Bank in its own Tier II Capital (-) | -- |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-) | -- |
| Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-) | -- |
| Other items to be defined by the BRSA (-) | 44.748 |
| Total Deductions from Tier II Capital | 44.748 |
| Total Tier II Capital | 3.975.501 |
| CAPITAL BEFORE DEDUCTIONS | |
| Loans granted contrary to the 50th and 51th Article of the Law (-) | -- |
| Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-) | 601 |
| Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-) | -- |
| Loans granted to banks and financial institutions, including those established abroad, and to eligible shareholders of the Bank and investments made in the borrowing instruments issued by them (-) | -- |
| Other items to be defined by the BRSA (-) | 4.330 |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-) | -- |
| Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-) | -- |
| Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-) | -- |
| TOTAL CAPITAL | 10.613.201 |
| Amounts below the Excess Limits as per the Deduction Principles | -- |
| Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital | -- |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| | |
|--|---------|
| Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital | -- |
| Amounts arising from mortgage servicing rights | -- |
| Amounts arising from deferred tax assets based on temporary differences | 313.748 |

(*) Financial Period Equity has calculated due to official legislation on bank's equity settlements which has been valid from 1 January 2014 and published 28756 no. official gazette dated 5 September 2013.

| | Prior Period |
|---|-----------------|
| CORE CAPITAL | |
| Paid-in Capital | 716.100 |
| Nominal Capital | 716.100 |
| Capital Commitments (-) | -- |
| Capital Reserves Arising From Inflation Adjustments to Paid-in Capital | 189.164 |
| Share Premium | 98.411 |
| Share Cancellation Profit | -- |
| Legal Reserves | 3.915.830 |
| Adjustment to Legal Reserves | -- |
| Profit | 1.600.173 |
| Current Period Profit | 1.011.230 |
| Prior Periods' Profits | 588.943 |
| Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital) | 8.000 |
| Gains on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital | 306.054 |
| Primary Subordinated Loans | -- |
| Minority Interest | 37.292 |
| Losses that is not covered with reserves (-) | -- |
| Net Current Period Loss | -- |
| Prior Periods' Losses | -- |
| Operating Lease Development Costs (-) | 104.514 |
| Intangible Assets (-) | 163.063 |
| 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 | 6.603.447 |
| SUPPLEMENTARY CAPITAL | |
| General Reserves | 700.374 |
| 45% of Increase in Revaluation Fund of Movable Fixed Assets | -- |
| 45% of Increase in Revaluation Fund of Properties | -- |
| Bonus Shares of Associates, Subsidiaries and Entities Under Common Control not Recognized in Profit | 11 |
| Primary Subordinated Loans Excluded from the Core Capital | -- |
| Secondary Subordinated Loans | 1.940.485 |
| 45% of Value Increase Fund of Financial Assets Available for Sale and Associates and Subsidiaries (100% if any impairment) | (350.515) |
| Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal reserves) | -- |
| Minority Interest | -- |
| Total Supplementary Capital | 2.290.355 |
| CAPITAL | 8.893.802 |
| DEDUCTIONS FROM CAPITAL | 36.655 |
| Shares in Unconsolidated Banks and Financial Institutions | -- |
| BSecondary 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 for 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 | 33.837 |
| Securitization Positions - Adopting the Method of Deducting from Equity | -- |
| Others | 2.818 |
| TOTAL SHAREHOLDERS' EQUITY | 8.857.147 |

5. Details on calculation in accordance with the temporary calculations on equity

| | Consolidated | | The Parent Bank | |
|--|---|-----------|---|-----------|
| | Amount to be considered in equity calculation in current period | Total | Amount to be considered in equity calculation in current period | Total |
| Minority shares in Common Equity Core Capital | 6.174 | 6.174 | -- | -- |
| Third parties in Additional Core Capital | -- | -- | -- | -- |
| Third parties in Tier II Capital | -- | -- | -- | -- |
| Bank's borrowing instruments and related premium (issued before 1.1.2014) | 1.907.028 | 1.907.028 | 1.907.028 | 1.907.028 |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

Information on debt instruments included in the calculation of equity

| Issuer | SBERBANK OF RUSSIA | SBERBANK OF RUSSIA | SBERBANK OF RUSSIA | SBERBANK OF RUSSIA | SBERBANK OF RUSSIA | SBERBANK OF RUSSIA | DEXIA CREDIT LOCAL PARIS | DEXIA CREDIT LOCAL PARIS | DEXIA CREDIT LOCAL PARIS | DEXIA CREDIT LOCAL PARIS |
|---|---|---|---|---|---|---|--|--|--|--|
| Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans | Subordinated Loans |
| Governing law(s) of the instrument | "Regulations on Banks' Equity" dated 5 September 2013. | "Regulations on Banks' Equity" dated 5 September 2013. | "Regulations on Banks' Equity" dated 5 September 2013. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. | "Regulations on Banks' Equity" dated 1 November 2006. |
| Regulatory treatment | | | | | | | | | | |
| Subject to 10% deduction as of 1/1/2015 | Not Deducted | Not Deducted | Not Deducted | Deducted | Deducted | Deducted | Deducted | Deducted | Deducted | Deducted |
| Eligible at solo/group&solo | Eligible | Eligible | Eligible | Eligible | Eligible | Eligible | Eligible | Eligible | Eligible | Eligible |
| Instrument type | Loan | Loan | Loan | Loan | Loan | Loan | Loan | Loan | Loan | Loan |
| Amount recognised in regulatory capital (Currency in mil. as of most recent reporting date) | 331 | 342 | 683 | 683 | 683 | 273 | 118 | 46 | 103 | 259 |
| Par value of instrument | 331 | 342 | 683 | 683 | 683 | 455 | 296 | 114 | 103 | 259 |
| Accounting classification | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 | 3470102 |
| Original date of issuance | 30.09.2014 | 30.04.2014 | 31.01.2014 | 30.09.2013 | 28.06.2013 | 27.02.2008 | 27.09.2007 | 28.06.2007 | 28.12.2006 | 28.12.2006 |
| Perpetual or dated | Dated | Dated | Dated | Dated | Dated | Dated | Dated | Dated | Dated | Dated |
| Original maturity date | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil | 10 yil |
| Issuer call subject to prior supervisory approval | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Optional call date, contingent call dates and redemption amount | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. | Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given. |
| Subsequent call dates, if applicable | None | None | None | None | None | None | None | None | None | None |
| Coupons/Dividends* | None | None | None | None | None | None | None | None | None | None |
| Fixed or floating dividend/coupon | Fixed | Fixed | Fixed | Fixed | Fixed | Floating | Floating | Floating | Floating | Floating |
| Coupon rate and any related index | First five year 6.2%, after yrs Dividend payment | First five year 7.93%, after yrs Dividend payment | 7.5% | 7.5% | 6.1% | Libor + %2.90 | Libor + %2.10 | Libor + %2.10 | Libor + %2.5 | EURlibor + %2.5 |
| Existence of a dividend stopper | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment | Dividend payment |
| Fully discretionary, partially discretionary or mandatory | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Existence of step up or other incentive to redeem | None | None | None | None | None | None | None | None | None | None |
| Noncumulative or cumulative | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Convertible or non-convertible | | | | None | None | None | None | None | None | None |
| If convertible, conversion trigger (s) | May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund. | May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund. | May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund. | | | | | | | |
| If convertible, fully or partially | Convertible fully. | Convertible fully. | Convertible fully. | -- | -- | -- | -- | -- | -- | -- |
| If convertible, conversion rate | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| If convertible, mandatory or optional conversion | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| If convertible, specify instrument type convertible into | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| If convertible, specify issuer of instrument it converts into | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Write-down feature | | | | | | | | | | |
| If write-down, write-down trigger(s) | None. | None. | None. | None. | None. | None. | None. | None. | None. | None. |
| If write-down, full or partial | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| If write-down, permanent or temporary | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| If temporary write-down, description of write-up mechanism | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants. | In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants. | In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. | Sahibine alacak hakkim hisse senetlerinden ve birincil sermaye benzeri borçlardan bir önce, diğer tüm borçlardan sonra vermektedir. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. | Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts. |
| Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not | Possessed for Article 8. | Possessed for Article 8. | Possessed for Article 8. | Not Possessed. | Not Possessed. | Not Possessed. | Not Possessed. | Not Possessed. | Not Possessed. | Not Possessed. |
| According to article 7 and 8 of Banks' shareholders equity law that are not possessed | -- | -- | -- | Article 8/2 (g) | Article 8/2 (g) | Article 8/2 (g) | Article 8/2 (g) | Article 8/2 (g) | Article 8/2 (g) | Article 8/2 (g) |

6. Approaches for assessment of adequacy of internal capital requirements for current and future activities

The Parent Bank's assessment process of adequacy of internal capital requirements and capital adequacy policies was prepared in accordance with the strategic plan which is yearly conducted and regard the instant and next three years. This assessment includes the interest rate risk, liquidity risk, reputational risk, residual risk, concentration risk, strategy risk, and country and transfer risks arising from Banking activities besides the market, credit and operational risks directly affecting its legal capital adequacy ratio. The assessment methodology of internal capital requirements is a developing process, accordingly the future improvement areas are determined and the working plans are set. Stress test analyses that are conducted based on annually determined risks are used as input for internal assessment. In the process, the Parent Banks's risk-weighted assets structure, equity development and capital planning components are calculated under the stress scenario and comparatively presented with the Bank's regulatory capital budgeting and target capital adequacy ratio.

II. Explanations related to the 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 Parent 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 Parent 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.

Under the standard method, the measurements are made over the "trading book" as per the statutory accounting and reporting classification.

1. Market risk

| | Current Period |
|--|-------------------|
| (I) Capital Obligation against General Market Risk - Standard Method | 52.868 |
| (II) Capital Obligation against Specific Risk - Standard Method | 682 |
| Capital Obligation against Specific Risk of Securitization Positions- Standard Method | -- |
| (III) Capital Obligation against Currency Risk - Standard Method | 48.228 |
| (IV) Capital Obligation against Commodity Risk - Standard Method | 341 |
| (V) Capital Obligation against Clearing Risk - Standard Method | -- |
| (VI) Capital Obligation against Options Subject to Market Risk - Standard Method | 71 |
| (VII) Capital Obligation against Counterparty Credit Risk - Standard Method | 32.442 |
| (VIII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models | -- |
| (IX) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI+VII) | 134.632 |
| (X) (X) Value-At-Market-Risk (12,5 x VIII) or (12,5 x IX) | 1.682.900 |

III. Explanations related to the consolidated foreign currency exchange rate risk

1. Foreign exchange risk the Group is exposed to, related estimations, and the limits set by the Board of Directors of the Parent Bank for positions which are monitored daily

Foreign currency exchange and parity risks are taken by DFS Group within 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.

Based on general economic environment and market conditions the Parent Bank's Board of Directors reviews the risk limits daily and makes changes where necessary.

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.

Informations relating to investment hedge to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments are explained in Note 10.10.2 from Section Five.

3. Foreign exchange risk management strategy

Foreign currency exchange and parity risks are taken by DFS Group within defined value at risk limits. Measurable and manageable risks are taken within legal limits.

4. The Parent 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 as at the balance sheet date TL 2,2772
Euro purchase rate as at the balance sheet date TL 2,8746

| <u>Date</u> | <u>US Dollar</u> | <u>Euro</u> |
|-------------------|------------------|-------------|
| 24 September 2014 | 2,2325 | 2,8677 |
| 25 September 2014 | 2,2482 | 2,8607 |
| 26 September 2014 | 2,2557 | 2,8748 |
| 29 September 2014 | 2,2789 | 2,8914 |
| 30 September 2014 | 2,2772 | 2,8746 |

5. The basic arithmetical average of the Parent Bank's foreign exchange bid rate for the last thirty days prior to the balance sheet date

The arithmetical average US Dollar and Euro purchase rates for September 2014 are TL 2,2095 and TL 2,8501, respectively.

6. Information on currency risk

| Current Period | EUR | USD | Other FC ⁽⁵⁾ | Total |
|---|-------------------|-------------------|-------------------------|-------------------|
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey | 1.532.074 | 5.977.340 | 1.478.119 | 8.987.533 |
| Due from Banks and Other Financial Institutions | 3.412.792 | 859.334 | 210.662 | 4.482.788 |
| Financial Assets at Fair Value Through Profit or Loss ⁽¹⁾ | 53.894 | 75.417 | 4 | 129.315 |
| Interbank Money Market Placements | -- | -- | -- | -- |
| Investment Securities Available-for-Sale | 1.122.487 | 559.445 | 199.422 | 1.881.354 |
| Loans ⁽²⁾ | 8.554.797 | 16.933.377 | 478.179 | 25.966.353 |
| Investments in Subsidiaries and Associates | 52.144 | -- | -- | 52.144 |
| Investment Securities Held-to-Maturity | 120.774 | 285.881 | -- | 406.655 |
| Hedging Purpose Financial Derivatives | -- | -- | -- | -- |
| Tangible Assets ⁽³⁾ | 17.642 | 75 | 1.040 | 18.757 |
| Intangible Assets ⁽⁴⁾ | -- | -- | -- | -- |
| Other Assets ⁽⁴⁾ | 1.286.436 | 948.439 | 68.269 | 2.303.144 |
| Total Assets | 16.153.040 | 25.639.308 | 2.435.695 | 44.228.043 |
| Liabilities | | | | |
| Bank Deposits | 1.113.318 | 502.060 | 804.856 | 2.420.234 |
| Foreign Currency Deposits | 21.616.827 | 13.734.073 | 784.545 | 36.135.445 |
| Interbank Money Markets | -- | -- | 4.866 | 4.866 |
| Funds Borrowed from Other Financial Institutions | 5.131.993 | 8.665.888 | 33.558 | 13.831.439 |
| Marketable Securities Issued | -- | -- | -- | -- |
| Miscellaneous Payables | 317.073 | 159.039 | 8.039 | 484.151 |
| Hedging Purpose Financial Derivatives | -- | -- | -- | -- |
| Other Liabilities ⁽⁶⁾ | 562.721 | 856.070 | 3.572 | 1.422.363 |
| Total Liabilities | 28.741.932 | 23.917.130 | 1.639.436 | 54.298.498 |
| Net "On Balance Sheet Position" | (12.588.892) | 1.722.178 | 796.259 | (10.070.455) |
| Net "Off-Balance Sheet Position" ⁽⁷⁾ | 12.882.273 | (1.362.167) | (627.187) | 10.892.919 |
| Financial Derivatives (Assets) | 16.494.023 | 22.196.601 | 959.463 | 39.650.087 |
| Financial Derivatives (Liabilities) | (3.611.750) | (23.558.768) | (1.586.650) | (28.757.168) |
| Net Position | 293.381 | 360.011 | 169.072 | 822.464 |
| Non-Cash Loans | 3.252.265 | 8.477.483 | 246.792 | 11.976.540 |
| Prior Period | | | | |
| Total Assets | 14.683.548 | 20.728.596 | 1.910.455 | 37.322.599 |
| Total Liabilities | 21.794.725 | 19.947.796 | 1.873.742 | 43.616.263 |
| Net "On Balance Sheet Position" | (7.111.177) | 780.800 | 36.713 | (6.293.664) |
| Net "Off-Balance Sheet Position" | 7.354.726 | (380.046) | 117.916 | 7.092.596 |
| Financial Derivatives (Assets) | 11.245.208 | 15.521.031 | 1.075.187 | 27.841.426 |
| Financial Derivatives (Liabilities) | (3.890.482) | (15.901.077) | (957.271) | (20.748.830) |
| Net Position | 243.549 | 400.754 | 154.629 | 798.932 |
| Non-Cash Loans | 3.269.264 | 8.261.592 | 288.317 | 11.819.173 |

(1) : Foreign currency differences of derivative assets amounting to TL 940.440 are excluded.

(2) : Foreign currency indexed loans amounting to TL 2.729.792 are included.

(3) : Intangible assets amounting to TL 4.485 are excluded.

(4) : Prepaid Expenses amounting to TL 274.358 are excluded.

(5) : There are gold amounts in total assets amounting to TL 1.779.569 and in total liabilities amounting to TL 1.306.054.

(6) : Foreign currency differences of equities amounting to TL 1.380.706 and derivative liabilities amounting to TL 819.678 are excluded

(7) : Net amount of Receivables and Liabilities from financial derivatives is shown on the table. FX SWAP Transactions that reported under the "Financial Assets Purchase Pledges" is included in "Net Off-Balance Sheet Position".

IV. Explanations related to the consolidated interest rate risk

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

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 Parent Bank relies on sensitivity in determining limits against negative market conditions and monitors the risk within this context. Sensitivity calculations are made and limits are monitored on a weekly basis.

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

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
 Consolidated Financial Report
 Originally Issued in Turkish,
 See Note 3.1.3

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 Group 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.

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 the Republic of Turkey | -- | -- | -- | -- | -- | 10.156.586 | 10.156.586 |
| Due from Banks and Other Fin. Inst. | 3.187.034 | 275.345 | 18.930 | 9.210 | -- | 1.403.812 | 4.894.331 |
| Financial Assets at Fair Value Through Profit or Loss | 342.175 | 80.266 | 322.702 | 503.977 | 65.736 | 978 | 1.315.834 |
| Interbank Money Market Placements | 1.026.200 | -- | -- | -- | -- | -- | 1.026.200 |
| Investment Securities Av.-for-Sale | 714.636 | 1.405.760 | 2.736.902 | 1.654.685 | 1.331.966 | 3.944 | 7.847.893 |
| Loans | 15.757.258 | 4.702.273 | 6.034.645 | 19.296.807 | 12.962.380 | 527.265 | 59.280.628 |
| Investment Securities Held-to-Mat. | 283.109 | -- | 1.692.509 | 409.838 | 692.466 | -- | 3.077.922 |
| Other Assets (*) | 1.138.983 | 253.159 | 417.484 | 1.519.115 | 331.712 | 2.484.986 | 6.145.439 |
| Total Assets | 22.449.395 | 6.716.803 | 11.223.172 | 23.393.632 | 15.384.260 | 14.577.571 | 93.744.833 |
| Liabilities | | | | | | | |
| Bank Deposits | 1.101.004 | 272.918 | 952.744 | -- | -- | 242.437 | 2.569.103 |
| Other Deposits | 25.387.476 | 7.125.750 | 6.547.587 | 7.183.120 | 171.450 | 12.011.886 | 58.427.269 |
| Interbank Money Market Placements | 1.607.823 | -- | -- | -- | -- | -- | 1.607.823 |
| Miscellaneous Payables | -- | -- | 1.267 | 1.396 | -- | 1.480.542 | 1.483.205 |
| Marketable Securities Issued | 327.213 | 831.483 | 202.620 | 578.072 | -- | -- | 1.939.388 |
| Funds Borrowed from Other Fin. Inst. | 1.949.033 | 5.696.625 | 3.082.181 | 1.225.843 | 4.028.639 | 21.500 | 16.003.821 |
| Other Liabilities (**) | 484.002 | 725.952 | 841.727 | 256.613 | 57.747 | 9.348.183 | 11.714.224 |
| Total Liabilities | 30.856.551 | 14.652.728 | 11.628.126 | 9.245.044 | 4.257.836 | 23.104.548 | 93.744.833 |
| On Balance Sheet Long Position | -- | -- | -- | 14.148.588 | 11.126.424 | -- | 25.275.012 |
| On Balance Sheet Short Position | (8.407.156) | (7.935.925) | (404.954) | -- | -- | (8.526.977) | (25.275.012) |
| Off-Balance Sheet Long Position | 1.717.379 | 4.157.483 | 1.129.762 | 4.852.139 | 670.149 | -- | 12.526.912 |
| Off-Balance Sheet Short Position | (216.864) | (5.640.819) | (1.444.811) | (3.895.447) | (670.149) | -- | (11.868.090) |
| Total Interest Sensitivity Gap | (6.906.641) | (9.419.261) | (720.003) | 15.105.280 | 11.126.424 | (8.526.977) | 658.822 |

(*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investment Properties, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL , TL 419.051, TL 155.845, TL 128.118, TL 13.060, TL 77.612, TL 57.793, TL 100.562 and TL 1.532.945 respectively.

(**) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions, and Other Liabilities with balances of TL 6.880.186, TL 134.121, TL 1.021.090, and TL 1.312.786 respectively.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

| Prior 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 the Republic of Turkey | -- | -- | -- | -- | -- | 8.815.044 | 8.815.044 |
| Due from Banks and Other Fin. Inst. | 1.606.629 | 47.235 | 179.248 | 133.559 | 13.938 | 596.364 | 2.576.973 |
| Financial Assets at Fair Value Through Profit or Loss | 197.764 | 58.815 | 252.755 | 514.377 | 23.441 | 87.508 | 1.134.660 |
| Interbank Money Market Placements | 1.290.942 | -- | -- | -- | -- | -- | 1.290.942 |
| Investment Securities Av.-for-Sale | 99.286 | 1.172.436 | 2.352.788 | 799.725 | 494.611 | 4.104 | 4.922.950 |
| Loans | 7.840.108 | 4.707.569 | 6.213.662 | 19.316.646 | 14.260.316 | 438.482 | 52.776.783 |
| Investment Securities Held-to-Mat. | 1.345.097 | 251.468 | 293.528 | 100.941 | 580.428 | -- | 2.571.462 |
| Other Assets (*) | 441.456 | 641.335 | 887.887 | 1.395.822 | 323.314 | 1.889.164 | 5.578.978 |
| Total Assets | 12.821.282 | 6.878.858 | 10.179.868 | 22.261.070 | 15.696.048 | 11.830.666 | 79.667.792 |
| Liabilities | | | | | | | |
| Bank Deposits | 782.667 | 808.405 | 40.612 | 856.228 | -- | 266.324 | 2.754.236 |
| Other Deposits | 22.738.202 | 5.700.339 | 4.693.792 | 5.831.982 | 127.023 | 10.610.956 | 49.702.294 |
| Interbank Money Market Placements | 761.305 | -- | -- | -- | -- | -- | 761.305 |
| Miscellaneous Payables | 9.463 | 27 | 24.854 | -- | -- | 1.468.317 | 1.502.661 |
| Marketable Securities Issued | 244.318 | 569.233 | 157.493 | 649.089 | -- | -- | 1.620.133 |
| Funds Borrowed from Other Fin. Inst. | 2.184.777 | 2.194.269 | 5.276.613 | 1.540.541 | 2.142.436 | -- | 13.338.636 |
| Other Liabilities (**) | 290.884 | 282.534 | 1.104.854 | 171.427 | 17.846 | 8.120.982 | 9.988.527 |
| Total Liabilities | 27.011.616 | 9.554.807 | 11.298.218 | 9.049.267 | 2.287.305 | 20.466.579 | 79.667.792 |
| On Balance Sheet Long Position | -- | -- | -- | 13.211.803 | 13.408.743 | -- | 26.620.546 |
| On Balance Sheet Short Position | (14.190.334) | (2.675.949) | (1.118.350) | -- | -- | (8.635.913) | (26.620.546) |
| Off-Balance Sheet Long Position | 996.502 | 3.643.802 | 1.277.341 | 1.465.797 | -- | -- | 7.383.442 |
| Off-Balance Sheet Short Position | (386.722) | (1.467.719) | (1.460.984) | (3.620.960) | -- | -- | (6.936.385) |
| Total Interest Sensitivity Gap | (13.580.554) | (499.866) | (1.301.993) | 11.056.640 | 13.408.743 | (8.635.913) | 447.057 |

(*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investment Properties, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 409.454, TL 163.063, TL 119.573, TL 12.878, TL 164.353, TL , 5.678, TL 129.500, and TL 884.665 respectively.

(**) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions, and Other Liabilities with balances of TL 6.088.369, TL 141.782, TL 1.002.696, and TL 888.135 respectively.

4. Average interest rates applied to monetary financial instruments

| | EUR | USD | JPY | TL |
|---|------|------|------|-------|
| Current Period | % | % | % | % |
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey | -- | -- | -- | -- |
| Due from Banks and Other Financial Institutions | 0,24 | 1,18 | -- | 11,00 |
| Financial Assets at Fair Value Through Profit or Loss | 3,66 | 5,21 | -- | 9,88 |
| Interbank Money Market Placements | -- | -- | -- | 11,24 |
| Investment Securities Available-for-Sale | 1,08 | 4,93 | -- | 8,85 |
| Investment Securities Available-for-Sale | 5,55 | 5,28 | 5,29 | 12,23 |
| Investment Securities Held-to-Maturity | 4,46 | 4,45 | -- | 11,30 |
| Liabilities | | | | |
| Bank Deposits | 0,18 | 1,66 | -- | 9,01 |
| Other Deposits | 1,98 | 2,52 | 0,10 | 9,36 |
| Interbank Money Market Placements | -- | -- | -- | 8,25 |
| Miscellaneous Payables | -- | -- | -- | -- |
| Marketable Securities Issued | -- | -- | -- | 9,26 |
| Funds Borrowed from Other Financial Institutions | 1,45 | 3,43 | -- | 9,06 |

| | EUR | USD | JPY | TL |
|---|------|------|------|-------|
| Prior Period | % | % | % | % |
| Assets | | | | |
| Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey | -- | -- | -- | -- |
| Due from Banks and Other Financial Institutions | 0,34 | 1,95 | -- | 7,65 |
| Financial Assets at Fair Value Through Profit or Loss | 4,79 | 4,86 | -- | 10,26 |
| Interbank Money Market Placements | -- | -- | -- | 7,74 |
| Investment Securities Available-for-Sale | 1,53 | 4,56 | -- | 7,79 |
| Investment Securities Available-for-Sale | 5,38 | 5,35 | 5,99 | 13,07 |
| Investment Securities Held-to-Maturity | 1,77 | 5,73 | -- | 9,14 |
| Liabilities | | | | |
| Bank Deposits | 0,31 | 0,90 | -- | 8,93 |
| Other Deposits | 2,14 | 2,99 | 0,10 | 8,90 |
| Interbank Money Market Placements | -- | -- | -- | 4,32 |
| Miscellaneous Payables | -- | -- | -- | -- |
| Marketable Securities Issued | -- | -- | -- | 9,33 |
| Funds Borrowed from Other Financial Institutions | 1,22 | 2,76 | -- | 4,16 |

5. Interest rate risk on banking book

5.1 *Nature of interest rate risk resulted from banking book, major assumptions including also early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk*

Interest rate risk resulted from banking book is due to repricing maturity differences of assets and liabilities. Considering repricing maturities, average maturity of asset items is higher than the average maturity of liability items.

Interest risk is evaluated weekly considering size, developments at maturity structure and interest movements relating to asset and liability items. Interest risk exposed by the bank is managed centrally by the asset and liability committee and within the direction of decisions taken, the balance sheet interest sensitivity is aimed at minimum level and insured by interest based derivative contracts.

The effect of potential changes on interest rates to net present value is calculated within the scope of "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" and reported monthly.

Measurements performed with Standard Shock Method include all on and off balance sheet items in the "Banking Book" based on the classification as per the statutory accounting and reporting. Maturity assumption relating to demand deposits is overviewed yearly with analyses over at least five year data. By such analyses, the Bank gathers information on average duration of its demand deposits, and the amount and trend of deposit charge offs from different maturity brackets.

5.2 *Economic value differences resulted from interest rate instabilities and prepared based on the Parent Bank's non-consolidated financial statements according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method*

Interest rate risk for all banking transactions outside the trading portfolio are followed under interest rate risk related to the banking book. Interest rate risk related to the trading portfolio is followed under market risk.

ALCO performs daily management of interest rate risk in accordance with the risk limits set by the Board of Directors of the Parent Bank in relation to interest rate sensitivities of the banking book. ALCO meetings are held on a weekly basis.

The measurement process of interest rate risk resulting from the banking book is designed and managed by the Parent Bank on a bank-only basis to include the interest rate positions defined as banking book by Parent the Bank and to consider the relevant repricing and maturity data. Duration gaps, gaps by maturity brackets and sensitivity analysis are used in monitoring of repricing risk resulting from maturity mismatch. The duration gap and sensitivity analysis are carried out weekly. In the duration gap analysis, the present values of interest-rate-sensitive asset and liability items are calculated using yield curves developed from market interest rates.

In case of instruments with no maturities, the maturity is determined as per interest rate fixing periods and customer behaviors. Such results are supported by sensitivity and scenario analysis applied periodically for possible fluctuations in the markets.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

The interest rate risk arising from banking book can be seen on the table below in accordance with "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" as of 30 September 2014.

Current Period

| | Type of Currency | Shocks Applied (+/- basis points) | Gains/Losses | Gains/Equity - Losses/Equity |
|---|----------------------------|--------------------------------------|--------------|---------------------------------|
| 1 | TL | (+) 500 bps | (1.636.491) | (17,89%) |
| 2 | TL | (-) 400 bps | 1.627.774 | 17,80% |
| 3 | Euro | (+) 200 bps | 35.906 | 0,39% |
| 4 | Euro | (-) 200 bps | (18.820) | (0,21%) |
| 5 | US Dollar | (+) 200 bps | 245.800 | 2,69% |
| 6 | US Dollar | (-) 200 bps | (275.927) | (3,02%) |
| | Total (of positive shocks) | | (1.354.785) | (14,81%) |
| | Total (of negative shocks) | | 1.333.027 | 14,57% |

Prior Period

| | Type of Currency | Shocks Applied (+/- basis points) | Gains/Losses | Gains/Equity - Losses/Equity |
|---|----------------------------|--------------------------------------|--------------|---------------------------------|
| 1 | TL | (+) 500 bps | (1.144.039) | (15,71%) |
| 2 | TL | (-) 400 bps | 1.139.794 | 15,65% |
| 3 | Euro | (+) 200 bps | 34.660 | 0,48% |
| 4 | Euro | (-) 200 bps | (22.751) | (0,31%) |
| 5 | US Dollar | (+) 200 bps | 233.520 | 3,21% |
| 6 | US Dollar | (-) 200 bps | (276.819) | (3,80%) |
| | Total (of positive shocks) | | (875.859) | (12,03%) |
| | Total (of negative shocks) | | 840.224 | 11,54% |

V. Position risk of equity shares on banking book

1. Comparison of carrying, fair and market values of equity shares

DFS Group does not have associate and subsidiary traded at BIST markets as of 30 September 2014. (31 December 2013-None).

2. Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capital

None. (31 December 2013-None).

VI. Explanations related to the consolidated liquidity risk

1. The sources of the current liquidity risk of Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank sets limits on the funds available to meet the urgent liquidity requirements and the liabilities which are 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 DFS Group. DFS Group maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 7% of the balance sheet is allocated to cash and balances with banks, 7% to investment securities which are easily convertible into cash and the available borrowing limits are not used intensively. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

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

Approximately 7% of balance sheet is allocated to cash balances, 7% to investment securities which are easily convertible into cash in order to meet any urgent liquidity needs. The available borrowing limits (such as Central Bank of the Republic of Turkey and BIST repurchase market) are not used. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

3. Evaluation of Group's cash flows and their resources

Cash flows of DFS Group are mainly in terms 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.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

4. 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 the Republic of Turkey | 2.717.377 | 7.439.209 | -- | -- | -- | -- | -- | 10.156.586 |
| Due from Banks and Other Fin.Inst. | 1.403.812 | 2.715.526 | 384.502 | 295.291 | 95.189 | 11 | -- | 4.894.331 |
| Financial Assets at Fair Value Through Profit or Loss | -- | 341.491 | 80.144 | 322.511 | 504.250 | 66.460 | 978 | 1.315.834 |
| Interbank Money Market Placements | -- | 1.026.200 | -- | -- | -- | -- | -- | 1.026.200 |
| Investment Securities Av.-for-Sale | -- | 107.841 | 143.786 | 1.488.496 | 2.718.679 | 3.385.147 | 3.944 | 7.847.893 |
| Loans | 527.265 | 8.652.972 | 2.751.216 | 9.446.100 | 20.897.822 | 17.005.253 | -- | 59.280.628 |
| Investment Securities Held-to-Maturity | -- | -- | -- | -- | 456.237 | 2.621.685 | -- | 3.077.922 |
| Other Assets | 1.279.259 | 1.138.703 | 238.404 | 387.222 | 1.525.259 | 370.865 | 1.205.727 | 6.145.439 |
| Total Assets | 5.927.713 | 21.421.942 | 3.598.052 | 11.939.620 | 26.197.436 | 23.449.421 | 1.210.649 | 93.744.833 |
| Liabilities | | | | | | | | |
| Bank Deposits | 242.437 | 1.101.004 | 272.918 | 952.744 | -- | -- | -- | 2.569.103 |
| Other Deposits | 12.011.886 | 25.235.329 | 7.107.568 | 6.666.254 | 7.223.182 | 183.050 | -- | 58.427.269 |
| Funds Borrowed from Other Fin.Inst. and Subordinated Loans | 21.500 | 1.607.164 | 2.870.124 | 3.890.705 | 3.311.789 | 4.302.539 | -- | 16.003.821 |
| Interbank Money Market Placements | -- | 1.607.823 | -- | -- | -- | -- | -- | 1.607.823 |
| Marketable Securities Issued | -- | 326.060 | 649.820 | 284.318 | 679.190 | -- | -- | 1.939.388 |
| Miscellaneous Payables | 1.480.542 | -- | -- | 1.267 | 1.396 | -- | -- | 1.483.205 |
| Other Liabilities | 1.300.934 | 583.931 | 726.753 | 841.727 | 256.613 | 57.747 | 7.946.519 | 11.714.224 |
| Total Liabilities | 15.057.299 | 30.461.311 | 11.627.183 | 12.637.015 | 11.472.170 | 4.543.336 | 7.946.519 | 93.744.833 |
| Net Liquidity Gap | (9.129.586) | (9.039.369) | (8.029.131) | (697.395) | 14.725.266 | 18.906.085 | (6.735.870) | -- |
| Prior Period | | | | | | | | |
| Total Assets | 4.524.853 | 16.761.844 | 3.702.547 | 11.158.313 | 23.833.796 | 18.470.368 | 1.216.071 | 79.667.792 |
| Total Liabilities | 13.227.179 | 26.260.669 | 8.090.978 | 11.348.129 | 11.119.629 | 2.492.851 | 7.128.357 | 79.667.792 |
| Net Liquidity Gap | (8.702.326) | (9.498.825) | (4.388.431) | (189.816) | 12.714.167 | 15.977.517 | (5.912.286) | -- |

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

VII. Securitization exposures

None.

VIII. Credit risk mitigation techniques

The Parent Bank applies credit risk mitigation techniques according to the comprehensive financial guarantee method in compliance with the communique "Regulation on Credit Risk Mitigation Techniques".

Currency mismatch between receivables and collaterals, and the haircuts to be applied on collateral types are taken into account using the standard haircuts as defined in the Communique appendix; while the maturity mismatch between receivables and collaterals are handled by the method defined in the Article 49 of the Communique.

In the credit risk mitigation process, collaterals such as cash, deposit blockage and debt securities are taken into consideration. Physical collaterals are only used for determination of the risk classification according to commercial and residential mortgages. In calculation balance sheet and off-balance sheet component of netting are not taken into account.

Information about guaranties according to risk classifications;

Current Period

| Risk classification | Amount (*) | Financial Guarantees | Other/Physical Guarantees | Guarantees and Credit Derivatives |
|--|--------------------|----------------------|---------------------------|-----------------------------------|
| Conditional and unconditional receivables from central governments or central banks | 19.500.321 | -- | -- | -- |
| Conditional and unconditional receivables from regional or local governments | 926.194 | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | 3 | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | 6.272.140 | 8 | -- | -- |
| Conditional and unconditional receivables from corporates | 60.049.436 | 2.993.892 | -- | -- |
| Conditional and unconditional retail receivables | 29.253.734 | 216.970 | -- | -- |
| Conditional and unconditional receivables secured by mortgages | 8.028.529 | -- | 7.035.281 | -- |
| a) Receivables secured by residential mortgages | 3.997.809 | -- | 3.829.002 | -- |
| b) Receivables secured by commercial mortgages | 4.030.720 | -- | 3.206.279 | -- |
| Past due receivables | 1.957.584 | 114 | -- | -- |
| Receivables defined in high risk category by BRSA | 5.491.549 | 45.702 | -- | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | -- | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- |
| Other receivables | 3.288.719 | -- | -- | -- |
| Total | 134.768.209 | 3.256.686 | 7.035.281 | -- |

(*) Represents the risk figure before deduction of the haircut applied to collateral value.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

Prior Period

| Risk classification | Amount (*) | Financial Guarantees | Other/Physical Guarantees | Guarantees and Credit Derivatives |
|--|--------------------|----------------------|---------------------------|-----------------------------------|
| Conditional and unconditional receivables from central governments or central banks | 15.032.337 | -- | -- | -- |
| Conditional and unconditional receivables from regional or local governments | 894.154 | -- | -- | -- |
| Conditional and unconditional receivables from administrative units and non-commercial enterprises | 3 | -- | -- | -- |
| Conditional and unconditional receivables from multilateral development banks | -- | -- | -- | -- |
| Conditional and unconditional receivables from international organizations | -- | -- | -- | -- |
| Conditional and unconditional receivables from banks and brokerage houses | 1.121.817 | 124 | -- | -- |
| Conditional and unconditional receivables from corporates | 51.836.490 | 2.501.304 | -- | -- |
| Conditional and unconditional retail receivables | 24.066.631 | 164.395 | -- | -- |
| Conditional and unconditional receivables secured by mortgages | 7.614.067 | -- | 6.636.038 | -- |
| a) Receivables secured by residential mortgages | 3.953.400 | -- | 3.838.871 | -- |
| b) Receivables secured by commercial mortgages | 3.660.667 | -- | 2.797.167 | -- |
| Past due receivables | 1.550.957 | 54 | -- | -- |
| Receivables defined in high risk category by BRSA | 5.318.898 | 42.034 | -- | -- |
| Securities collateralized by mortgages | -- | -- | -- | -- |
| Securitization positions | -- | -- | -- | -- |
| Short-term receivables from banks, brokerage houses and corporates | 2.125.486 | -- | -- | -- |
| Investments similar to collective investment funds | -- | -- | -- | -- |
| Other receivables | 2.661.800 | -- | -- | -- |
| Total | 112.222.640 | 2.707.911 | 6.636.038 | -- |

(*) Represents the risk figure before deduction of the haircut applied to collateral value.

IX. Risk management objectives and policies

The Risk Management Strategy is based on consistently monitoring risk levels and capital requirement and maintaining the balance between long and short term goals and capital structure. Risk politics, implementation methods and limits which provide opportunity to manage different dimensions of risks arising from activities, are the basis of risk management strategy. The Board of Directors owns the entire risk management strategy, programme and organization.

The Parent Bank organizes the relation between capital and risk levels with risk tolerance and limit mechanisms. While determining limits, current circumstances along with prospective problems are taken into account. Limit consistency is evaluated and confirmed by the Board of Directors. Audit committee is responsible for the monitoring of compliance with the risk management policies and risk limits specified by the Board of Directors and reporting respective measures to the Board of Directors. Executive units are responsible for following risks and limit consistency relating to their respective area of operations.

As per the risk policies accepted by the Parent Bank, risk management operations including risk measuring, monitoring, controlling and reporting are performed separately from executive units and reported directly to the Board of Directors. To design risk measurement models, parameters defined considering internationally recognized methods and conditions specific to active markets, are used. In order to insure adaptation of risk politics and risk measurement models to changing conditions, regular reviews are carried out. Limit usages within risk management activities are closely monitoring and reporting.

Strategic and tactic bank targets should be consistent with limits identified as part of risk policies. The Parent Bank applies credit risk mitigation techniques for various risk factors for the purposes of compliance with the Parent Bank's internal and legal limits and taking precautions in the direction of economic developments and new regulations. Efficiency and competence of protection provided by risk reduction instruments are being followed through risk measurements.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

X. Explanations related to the consolidated segment reporting

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

Wholesale 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, deposit products and cash management services.

In retail banking, it offers loan products (consumer loans, mortgage, and vehicle loans), distinctive credit cards, investment products (mutual funds, shares, government bonds/treasury bills, 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 every day needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

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

Segment information of the Group as of 30 September 2014 is presented in the following table:

| | Wholesale Banking | | Retail Banking | | | Total |
|---|-------------------|-------------------------------------|---------------------------|------------------|-------------------------------|-------------------|
| | Corporate Banking | Commercial Banking & Public Finance | Agriculture & SME Banking | Retail Banking | Treasury & Investment Banking | |
| Current Period (01.01.2014-30.09.2014) | | | | | | |
| Net interest income | 452.371 | 563.702 | 686.912 | 522.001 | 413.947 | 2.638.933 |
| Net fee and commission income | 60.938 | 67.759 | 249.006 | 374.608 | (12.044) | 740.267 |
| Other income/expense, net | 104.192 | 115.997 | 78.582 | 111.940 | (369.256) | 41.455 |
| Total segment income | 617.501 | 747.458 | 1.014.500 | 1.008.549 | 32.647 | 3.420.655 |
| Other operating expenses | (137.893) | (230.904) | (594.716) | (743.888) | (39.395) | (1.746.796) |
| Provision for loan losses and other receivables | (26.202) | (73.191) | (196.791) | (335.012) | (35.645) | (666.841) |
| Tax charge | | | | | | (229.796) |
| Net profit from continuing operations | 453.406 | 443.363 | 222.993 | (70.351) | (42.393) | 777.222 |
| Net profit from discontinued operations | -- | -- | -- | -- | -- | -- |
| Net profit | 453.406 | 443.363 | 222.993 | (70.351) | (42.393) | 777.222 |
| Current Period (30.09.2014) | | | | | | |
| Segment assets | 15.138.329 | 19.120.106 | 13.992.235 | 14.689.884 | 28.318.766 | 91.259.320 |
| Subsidiaries and associates | | | | | | 70.853 |
| Undistributed assets | | | | | | 2.414.660 |
| Total assets | | | | | | 93.744.833 |
| Segment liabilities | 7.312.682 | 9.207.660 | 8.352.145 | 29.401.310 | 28.482.245 | 82.756.042 |
| Undistributed liabilities | | | | | | 4.108.605 |
| Shareholders' equity | | | | | | 6.880.186 |
| Total liabilities | | | | | | 93.744.833 |

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3*

| | Wholesale Banking | | Retail Banking | | | Total |
|---|-------------------|-------------------------------------|---------------------------|----------------|-------------------------------|-------------|
| | Corporate Banking | Commercial Banking & Public Finance | Agriculture & SME Banking | Retail Banking | Treasury & Investment Banking | |
| Prior Period (01.01.2013-30.09.2013) | | | | | | |
| Net interest income | 333.302 | 440.636 | 687.719 | 643.201 | 199.701 | 2.304.559 |
| Net fee and commission income | 41.045 | 67.180 | 167.381 | 270.349 | (11.981) | 533.974 |
| Other income/expense, net | 46.751 | 120.901 | 91.674 | 100.368 | 148.859 | 508.553 |
| Total segment income | 421.098 | 628.717 | 946.774 | 1.013.918 | 336.579 | 3.347.086 |
| Other operating expenses | (96.446) | (172.356) | (502.975) | (592.429) | (50.445) | (1.414.651) |
| Provision for loan losses and other receivables | (94.327) | (141.906) | (194.551) | (342.855) | (44.940) | (818.579) |
| Tax charge | | | | | | (239.864) |
| Net profit from continuing operations | 230.325 | 314.455 | 249.248 | 78.634 | 241.194 | 873.992 |
| Net profit from discontinued operations | -- | -- | -- | -- | -- | -- |
| Net profit | 230.325 | 314.455 | 249.248 | 78.634 | 241.194 | 873.992 |
| Prior Period (31.12.2013) | | | | | | |
| Segment assets | 13.013.072 | 18.315.171 | 11.279.073 | 13.859.052 | 21.312.031 | 77.778.399 |
| Subsidiaries and associates | | | | | | 18.556 |
| Undistributed assets | | | | | | 1.870.837 |
| Total assets | | | | | | 79.667.792 |
| Segment liabilities | 8.263.629 | 8.581.457 | 7.158.614 | 26.699.843 | 18.930.583 | 69.634.126 |
| Undistributed liabilities | | | | | | 3.945.297 |
| Shareholders' equity | | | | | | 6.088.369 |
| Total liabilities | | | | | | 79.667.792 |

SECTION FIVE DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to consolidated assets

1. Information on cash and balances with the Central Bank of the Republic of Turkey

| | Current Period | | Prior Period | |
|--|------------------|------------------|------------------|------------------|
| | TL | FC | TL | FC |
| Cash in TL / Foreign Currency | 612.981 | 735.864 | 482.621 | 777.426 |
| Central Bank of the Republic of Turkey | 556.072 | 8.251.585 | 788.303 | 6.766.616 |
| Other (*) | -- | 84 | -- | 78 |
| Total | 1.169.053 | 8.987.533 | 1.270.924 | 7.544.120 |

(*) Includes TL 84 of cheques purchased (31 December 2013: TL 78).

1.1 Information on balances with the Central Bank of the Republic of Turkey

| | Current Period | | Prior Period | |
|------------------------------|----------------|------------------|----------------|------------------|
| | TL | FC | TL | FC |
| Unrestricted Demand Deposits | 556.072 | 812.376 | 788.303 | 676.873 |
| Unrestricted Time Deposits | -- | -- | -- | -- |
| Restricted Time Deposits | -- | 7.439.209 | -- | 6.089.743 |
| Total | 556.072 | 8.251.585 | 788.303 | 6.766.616 |

Consolidated foreign subsidiaries include balances of Central Bank.

1.2 Information on Central Bank of the Republic of Turkey

As of 30 September 2014, all banks operating in Turkey should provide a reserve in a range of 5% to 11,5 % (31 December 2013: between 5% and 11,5 %) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 6% to 13% (31 December 2013: between 6% and 13%) in US Dollars or standard gold for their liabilities in foreign currencies.

2. Information on financial assets at fair value through profit or loss

2.1 Information on trading securities given as collateral or blocked

| | Current Period | | Prior Period | |
|---|----------------|-----------|--------------|------------|
| | TL | FC | TL | FC |
| Share Certificates | -- | -- | -- | -- |
| Bonds, Treasury Bills and Similar Marketable Securities | 6.765 | -- | 8.646 | 835 |
| Other | -- | -- | -- | -- |
| Total | 6.765 | -- | 8.646 | 835 |

2.2 *Trading securities subject to repurchase agreements*

None. (31 December 2013:None).

2.3 *Positive value of trading purpose derivatives*

| | Current Period | | Prior Period | |
|----------------------|----------------|------------------|----------------|----------------|
| | TL | FC | TL | FC |
| Forward Transactions | 4.013 | 33.199 | 9.386 | 63.386 |
| Swap Transactions | 128.992 | 983.665 | 140.967 | 656.638 |
| Futures Transactions | -- | -- | -- | -- |
| Options | 96 | 43.961 | 4.609 | 153.133 |
| Other | -- | -- | -- | -- |
| Total | 133.101 | 1.060.825 | 154.962 | 873.157 |

3. **Information on Banks**

| | Current Period | | Prior Period | |
|-----------------------------------|----------------|------------------|----------------|------------------|
| | TL | FC | TL | FC |
| Banks | | | | |
| Domestic | 398.981 | 1.430.029 | 210.633 | 565.675 |
| Foreign | 12.562 | 3.052.759 | 12.457 | 1.788.208 |
| Foreign head offices and branches | -- | -- | -- | -- |
| Total | 411.543 | 4.482.788 | 223.090 | 2.353.883 |

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 share certificates, debt securities representing government bonds, Eurobonds and foreign currency government bonds issued by the Turkish Treasury and foreign private sector debt securities.

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

Consist of collaterals given to the Central Bank of the Republic of Turkey, Istanbul Clearing and Custody Bank (Takasbank), and European Central Bank for liquidity, interbank money market, foreign exchange market, debt transactions and other transactions. Investment securities available-for-sale given as collaterals are government bonds and Eurobonds with carrying value of TL 1.239.074 (31 December 2013: TL 1.036.893).

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

| | Current Period | | Prior Period | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | TL | FC | TL | FC |
| Share certificates | -- | -- | -- | -- |
| T-bills, Bonds and Similar Securities | 332.937 | 906.137 | 122.577 | 914.316 |
| Other | -- | -- | -- | -- |
| Total | 332.937 | 906.137 | 122.577 | 914.316 |

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

| | Current Period | | Prior Period | |
|-------------------------------------|------------------|--------------|----------------|---------------|
| | TL | FC | TL | FC |
| Government Bonds | 1.219.144 | -- | 468.683 | -- |
| Treasury Bills | -- | -- | -- | -- |
| Other Debt Securities | -- | -- | -- | -- |
| Bonds Issued or Guaranteed by Banks | -- | 5.222 | -- | 31.250 |
| Asset Backed Securities | -- | -- | -- | -- |
| Other | -- | -- | -- | 46.682 |
| Total | 1.219.144 | 5.222 | 468.683 | 77.932 |

4.5 *Information on available-for-sale securities*

| | Current Period | | Prior Period | |
|----------------------------|----------------|------------------|--------------|------------------|
| | TL | FC | TL | FC |
| Debt instruments | | 8.008.907 | | 5.130.450 |
| Quoted on Stock Exchange | | 8.008.907 | | 5.130.450 |
| Unquoted on Stock Exchange | | -- | | -- |
| Share certificates | | 3.944 | | 4.104 |
| Quoted on Stock Exchange | | -- | | -- |
| Unquoted on Stock Exchange | | 3.944 | | 4.104 |
| Impairment provision (-) | | 164.958 | | 211.604 |
| Total | | 7.847.893 | | 4.922.950 |

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 | -- | 59.679 | -- | -- |
| Loans Granted to Employees | 58.277 | 95 | 53.244 | 4 |
| Total | 58.277 | 59.774 | 53.244 | 4 |

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

| Current Period | Loans and Other Receivables Under Close Monitoring | | | | | |
|---------------------------------|--|-------------------------------------|---------------------------|--|-------------------------------|-------------------------------------|
| | Performing Loans and Other Receivables | Agreement conditions modified | | Performing Loans and Other Receivables | Agreement conditions modified | |
| | | Loans and Other Receivables (Total) | Extension of Payment Plan | | Other | Loans and Other Receivables (Total) |
| Cash Loans | | | | | | |
| Non-specialized Loans | 52.313.006 | 459.503 | 496.016 | 2.558.463 | 1.061.040 | -- |
| Working Capital Loans | 17.014.124 | 39.046 | 494.680 | 245.107 | 241.436 | -- |
| Export Loans | 1.400.288 | -- | -- | 3.133 | 1.505 | -- |
| Import Loans | -- | -- | -- | -- | -- | -- |
| Loans Given to Financial Sector | 489.228 | -- | -- | 8.379 | 7.933 | -- |
| Consumer Loans | 10.133.990 | 84.251 | 1.336 | 1.095.908 | 300.947 | -- |
| Credit Cards | 3.892.871 | 447 | -- | 207.291 | 867 | -- |
| Other | 19.382.505 | 335.759 | -- | 998.645 | 508.352 | -- |
| Specialization Loans | 3.673.489 | 11.815 | -- | 161.321 | 55.647 | -- |
| Other Receivables | -- | -- | -- | -- | -- | -- |
| Total | 55.986.495 | 471.318 | 496.016 | 2.719.784 | 1.116.687 | -- |

| Number of modifications made to extend payment plan | Performing Loans and Other Receivables | Loans and Other Receivables Under Close Monitoring |
|---|--|--|
| | Extended by 1 or 2 times | 470.363 |
| Extended by 3,4 or 5 times | 955 | 175.243 |
| Extended by more than 5 times | -- | -- |
| Total | 471.318 | 1.116.687 |

| Extended payment period of time | Performing Loans and Other Receivables | Loans and Other Receivables Under Close Monitoring |
|---------------------------------|--|--|
| | 0-6 Months | 371 |
| 6-12 Months | 5.247 | 24.452 |
| 1-2 Years | 11.427 | 83.853 |
| 2-5 Years | 144.008 | 446.725 |
| 5 Year and Over | 310.265 | 465.305 |
| Total | 471.318 | 1.116.687 |

5.3 *Information on consumer loans, individual credit cards and personnel credit cards*

| | Short Term | Medium or Long Term | Total |
|--|------------------|---------------------|-------------------|
| Consumer Loans-TL | 213.727 | 10.426.418 | 10.640.145 |
| Real estate Loans | 1.256 | 4.530.527 | 4.531.783 |
| Vehicle Loans | 2.760 | 528.954 | 531.714 |
| General Purpose Loans | 206.687 | 5.366.937 | 5.573.624 |
| Other | 3.024 | -- | 3.024 |
| Consumer Loans-Indexed to FC | -- | 77.105 | 77.105 |
| Real estate Loans | -- | 75.714 | 75.714 |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | 1.391 | 1.391 |
| Other | -- | -- | -- |
| Consumer Loans-FC | 108 | 41.664 | 41.772 |
| Real estate Loans | -- | 11.603 | 11.603 |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | 29.277 | 29.277 |
| Other | 108 | 784 | 892 |
| Individual Credit Cards-TL | 3.611.435 | 199.616 | 3.811.051 |
| Installment | 1.283.900 | 199.616 | 1.483.516 |
| Non installment | 2.327.535 | -- | 2.327.535 |
| Individual Credit Cards-FC | 1.155 | -- | 1.155 |
| Installment | 94 | -- | 94 |
| Non installment | 1.061 | -- | 1.061 |
| Loans Given to Employees-TL | 3.914 | 29.718 | 33.632 |
| Real estate Loans | -- | 2.617 | 2.617 |
| Vehicle Loans | -- | 186 | 186 |
| General Purpose Loans | 3.914 | 26.915 | 30.829 |
| Other | -- | -- | -- |
| Loans Given to Employees - Indexed to FC | -- | -- | -- |
| Real estate Loans | -- | -- | -- |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | -- | -- |
| Other | -- | -- | -- |
| Loans Given to Employees - FC | 29 | 416 | 445 |
| Real estate Loans | -- | -- | -- |
| Vehicle Loans | -- | -- | -- |
| General Purpose Loans | -- | -- | -- |
| Other | 29 | 416 | 445 |
| Personnel Credit Cards - TL | 22.666 | 193 | 22.859 |
| Installment | 8.579 | 193 | 8.772 |
| Non installment | 14.087 | -- | 14.087 |
| Personnel Credit Cards - FC | 50 | -- | 50 |
| Installment | 5 | -- | 5 |
| Non installment | 45 | -- | 45 |
| Overdraft Loans-TL (Real Persons) (*) | 436.409 | -- | 436.409 |
| Overdraft Loans-FC (Real Persons) | 390 | -- | 390 |
| Total | 4.289.883 | 10.775.130 | 15.065.013 |

(*) Overdrafts used by the personnel of the Parent Bank are TL 1.291 (31 December 2013: TL 1.512).

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

| | Short Term | Medium or Long Term | Total |
|--|------------------|---------------------|------------------|
| Installment Commercial Loans - TL | 321.733 | 4.553.121 | 4.874.854 |
| Real estate Loans | 250 | 188.893 | 189.143 |
| Vehicle Loans | 12.455 | 372.358 | 384.813 |
| General Purpose Loans | 308.366 | 3.761.945 | 4.070.311 |
| Other | 662 | 229.925 | 230.587 |
| Installment Commercial Loans - Indexed to FC | 19.918 | 835.819 | 855.737 |
| Real estate Loans | -- | 23.614 | 23.614 |
| Vehicle Loans | 45 | 58.605 | 58.650 |
| General Purpose Loans | 19.767 | 619.866 | 639.633 |
| Other | 106 | 133.734 | 133.840 |
| Installment Commercial Loans - FC | 204.427 | 547.617 | 752.044 |
| Real estate Loans | -- | -- | -- |
| Vehicle Loans | -- | 73 | 73 |
| General Purpose Loans | 212 | 25.983 | 26.195 |
| Other | 204.215 | 521.561 | 725.776 |
| Corporate Credit Cards - TL | 255.207 | 9.534 | 264.741 |
| Installment | 80.970 | 9.534 | 90.504 |
| Non installment | 174.237 | -- | 174.237 |
| Corporate Credit Cards - FC | 306 | -- | 306 |
| Installment | 1 | -- | 1 |
| Non installment | 305 | -- | 305 |
| Overdraft Loans-TL (Legal Entities) | 663.733 | -- | 663.733 |
| Overdraft Loans-FC (Legal Entities) | -- | -- | -- |
| Total | 1.465.324 | 5.946.091 | 7.411.415 |

5.5 *Domestic and foreign loans*

| | Current Period | Prior Period |
|----------------|-------------------|-------------------|
| Domestic Loans | 56.651.873 | 50.229.542 |
| Foreign Loans | 2.054.406 | 2.108.759 |
| Total | 58.706.279 | 52.338.301 |

5.6 *Loans granted to subsidiaries and associates*

| | Current Period | Prior Period |
|---|----------------|---------------|
| Direct loans granted to subsidiaries and associates | 687 | 24.481 |
| Indirect loans granted to subsidiaries and associates | -- | -- |
| Total | 687 | 24.481 |

5.7 *Specific provisions for loans*

| | Current Period | Prior Period |
|--|------------------|------------------|
| Specific Provisions | | |
| Loans and Receivables with Limited Collectability | 63.953 | 38.038 |
| Loans and Receivables with Doubtful Collectability | 236.916 | 222.638 |
| Uncollectible Loans and Receivables | 1.222.908 | 910.935 |
| Total | 1.523.777 | 1.171.611 |

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 Loans and receivables with limited collectability | Group IV Loans and receivables with doubtful collectability | Group V Uncollectible loans and receivables |
|--|---|---|---|
| Current Period | 13.586 | 23.732 | 43.939 |
| (Gross Amounts Before Specific Reserves) | | | |
| Restructured Loans and Other Receivables | -- | -- | -- |
| Rescheduled Loans and Other Receivables | 13.586 | 23.732 | 43.939 |
| Prior Period | 1.354 | 6.888 | 22.814 |
| (Gross Amounts Before Specific Reserves) | | | |
| Restructured Loans and Other Receivables | -- | -- | -- |
| Rescheduled Loans and Other Receivables | 1.354 | 6.888 | 22.814 |

5.8.2 *Movement of non-performing loans*

| | Group III Loans and receivables with limited collectability | Group IV Loans and receivables with doubtful collectability | Group V Uncollectible loans and receivables |
|---|---|---|---|
| Balances at Beginning of Period | 170.508 | 387.686 | 1.051.899 |
| Additions (+) | 710.022 | 77.589 | 60.844 |
| Transfers from Other Categories of Non-Performing Loans (+) | -- | 519.570 | 464.003 |
| Transfers from Other Categories of Non-Performing Loans (-) | 519.570 | 464.003 | -- |
| Collections (-) | 67.486 | 82.748 | 199.622 |
| Write-offs (-) (*) | -- | -- | 10.566 |
| Corporate and Commercial Loans (*) | -- | -- | 10.566 |
| Retail Loans | -- | -- | -- |
| Credit Cards | -- | -- | -- |
| Other | -- | -- | -- |
| Balances at End of the Period | 293.474 | 438.094 | 1.366.558 |
| Specific Provisions (-) | 63.953 | 236.916 | 1.222.908 |
| Net Balance on Balance Sheet | 229.521 | 201.178 | 143.650 |

(*) The asset which is amounting to TL 10.566 was written off pursuant to the resolution numbered 2013-132 taken at the Board of Directors.

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 collectability | Loans and receivables with doubtful collectability | Uncollectible loans and receivables |
| Current Period | | | |
| Balance as of the Period End | 6.226 | 8.357 | 134 |
| Specific Provisions (-) | 2.164 | 8.113 | 6 |
| Net Balance on Balance Sheet | 4.062 | 244 | 128 |
| Prior Period | | | |
| Balance as of the Period End | 6.518 | 10.728 | 12.798 |
| Specific Provisions (-) | 5.164 | 8.995 | 5.042 |
| Net Balance on Balance Sheet | 1.354 | 1.733 | 7.756 |

5.8.4 Information on non-performing loans according to beneficiary group

| | Group III | Group IV | Group V |
|---|---|--|-------------------------------------|
| | Loans and receivables with limited collectability | Loans and receivables with doubtful collectability | Uncollectible loans and receivables |
| Current Period (Net) | | | |
| Loans Granted to Real Persons and Legal Entities (Gross) | 293.474 | 436.107 | 1.366.558 |
| Specific provisions (-) | 63.953 | 234.929 | 1.222.908 |
| Loans Granted to Real Persons and Legal Entities (Net) | 229.521 | 201.178 | 143.650 |
| Banks (Gross) | -- | -- | -- |
| Specific provisions (-) | -- | -- | -- |
| Banks (Net) | -- | -- | -- |
| Other Loan and Receivables (Gross) | -- | 1.987 | -- |
| Specific provisions (-) | -- | 1.987 | -- |
| Other Loan and Receivables (Net) | -- | -- | -- |
| Prior Period (Net) | | | |
| Loans Granted to Real Persons and Legal Entities (Gross) | 170.508 | 385.186 | 1.051.899 |
| Specific provisions (-) | 38.038 | 220.138 | 910.935 |
| Loans Granted to Real Persons and Legal Entities (Net) | 132.470 | 165.048 | 140.964 |
| Banks (Gross) | -- | -- | -- |
| Specific provisions (-) | -- | -- | -- |
| Banks (Net) | -- | -- | -- |
| Other Loan and Receivables (Gross) | -- | 2.500 | -- |
| Specific provisions (-) | -- | 2.500 | -- |
| Other Loan and Receivables (Net) | -- | -- | -- |

6. Information on investment securities held-to-maturity

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

6.1.1 Information on securities subject to repurchase agreement

Held-to-maturity investments subject to repurchase agreement are TL 387.688 (31 December 2013: TL 230.632).

6.1.2 Information on securities subject to given as collateral or blocked

| | Current Period | | Prior Period | |
|---|----------------|----------------|----------------|----------------|
| | TL | FC | TL | FC |
| Bills | -- | -- | -- | -- |
| Bonds and Similar Marketable Securities | 520.159 | 200.326 | 449.309 | 259.937 |
| Other | -- | -- | -- | -- |
| Total | 520.159 | 200.326 | 449.309 | 259.937 |

6.2 Information on government securities held-to-maturity

| | Current Period | Prior Period |
|----------------------------------|------------------|------------------|
| Government Bonds | 3.045.733 | 2.521.394 |
| Treasury Bills | -- | -- |
| Other Government Debt Securities | -- | -- |
| Total | 3.045.733 | 2.521.394 |

6.3 Information on investment securities held-to-maturity

| | Current Period | Prior Period |
|----------------------------|------------------|------------------|
| Debt Securities | 3.093.802 | 2.573.094 |
| Quoted on Stock Exchange | 3.061.611 | 2.537.703 |
| Unquoted on Stock Exchange | 32.191 | 35.391 |
| Impairment (-) | 15.880 | 1.632 |
| Total | 3.077.922 | 2.571.462 |

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

| | Current Period | Prior Period |
|--|------------------|------------------|
| Balance at the beginning of the period | 2.571.462 | 258.810 |
| Foreign exchange differences (*) | 128.913 | 81.674 |
| Purchases(**) | 409.836 | 2.375.602 |
| Disposals/Redemptions | (16.409) | (142.992) |
| Impairment losses (-) | 15.880 | 1.632 |
| Total | 3.077.922 | 2.571.462 |

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

(**) Reclassified securities are included in "Purchases".

The Parent Bank transferred a portion of its securities from "investment securities available-for-sale" portfolio, as of reclassification date with a new cost is amounting to TL 2.645.113 and US Dollar 136.323, to the "investment securities held-to-maturity" portfolio due to change in the intention of holding dating 23 July, 24 July, 26 December 2013 and 24 January 2014. The negative valuation differences amounting to TL 232.397 followed under equity until the date of classification will be amortized with effective interest method and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 220.872.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

7. Investments in associates

7.1 *Investments in unconsolidated associates*

| Title | Address (City/Country) | The Parent Bank's share percentage (%) | The Parent Bank's risk group share percentage (%) |
|--|---------------------------|--|--|
| 1-Kredi Kayıt Bürosu A.Ş. (*) | Istanbul/Turkey | 9 | -- |
| 2-Kredi Garanti Fonu A.Ş. (**) | Ankara/Turkey | 2 | -- |
| 3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. (**) | İzmir/Turkey | 10 | -- |

| | Total Assets | Shareholders' Equity | Total Fixed Assets | Interest Income | Income on Securities Portfolio | Current Period Profit/Loss | Prior Period Profit/Loss | Fair Value |
|---|-----------------|-------------------------|-----------------------|--------------------|--------------------------------------|----------------------------------|-----------------------------|------------|
| 1 | 98.036 | 85.314 | 52.204 | 2.054 | -- | 15.409 | 20.233 | -- |
| 2 | 287.207 | 282.357 | 2.857 | 9.978 | -- | 10.211 | 10.729 | -- |
| 3 | 10.892 | 9.876 | 8.651 | 20 | -- | (946) | (1.216) | -- |

(*) Information on the financial statements is presented as of the period ended 30 June 2014.

(**) Information on the financial statements is presented as of the period ended 30 September 2014.

7.2 *Investments in consolidated associates*

There are no investments in consolidated associates.

8. Investments in subsidiaries

8.1 *Information on capital adequacies of major subsidiaries*

The parent Bank does not need any capital requirement due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio.

Amounts at below prepared within the scope of regulations depended by Denizbank AG and they are obtained from financial datas of 30 September 2014.

| | |
|--|-----------|
| Paid-in capital | 459.447 |
| Share Premium | 668.704 |
| Reserves | 866.602 |
| Goodwill or other intangible assets and deferred tax liability related to these items (-) | 420 |
| Total Common Equity | 1.994.333 |
| Total Additional Tier I Capital | -- |
| Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-) | 1.679 |
| Total Core Capital | 1.992.654 |
| Total Supplementary Capital | -- |
| CAPITAL | 1.992.654 |
| Deductions from capital (-) | -- |
| SHAREHOLDERS' EQUITY | 1.992.654 |

8.2 Information on non-consolidated subsidiaries

| Title | Address (City/Country) | The Parent Bank's share percentage-If different voting percentage (%) | The Parent Bank's risk group share percentage (%) |
|---|---------------------------|---|--|
| 1-İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. | Istanbul/Turkey | 100 | -- |
| 2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. | Istanbul/Turkey | 100 | -- |
| 3-Deniz Kartlı Ödeme Sistemleri A.Ş. | Istanbul/Turkey | -- | 100 |
| 4-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş. | Istanbul/Turkey | -- | 100 |
| 5-Deniz Immobilien Service GMBH | Vienna / Austria | -- | 100 |
| 6-CR Erdberg Eins GMBH & Co KG | Vienna / Austria | -- | 100 |

| | Total Assets | Shareholders' Equity | Total Fixed Assets | Interest Income | Income on Securities Portfolio | Current Period Profit/Loss | Prior Period Profit/Loss | Fair Value | Capital requirement |
|---|-----------------|-------------------------|--------------------------|--------------------|--------------------------------------|----------------------------------|--------------------------------|------------|------------------------|
| 1 | 19.005 | 4.267 | 2.759 | 336 | -- | 1.071 | 255 | -- | -- |
| 2 | 1.276 | 1.252 | -- | -- | -- | (53) | (53) | -- | -- |
| 3 | 251 | 246 | -- | 13 | -- | (12) | (1) | -- | -- |
| 4 | 281 | 279 | -- | -- | -- | 6 | (5) | -- | -- |
| 5 | 89 | 89 | -- | -- | -- | (12) | -- | -- | -- |
| 6 | 57.777 | 52.050 | 50.941 | -- | -- | -- | -- | -- | -- |

Information on the financial statements is presented as of the period ended 30 September 2014, subsidiaries above are not included in consolidation because they are nonfinancial partnerships.

8.3 Information on consolidated subsidiaries

| Title | Address (City/Country) | The Parent Bank's share percentage (%) | Other shareholders' share percentage (%)(*) | Consolidation Method |
|---|---------------------------|--|---|-------------------------|
| 1 Denizbank AG | Vienna / Austria | 100 | -- | Full consolidation |
| 2 Eurodeniz International Banking Unit Ltd. | Nicosia / Cyprus | 100 | -- | Full consolidation |
| 3 Deniz Yatırım Menkul Kıymetler A.Ş. | Istanbul / Turkey | 100 | -- | Full consolidation |
| 4 Ekspres Menkul Değerler A.Ş. | Istanbul / Turkey | 71 | 29 | Full consolidation |
| 5 CJSC Denizbank Moskova | Moscow / Russia | 49 | 51 | Full consolidation |
| 6 Deniz Portföy Yönetimi A.Ş. | Istanbul / Turkey | -- | 100 | Full consolidation |
| 7 Deniz Finansal Kiralama A.Ş. (**) | Istanbul / Turkey | 49 | 51 | Full consolidation |
| 8 Deniz Faktoring A.Ş. | Istanbul / Turkey | 100 | -- | Full consolidation |
| 9 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. | Istanbul / Turkey | -- | 91 | Full consolidation |
| 10 Destek Varlık Yönetim A.Ş. | Istanbul / Turkey | -- | 100 | Full consolidation |

(*) Presenting risk group of Bank's share percentage.

(**) Explanation regarding to changes of shares is presented in Part III - Foot Note III.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
 Consolidated Financial Report
 Originally Issued in Turkish,
 See Note 3.1.3

| | Total Assets | Shareholders' Equity | Total Fixed Assets | Interest Income | Income on Securities Portfolio | Current Period Profit/Loss | Prior Period Profit/Loss | Fair Value | Capital requirement |
|----|--------------|----------------------|--------------------|-----------------|--------------------------------|----------------------------|--------------------------|------------|---------------------|
| 1 | 22.286.380 | 2.141.571 | 19.739 | 673.915 | 97.906 | 307.585 | 156.567 | -- | -- |
| 2 | 1.209.429 | 13.554 | 91 | 41.378 | -- | 593 | 606 | -- | -- |
| 3 | 194.220 | 178.846 | 735 | 3.356 | 31 | 4.644 | 3.072 | -- | -- |
| 4 | 13.850 | 12.760 | 2.477 | 790 | 583 | (115) | (125) | -- | -- |
| 5 | 877.852 | 153.964 | 3.403 | 38.151 | 11.238 | 20.352 | 17.841 | -- | -- |
| 6 | 6.333 | 4.887 | 37 | 295 | 4 | 428 | 1.121 | -- | -- |
| 7 | 2.088.135 | 471.699 | 17.776 | 123.186 | -- | 46.574 | 130.557 | -- | -- |
| 8 | 1.770.992 | 256.311 | 1.899 | 143.691 | -- | 94.006 | 42.519 | -- | -- |
| 9 | 174.244 | 172.950 | 486 | 807 | (30) | 11.507 | (18.754) | -- | -- |
| 10 | 47.637 | 8.960 | 35 | 3.391 | -- | (536) | -- | -- | -- |

Information on the financial statements is presented as of the period ended 30 September 2014.

8.3.1 Movement of consolidated subsidiaries

| | Current Period | Prior Period |
|--|----------------|--------------|
| Balance at the Beginning of the Period | 1.881.827 | 1.133.681 |
| Movements during the Period | 110.857 | 748.146 |
| Purchases (*) | 112.820 | 646.056 |
| Bonus Shares Received | 4.703 | -- |
| Dividends from Current Year Profit | -- | -- |
| Sales | -- | -- |
| Revaluation Increase, Effect of Inflation and F/X Difference | (6.666) | 102.090 |
| Other | -- | -- |
| Allowance for impairment | -- | -- |
| Balance at the End of the Period | 1.992.684 | 1.881.827 |
| Capital Commitments | -- | -- |
| Share Percentage at the end of Period (%) | -- | -- |

(*) Explanations about year in purchasing are on Part III - Foot Note III.

8.3.2 Sectorial information on the consolidated subsidiaries and the related carrying amounts

| | Current Period | Prior Period |
|---------------------|----------------|--------------|
| Banks | 1.147.685 | 1.143.965 |
| Insurance Companies | -- | -- |
| Factoring Companies | 138.107 | 138.107 |
| Leasing Companies | 432.374 | 303.929 |
| Finance Companies | 9.999 | 9.999 |
| Other Subsidiaries | 264.519 | 285.827 |
| Total | 1.992.684 | 1.881.827 |

Balances of the consolidated subsidiaries above have been eliminated in the accompanying financial statements.

8.3.3 Quoted subsidiaries within the consolidation scope

| | Current Period | Prior Period |
|----------------------------|----------------|--------------|
| Quoted on domestic markets | 104.634 | 101.942 |
| Quoted on foreign markets | -- | -- |

8.3.4 Consolidated subsidiaries disposed during the current period

None.

8.3.5 Consolidated subsidiaries acquired during the current period

None.

9. Entities Under Common Control (Joint Ventures)

9.1 Entities Under Common Control (Joint Ventures)

| Title | The Parent Bank's share percentage (%) | The Group's share percentage (%) | Current Assets | Non-Current Assets | Non-Current Liabilities | Income | Expenses |
|---|--|----------------------------------|----------------|--------------------|-------------------------|--------|----------|
| Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. | 33 | 33 | 10.881 | 10.402 | -- | 42.113 | (40.115) |

Information on the unreviewed financial statements is presented as of the period ended 30 September 2014.

9.2 Reasons of being non-consolidated for non-consolidated entities under common control (Joint Ventures) and methods of recognition of entities under common control (Joint Ventures) in the Parent Bank's unconsolidated financial statements

The Parent Bank, although represents Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") with 33% of ownership rate as entities under common control in its financial statements, it was not consolidated due to be nonfinancial entity. Carry out with its cost value due to unformed necessary conditions.

10. Information on receivables from leasing activities

10.1 Maturity analysis of finance lease receivables

| | Current Period | | Prior Period | |
|-------------------|----------------|-----------|--------------|-----------|
| | Gross | Net | Gross | Net |
| Less than 1 year | 103.527 | 98.897 | 97.614 | 93.832 |
| Between 1-4 years | 1.268.988 | 1.120.414 | 1.210.334 | 1.070.717 |
| Over 4 years | 902.875 | 699.521 | 800.911 | 618.907 |
| Total | 2.275.390 | 1.918.832 | 2.108.859 | 1.783.456 |

10.2 Information on net investments in finance lease receivables

| | Current Period | Prior Period |
|----------------------------------|----------------|--------------|
| Gross finance lease receivable | 2.275.390 | 2.108.859 |
| Unearned finance income (-) | 356.558 | 325.403 |
| Cancelled leasing agreements (-) | -- | -- |
| Net investment on finance leases | 1.918.832 | 1.783.456 |

10.3 Information on operating lease activities

Deniz Finansal Kiralama A.Ş. started to operating lease activities on June 2014.

11. Information on hedging purpose derivatives

The Parent Bank stopped applying cash flow hedge accounting arising from the fluctuations in the interest rate and in which the hedging instrument was interest rate swaps and the hedged item was deposit, on 31 May 2013. Consequently, derivatives financial instruments which were previously in "hedging purpose derivatives assets/liabilities" because of being risk hedging instruments are classified in "financial assets/liabilities held for trading" lines. Negative differences amounting to TL (18.657) which were cumulated until the transfer date in "hedging funds" account under equity will be transferred to statement of income until the maturities of related derivative instruments. As of the balance sheet date, net negative valuation difference under equity after deferred tax is amounting to TL (10.028).

12. Information on investment property

Investment properties are properties held by Deniz GYO for the basic purpose of making lease profit.

As of 30 September 2014, the Group has investment property is amounting to TL 128.118 (31 December 2013: TL 119.573) which carried from it's fair value on the Group's Financial Statements.

13. Information on deferred tax asset

Deferred tax asset calculated on the basis of related regulation is TL 73.075 (31 December 2013: TL 127.705) and deferred tax liability is TL 7.182 (31 December 2013: TL 2.991). These balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax bases:

| | Current Period | Prior Period |
|---|----------------|--------------|
| Deferred Tax Assets: | | |
| Unearned Income | 42.056 | 39.871 |
| Valuation Differences of Financial Assets | 36.270 | 1.343 |
| Miscellaneous Provisions | 35.333 | 38.235 |
| Provision for Employee Benefits | 18.578 | 17.058 |
| Financial Loss | -- | 92.149 |
| Other | -- | 18.559 |
| | 132.237 | 207.215 |
| Deferred Tax Liabilities: | | |
| Valuation Differences of Derivatives | (56.327) | (66.191) |
| Valuation Differences of Tangible Assets | (8.376) | (9.481) |
| Other | (1.641) | (6.829) |
| | (66.344) | (82.501) |
| Net Deferred Tax Assets | 65.893 | 124.714 |

14. Information on property and equipment held for sale and related to discontinued operations
None.

15. Information on other assets

15.1 *Information on prepaid expense, taxes and similar items*

DFS Group's total prepaid expenses are TL 300.258 (31 December 2013: TL 197.712).

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

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2014
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.3

II. Explanations and disclosures related to consolidated liabilities

1. Information on maturity structure 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 | Accumulated Deposit Accounts | Total |
|---------------------------|-------------------|---------------|------------------|-------------------|------------------|------------------|-------------------|------------------------------|-------------------|
| Saving Deposits | 1.348.103 | -- | 1.532.049 | 10.676.297 | 559.494 | 248.683 | 321.848 | 28.547 | 14.715.021 |
| Foreign Currency Deposits | 8.379.768 | -- | 2.440.030 | 8.142.705 | 1.521.216 | 3.554.230 | 11.578.072 | 833 | 35.616.854 |
| Residents in Turkey | 4.770.798 | -- | 2.347.152 | 7.676.530 | 1.226.685 | 445.444 | 729.959 | 745 | 17.197.313 |
| Residents Abroad | 3.608.970 | -- | 92.878 | 466.175 | 294.531 | 3.108.786 | 10.848.113 | 88 | 18.419.541 |
| Public Sector Deposits | 358.386 | -- | 11.391 | 15.347 | 1.901 | 90 | 285 | -- | 387.400 |
| Commercial Deposits | 1.645.455 | -- | 1.762.996 | 2.421.865 | 198.553 | 32.509 | 147.545 | -- | 6.208.923 |
| Other Ins. Deposits | 67.576 | -- | 51.590 | 643.240 | 130.426 | 74.246 | 13.402 | -- | 980.480 |
| Precious Metal Deposits | 212.598 | -- | 34.716 | 227.427 | 16.794 | 17.989 | 7.458 | 1.609 | 518.591 |
| Bank Deposits | 242.437 | -- | 492.826 | 280.801 | 1.270.552 | 267.783 | 14.704 | -- | 2.569.103 |
| Central Bank | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Domestic Banks | 24.385 | -- | 950 | 15.522 | 2.041 | 9.526 | 14.704 | -- | 67.128 |
| Foreign Banks | 41.482 | -- | 491.876 | 265.279 | 1.268.511 | 258.257 | -- | -- | 2.325.405 |
| Special Finan. Inst. | 176.570 | -- | -- | -- | -- | -- | -- | -- | 176.570 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 12.254.323 | -- | 6.325.598 | 22.407.682 | 3.698.936 | 4.195.530 | 12.083.314 | 30.989 | 60.996.372 |

| Prior Period | Demand | 7 Days Notice | Up to 1 Month | 1-3 Months | 3-6 Months | 6 Months -1 Year | 1 Year and Over | Accumulated Deposit Accounts | Total |
|---------------------------|-------------------|---------------|------------------|-------------------|------------------|------------------|-------------------|------------------------------|-------------------|
| Saving Deposits | 1.124.424 | -- | 1.665.078 | 9.863.484 | 335.145 | 97.032 | 647.602 | 24.743 | 13.757.508 |
| Foreign Currency Deposits | 7.353.092 | -- | 2.322.550 | 5.851.064 | 742.818 | 2.528.385 | 8.699.958 | 595 | 27.498.462 |
| Residents in Turkey | 4.077.175 | -- | 2.182.216 | 5.512.257 | 475.757 | 340.701 | 546.520 | 535 | 13.135.161 |
| Residents Abroad | 3.275.917 | -- | 140.334 | 338.807 | 267.061 | 2.187.684 | 8.153.438 | 60 | 14.363.301 |
| Public Sector Deposits | 286.716 | -- | 6.384 | 24.361 | 5.915 | 26.928 | 1.109 | -- | 351.413 |
| Commercial Deposits | 1.542.628 | -- | 1.902.055 | 2.788.081 | 177.283 | 64.892 | 245.418 | -- | 6.720.357 |
| Other Ins. Deposits | 58.442 | -- | 124.962 | 596.821 | 2.454 | 19.232 | 13.465 | -- | 815.376 |
| Precious Metal Deposits | 245.654 | -- | 53.113 | 214.809 | 14.826 | 12.252 | 17.513 | 1.011 | 559.178 |
| Bank Deposits | 266.324 | -- | 396.340 | 411.813 | 807.465 | 11.918 | 860.376 | -- | 2.754.236 |
| Central Bank | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Domestic Banks | 3.388 | -- | 8.096 | 85.698 | -- | 3.110 | 4.148 | -- | 104.440 |
| Foreign Banks | 51.444 | -- | 388.244 | 326.115 | 807.465 | 8.808 | 856.228 | -- | 2.438.304 |
| Special Finan. Inst. | 211.492 | -- | -- | -- | -- | -- | -- | -- | 211.492 |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | 10.877.280 | -- | 6.470.482 | 19.750.433 | 2.085.906 | 2.760.639 | 10.485.441 | 26.349 | 52.456.530 |

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 Deposits Insurance Fund | | Exceeding the Deposit Insurance Limit | |
|---|---------------------------------------|------------------|--|-------------------|
| | Current Period | Prior Period | Current Period | Prior Period |
| Saving Deposits | 6.596.695 | 5.839.043 | 7.873.520 | 7.626.306 |
| Foreign Currency Saving Deposits | 1.743.294 | 1.510.632 | 5.280.411 | 4.718.181 |
| Other Saving Deposits | -- | -- | -- | -- |
| Foreign Branches' Deposits Under Foreign Insurance Coverage | -- | -- | -- | -- |
| Off-Shore Deposits Under Foreign Insurance Coverage | -- | -- | -- | -- |
| Total | 8.339.989 | 7.349.675 | 13.153.931 | 12.344.487 |

1.2 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

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

| | Current Period | Prior Period |
|--|----------------|----------------|
| Deposits and Other Accounts in Foreign Branches | 91.239 | 226.856 |
| 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 | 43.591 | 33.115 |
| Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/09/2004 | -- | -- |
| Deposits belong to Off-Shore Banks who are established in Turkey | 81.128 | 64.666 |
| Total | 215.958 | 324.637 |

2. Information on trading purpose derivatives

2.1 *Negative value of trading purpose derivatives*

| | Current Period | | Prior Period | |
|----------------------|----------------|----------------|----------------|----------------|
| | TL | FC | TL | FC |
| Forward Transactions | 12.208 | 21.136 | 30.017 | 5.500 |
| Swap Transactions | 270.080 | 820.120 | 231.927 | 57.830 |
| Futures Transactions | -- | -- | -- | -- |
| Options | 15 | 63.989 | 1.129 | 128.423 |
| Other | -- | -- | -- | -- |
| Total | 282.303 | 905.245 | 263.073 | 191.753 |

3. Information on funds borrowed

| | Current Period | | Prior Period | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | TL | FC | TL | FC |
| Central Bank Loans | -- | -- | -- | -- |
| Domestic Bank and Institutions | 659.449 | 531.925 | 1.160.849 | 321.599 |
| Foreign Bank, Institutions and Funds | 1.512.933 | 9.432.348 | 1.247.821 | 8.254.557 |
| Total | 2.172.382 | 9.964.273 | 2.408.670 | 8.576.156 |

The Parent Bank has repaid the syndication loans matured on 14 November 2013 amounting to Euro 392,5 million and US Dollar 221 million and procured on 21 November 2013, under the coordination of Sberbank, Standard Chartered and Wells Fargo and with the participation of 47 banks from 23 countries in the international markets, syndication loans with a maturity of 1 year and a total cost of Libor/Euribor + 0,75% consisting of two different segments amounting to US Dollar 328 million and Euro 503 million.

The Parent Bank obtained a securitization loan against remittance flows, amounting to total of Euro 264 million with 5-8 years maturity from a consortium of 5 banks coordinated by Standard Chartered Bank, HSBC Bank Plc and Sberbank Europe AG and participated by EIB and EBRD on 10 June 2014.

The Parent Bank obtained a securitization loan against remittance flows, amounting to US Dollar 50 million with 5 years maturity from Wells Fargo Bank, N.A. on 17 June 2014.

In accordance with the resolution of the Board of Directors dated 6 April 2011 and numbered 2011/17, the Parent Bank obtained a securitization loan amounting to Euro 300 million via a special purpose entity from a consortium of lenders led by West LB and participated by EBRD, EIB, IFC and DEG on 27 April 2011. As of 30 September 2014, the outstanding balance of the loan is Euro 224,6 million. Securitization consists of five different loans having 2-3 years final maturity and 5-12 years grace period for the principal payment.

3.1 *Maturity information of funds borrowed*

| | Current Period | | Prior Period | |
|----------------------|------------------|------------------|------------------|------------------|
| | TL | FC | TL | FC |
| Short-Term | 1.562.000 | 5.743.108 | 1.775.888 | 5.408.560 |
| Medium and Long-Term | 610.382 | 4.221.165 | 632.782 | 3.167.596 |
| Total | 2.172.382 | 9.964.273 | 2.408.670 | 8.576.156 |

4. *Information on securities issued*

| | Current Period | | Prior Period | |
|-----------------------|------------------|-----------|------------------|-----------|
| | TL | FC | TL | FC |
| Bonds | 211.485 | -- | 195.349 | -- |
| Bills | 1.159.894 | -- | 857.025 | -- |
| Asset Backed Security | 568.009 | -- | 567.759 | -- |
| Total | 1.939.388 | -- | 1.620.133 | -- |

Nominal value of TL 71.070 (31 December 2013: TL 108.580) of the securities issued were repurchased by the Parent Bank and offset in the financial statements.

5. If other liabilities line of the balance sheet exceeds 10% of the balance sheet total; excluding the off balance sheet commitments; information on components making up at least 20% of the other liabilities

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

6. Information on lease payables

None. (31 December 2013: None).

6.1 *Changes in agreements and further commitments arising*

None. (31 December 2013: None).

6.2 *Obligations under finance leases*

None.

6.3 *Information on operational leases*

DFS Group has operational lease agreements for its bank branches, motor vehicles and ATM locations. Rental payments for the majority of these agreements are made and expensed on a monthly basis. The unexpired portion of prepayments made for rent agreements on a yearly basis are accounted for under prepaid expenses in "other assets".

6.4 *Information on "Sell-and-lease back" agreements*

There is no sale and lease back transactions in the current period.

7. Information on liabilities arising from hedging purpose derivatives

None. (31 December 2013-None).

8. Information on provisions

8.1 *Information on general provisions*

| | Current Period | Prior Period |
|---|----------------|----------------|
| Provisions for Loans and Receivables in Group I | 560.874 | 543.011 |
| Additional Provision for Loans with Extended Maturities | 24.506 | 4.508 |
| Provisions for Loans and Receivables in Group II | 129.172 | 99.648 |
| Additional Provision for Loans with Extended Maturities | 69.272 | 52.492 |
| Provisions for Non Cash Loans | 67.856 | 57.715 |
| Other | -- | -- |
| Total | 757.902 | 700.374 |

8.2 *Provision for currency exchange gain/loss on foreign currency indexed loans*

| | Current Period | Prior Period |
|---|----------------|--------------|
| Foreign Exchange Provision for Foreign Currency Indexed Loans | 7.176 | 244 |

Foreign exchange differences of foreign currency indexed loans are offset against "Loans and receivables" in assets.

8.3 *Information on provision for employee benefits*

TAS 19 required to using the actuarial methods for calculation of operating obligations.

Accordingly, the following actuarial assumptions were used in the calculation of the total reserve for employment termination benefits.

| | Current Period | Prior Period |
|--|----------------|--------------|
| Discount rate | 4,52% | 4,52% |
| Interest Rate | 9,75% | 9,75% |
| Expected rate of salary/limit increase | 5,00% | 5,00% |

As of 30 September 2014, TL 65.746 of provision for employment termination benefits (31 December 2013: TL 56.281) and TL 30.602 of unused vacation accruals (31 December 2013: TL 31.964) were reflected to the consolidated financial statements.

Movement of retirement pays liability during the period;

| | Current Period | Prior Period |
|--|----------------|--------------|
| Balance at the Beginning of the Period | 56.281 | 47.348 |
| Changes in the period | 15.996 | 11.027 |
| Actuarial loss/gain | -- | 2.139 |
| Paid in the period | (6.507) | (4.455) |
| FX difference | (24) | 222 |
| Balance at the End of the Period | 65.746 | 56.281 |

8.4 *Information on other provisions*

8.4.1 *Information on free provisions provided for probable risks*

| | Current Period | Prior Period |
|---|----------------|--------------|
| Free Provisions Provided for Probable Risks | 44.367 | 64.343 |

Free provisions for probable risks were included other provisions related to the loan portfolio.

8.4.2 *Information on other provisions exceeding 10% of total provisions*

TL 101.798 (31 December 2013: TL 113.594) of other provisions consists of provisions for non-cash loans that are not indemnified and converted into cash. TL 19.191 (31 December 2013: TL 19.085) consists of provisions for lawsuits pending against DFS Group and TL 1.485 (31 December 2013: TL 17.055) consists of other provisions.

9. Information on taxation

9.1 Information on current taxes

9.1.1 Information on current tax liability

As of 30 September 2014, the corporate tax provision of DFS Group is TL 179.633 (31 December 2013: TL 135.388), and it has been offset with advance taxes amounting to TL 163.822 (31 December 2013: TL 122.915).

9.1.2 Information on taxes payable

| | Current Period | Prior Period |
|--|----------------|----------------|
| Corporate taxes payable | 15.811 | 12.473 |
| Taxation on securities | 35.333 | 28.806 |
| Capital gains taxes on property | 1.978 | 1.822 |
| Banking Insurance Transaction Tax (BITT) | 30.333 | 31.756 |
| Taxes on foreign exchange transactions | -- | -- |
| Value added taxes payable | 7.339 | 2.256 |
| Other | 15.375 | 34.876 |
| Total | 106.169 | 111.989 |

9.1.3 Information on premiums

| | Current Period | Prior Period |
|---|----------------|---------------|
| Social security premiums- employee share | 7.143 | 6.324 |
| Social security premiums- employer share | 7.822 | 6.857 |
| Bank pension fund premium- employee share | -- | -- |
| Bank pension fund premium- employer share | -- | -- |
| Pension fund membership fees and provisions- employee share | 214 | 203 |
| Pension fund membership fees and provisions- employer share | 261 | 250 |
| Unemployment insurance- employee share | 508 | 451 |
| Unemployment insurance- employer share | 980 | 873 |
| Other | 3.842 | 11.844 |
| Total | 20.770 | 26.802 |

9.2 Information on deferred tax liabilities

Deferred tax liability calculated on the basis of related regulation is TL 7.182 (31 December 2013: TL 2.991). Information on deferred taxes is disclosed in footnote 13 of "explanations and disclosures related to consolidated assets".

10. Information on shareholders' equity

10.1 Paid-in capital

| | Current Period | Prior Period |
|-----------------|----------------|--------------|
| Common Stock | 716.100 | 716.100 |
| Preferred Stock | -- | -- |

The Parent Bank's paid-in capital is presented above in nominal values. As of 30 September 2014, the Parent Bank has "other capital reserves" amounting to TL 189.164 (31 December 2013: TL 189.164) arising from the effect of inflation restatement of the paid-in capital.

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

Registered paid-in capital system is not applied.

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

None.

10.4 *Information on share capital increases from revaluation funds*

None.

10.5 *Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments*

The capital is totally paid in and there are no capital commitments.

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

Balance sheets of the entities under DFS Group are managed prudently, to minimize the negative effects of interest rate, foreign currency and credit risks. This policy contributes to the progress of DFS Group's profitability with a steady increasing trend.

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

The Parent Bank does not have any preferred stocks.

10.8 *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 (**) | 98.411 | 98.411 |
| Common Stock Cancellation Profits | -- | -- |
| Other Equity Instruments | -- | -- |
| Total Common Stock Issued (*) | 50.369 | 50.369 |

(*) Related to the Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital was increased from TL 202.000 to TL 290.000; and TL 50.369 of this TL 88.000 increase was received in cash through issuance of new shares to the public.

(**) The share price for the above mentioned public issuance was "twothousandeighthundredandseventyfive" Turkish Liras and a total issuance premium of TL 94.440 was realized. The inflation restatement effect of TL 3.911 was also recognized over the original balance until December 2004. A total issuance premium of TL 60 was realized through the Bank's paid-in capital increase amounting TL 400.000 on 28 August 2008.

10.9 *Securities Revaluation Reserve*

| | Current Period | | Prior Period | |
|----------------------------------|------------------|-----------------|------------------|-----------------|
| | TL | FC | TL | FC |
| Associates, Subsidiaries and JVs | -- | -- | -- | -- |
| Valuation and FX Difference | (293.462) | (20.026) | (306.897) | (43.618) |
| Total | (293.462) | (20.026) | (306.897) | (43.618) |

10.10 *Information on hedging funds*

10.10.1 *Information on cash flow hedge items*

The Parent Bank stopped applying cash flow hedge accounting arising from the fluctuations in the interest rate and in which the hedging instrument was interest rate swaps and the hedged item was deposit, on 31 May 2013. Consequently, derivatives financial instruments which were previously in "hedging purpose derivatives assets/liabilities" because of being risk hedging instruments are classified in "financial assets/liabilities held for trading" lines. Negative differences amounting to TL (18.657) which were cumulated until the transfer date in "hedging funds" account under equity will be transferred to statement of income until the maturities of related derivative instruments. As of the balance sheet date, net negative valuation difference under equity is amounting to TL (10.028).

10.10.2 *Information on hedging foreign net investment risk*

DFH Group applies net investment hedge strategy to hedge against the currency risk arising on a consolidated basis from the net investments amounting to a total of Euro 637,9 million and US Dollar 5,7 million of subsidiaries Denizbank AG and Eurodeniz. The part consisting of the same amounts of its foreign currency deposit has been defined as "hedging instrument".

On the other hand, as of 1 April 2014 the Parent Bank stopped applying net investment hedge accounting due to its net investment amounting to US Dollar 83,0 million to hedge against the currency risk on the subsidiary of CJSC Denizbank, and the total hedging fund which is booked under equity for such subsidiary is amounting to TL (58.164).

The effective part of the change in value of the foreign currency deposit arising from foreign currency within this scope has been recognized in the account of "hedging funds" under equity is amounting to TL (374.319) as of September 2014 (31 December 2013: TL (409.538)).

11. Information on minority shares

| | Current Period | Prior Period |
|--|----------------|---------------|
| Balance at the Beginning of the Period | 37.292 | 15.764 |
| Minority interest in net income of consolidated subsidiaries | 997 | (145) |
| Increase/(decrease) in minority interest due to disposals | -- | -- |
| Other (*) | (32.115) | 21.673 |
| Balance at the End of the Period | 6.174 | 37.292 |

(*)Portion of Deniz Yatırım on Deniz GYO shares reach to 91,38% from 86,76% due to BIST mandatory tender offer on 23 January 2014.

12. Information on revaluation differences of tangible assets

Revaluation difference of tangible assets amounting to TL 306.054 include the gains on sale of Deniz Emeklilik ve Hayat A.Ş. and Deniz Türev Menkul Değerler A.Ş. amounting to TL 305.198 and the gain on sale of real estate for the remaining amount of TL 856, which are placed to the related reserve account under shareholders' equity with the exemption from corporate tax according to 5/1-e clause of Corporate Tax Law, (31 December 2013: TL 306.054).

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

1. Information related to off-balance sheet commitments

1.1 *Type and amount of irrevocable commitments*

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 30 September 2014, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 19.428.170, TL 8.777.466 and TL 1.654.011, respectively (31 December 2013: TL 18.415.516, TL 7.731.311 and TL 1.415.524, respectively). These items are detailed in the off-balance sheet accounts.

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

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

As of 30 September 2014, DFS Group has letters of guarantee amounting to TL 15.392.091, bills of exchange and acceptances amounting to TL 121.848, and guarantees and sureties on letters of credit amounting to TL 2.621.959. There are also other guarantees and sureties amounting to TL 1.292.272.

As of 31 December 2013 DFS Group has letters of guarantee amounting to TL 13.866.124, bills of exchange and acceptances amounting to TL 139.482, and guarantees and sureties on letter of credit amounting to TL 2.696.140. There are also other guarantees and sureties amounting to TL 1.713.770.

1.2.2 *Final guarantees, provisional guarantees, sureties and similar transactions*

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Provisional Letters of Guarantee | 929.527 | 969.666 |
| Final Letters of Guarantee | 10.732.305 | 9.961.504 |
| Letters of Guarantee for Advances | 2.432.466 | 2.075.062 |
| Letters of Guarantee given to Customs Offices | 207.321 | 249.616 |
| Other Letters of Guarantee | 1.090.472 | 610.276 |
| Total | 15.392.091 | 13.866.124 |

2. Total amount of non-cash loans

| | Current Period | Prior Period |
|---|-------------------|-------------------|
| Non-Cash Loans Given for Obtaining Cash Loans | 2.626.953 | 1.991.081 |
| With Original Maturity of 1 Year or Less | 2.443.340 | 1.914.317 |
| With Original Maturity of More Than 1 Year | 183.613 | 76.764 |
| Other Non-Cash Loans | 16.801.217 | 16.424.435 |
| Total | 19.428.170 | 18.415.516 |

IV. Explanations and disclosures related to consolidated statement of income

1. Interest income

1.1 Information on interest income received from loans

| | Current Period | | Prior Period | |
|--|------------------|----------------|------------------|----------------|
| | TL | FC | TL | FC |
| Short Term Loans | 1.465.402 | 75.378 | 1.125.319 | 70.527 |
| Medium and Long Term Loans | 1.861.628 | 918.957 | 1.444.433 | 631.609 |
| Loans Under Follow-Up | 38.108 | -- | 52.699 | -- |
| Premiums Received from Resource Utilization Support Fund | -- | -- | -- | -- |
| Total | 3.365.138 | 994.335 | 2.622.451 | 702.136 |

Interest income received from loans also includes fees and commissions from cash loans granted.

1.2 Information on interest income received from banks

| | Current Period | | Prior Period | |
|--|----------------|--------------|--------------|--------------|
| | TL | FC | TL | FC |
| Central Bank of the Republic of Turkey | -- | -- | -- | -- |
| Domestic Banks | 27.405 | 5.821 | 1.466 | 3.918 |
| Foreign Banks | 1.242 | 1.568 | 792 | 1.309 |
| Foreign Head Offices and Branches | -- | -- | -- | -- |
| Total | 28.647 | 7.389 | 2.258 | 5.227 |

1.3 Information on interest income received from securities portfolio

| | Current Period | | Prior Period | |
|---|----------------|---------------|----------------|---------------|
| | TL | FC | TL | FC |
| Trading Securities | 19.688 | 591 | 88.537 | 263 |
| Financial Assets at Fair Value Through Profit or Loss | -- | -- | -- | -- |
| Investment Securities Available-for-Sale | 303.130 | 45.000 | 364.702 | 48.446 |
| Investment Securities Held-to-Maturity | 220.161 | 17.908 | 48.474 | 2.204 |
| Total | 542.979 | 63.499 | 501.713 | 50.913 |

1.4 Information on interest income received from associates and subsidiaries

| | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Received from Associates and Subsidiaries | 180 | 9.161 |

2. Interest expense

2.1 Information on interest expense related to funds borrowed

| | Current Period | | Prior Period | |
|--|----------------|----------------|----------------|----------------|
| | TL | FC | TL | FC |
| Banks | 167.475 | 264.206 | 105.402 | 132.580 |
| Central Bank of the Republic of Turkey | 21 | -- | 26 | -- |
| Domestic Banks | 56.413 | 7.650 | 28.175 | 3.888 |
| Foreign Banks | 111.041 | 256.556 | 77.201 | 128.692 |
| Foreign Head Offices and Branches | -- | -- | -- | -- |
| Other Institutions | -- | -- | -- | -- |
| Total | 167.475 | 264.206 | 105.402 | 132.580 |

Interest expense related to funds borrowed also includes fees and commission expenses.

2.2 *Information on interest expense paid to associates and subsidiaries*

| | Current Period | Prior Period |
|--|----------------|--------------|
| Interest Paid to Associates and Subsidiaries | 1.119 | 1.033 |

2.3 *Information on interest expense paid to securities issued*

| | Current Period | Prior Period |
|------------------------------------|----------------|--------------|
| Interest Paid to Securities Issued | 142.333 | 68.520 |

2.4 *Maturity structure of the interest expense on deposits*

| Account Name | Time Deposits | | | | | | | Cumulative Deposit | Total |
|---------------------------|-----------------|----------------|------------------|---------------|---------------|------------------|---------------|--------------------|--------|
| | Demand Deposits | Up to 1 Month | Up to 3 Month | Up to 6 Month | Up to 1 Year | More than 1 Year | | | |
| <i>TL</i> | | | | | | | | | |
| Bank Deposits | 64 | 19.815 | -- | -- | -- | -- | -- | -- | 19.879 |
| Saving Deposits | 26 | 105.937 | 799.357 | 28.442 | 11.669 | 20.931 | 1.329 | 967.691 | |
| Public Sector Deposits | -- | 638 | 2.450 | 121 | 1.011 | 41 | -- | 4.261 | |
| Commercial Deposits | 2 | 141.894 | 202.876 | 10.230 | 3.368 | 4.969 | -- | 363.339 | |
| Other Deposits | -- | 4.530 | 40.931 | 4.722 | 2.145 | 12 | -- | 52.340 | |
| "7 Days Notice" Deposits | -- | -- | -- | -- | -- | -- | -- | -- | |
| Total | 92 | 272.814 | 1.045.614 | 43.515 | 18.193 | 25.953 | 1.329 | 1.407.510 | |
| <i>FC</i> | | | | | | | | | |
| Foreign Currency Deposits | 1.789 | 298.627 | 143.650 | 8.876 | 11.497 | 508 | 8.807 | 473.754 | |
| Bank Deposits | 381 | 4.796 | -- | -- | -- | -- | -- | 5.177 | |
| "7 Days Notice" Deposits | -- | -- | -- | -- | -- | -- | -- | -- | |
| Precious Metal Deposits | 1 | 10.978 | 2.244 | 1.175 | 231 | 216 | 16 | 14.861 | |
| Total | 2.171 | 314.401 | 145.894 | 10.051 | 11.728 | 724 | 8.823 | 493.792 | |
| Grand Total | 2.263 | 587.215 | 1.191.508 | 53.566 | 29.921 | 26.677 | 10.152 | 1.901.302 | |

3. *Information on trading income / loss*

| | Current Period | Prior Period |
|----------------------------------|------------------|----------------|
| Income | 107.512.740 | 21.622.733 |
| Capital Market Transactions | 142.776 | 533.272 |
| Derivative Financial Instruments | 3.443.358 | 2.331.837 |
| Foreign Exchange Gains | 103.926.606 | 18.757.624 |
| Loss (-) | 107.918.605 | 21.421.116 |
| Capital Market Transactions | 60.644 | 373.577 |
| Derivative Financial Instruments | 3.569.786 | 1.721.951 |
| Foreign Exchange Losses | 104.288.175 | 19.325.588 |
| Net Trading Income / Loss | (405.865) | 201.617 |

Net loss from foreign exchange translation differences related to derivative financial instruments is TL 122.625 (net gain for the period 1 January - 30 September 2013: TL 225.888).

4. Information on other operating income

| | Current Period | Prior Period |
|--|----------------|----------------|
| Reversal of prior periods' provisions | 273.999 | 242.075 |
| Sale revenue for Real estate properties to be sold | 26.064 | 4.344 |
| Communication income | 9.984 | 8.918 |
| Cheque book fees | 3.845 | 2.885 |
| Other | 132.120 | 45.703 |
| Total | 446.012 | 303.925 |

5. Impairment on loans and other receivables

| | Current Period | Prior Period |
|--|----------------|----------------|
| Specific Provisions on Loans and Other Receivables: | 550.434 | 558.951 |
| <i>Loans and Receivables in Group III</i> | 105.562 | 81.925 |
| <i>Loans and Receivables in Group IV</i> | 184.578 | 148.118 |
| <i>Loans and Receivables in Group V</i> | 260.294 | 328.908 |
| Non-performing Commissions and Other Receivables | -- | -- |
| General Loan Loss Provisions | 57.528 | 178.633 |
| Free Provision for Probable Risks | -- | -- |
| Impairment Losses on Securities | 20.278 | 38.028 |
| <i>Financial Assets at Fair Value Through Profit or Loss</i> | -- | 1.748 |
| <i>Investment Securities Available-for-Sale</i> | 20.278 | 36.280 |
| Impairment Losses on Associates, Subsidiaries, Joint Ventures and Investment Securities Held to Maturity | 14.429 | 7.478 |
| <i>Associates</i> | -- | -- |
| <i>Subsidiaries</i> | -- | -- |
| <i>Joint Ventures</i> | -- | -- |
| <i>Investment Securities Held-to-Maturity</i> | 14.429 | 7.478 |
| Other | 24.172 | 35.489 |
| Total | 666.841 | 818.579 |

6. Information related to other operational expenses

| | Current Period | Prior Period |
|---|------------------|------------------|
| Personnel Expenses | 825.112 | 661.654 |
| Reserve for Employee Termination Benefits | 10.019 | 7.656 |
| Reserve for Bank's Social Aid Fund Deficit | -- | -- |
| Impairment Losses on Tangible Assets | -- | -- |
| Depreciation Charges of Tangible Assets | 80.104 | 68.144 |
| Impairment Losses on Intangible Assets | -- | -- |
| Amortization Charges of Intangible Assets | 50.762 | 35.845 |
| Impairment Losses on Investment Accounted for under Equity Method | -- | -- |
| Impairment of Assets to be Disposed | -- | -- |
| Depreciation of Assets to be Disposed | 1.260 | 2.139 |
| Impairment of Assets Held for Sale | -- | -- |
| Other Operating Expenses | 589.066 | 494.511 |
| Operational Leases Expenses | 155.969 | 111.652 |
| Repair and Maintenance Expenses | 29.795 | 17.590 |
| Advertisement Expenses | 68.138 | 77.323 |
| Other Expenses (*) | 335.164 | 287.946 |
| Losses on Sale of Assets | 1.100 | 1.487 |
| Other | 189.373 | 143.215 |
| Total | 1.746.796 | 1.414.651 |

(*) Other expenses in other operational expenses comprise: communication expenses, IT repair and maintenance and software fees, stationery, entertainment and representation, heating and lighting, credit card service fee and others amounting to TL 60.447, TL 36.728, TL 15.694, TL 5.132, TL 14.670, TL 63.501 and TL 138.992, respectively (1 January - 30 September 2013: TL 58.343, TL 35.541, TL 15.376, TL 4.679, TL 15.614, TL 50.766 and TL 107.627, respectively).

7. Information on profit / loss before tax from continuing operations

As 1 January-30 September 2014, DFS Group has a profit before tax from continuing operations amounting to TL 1.007.018 (1 January-30 September 2013: TL 1.113.856).

8. Information on tax provision for continued and discontinued operations

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

As 1 January-30 September 2014 the current period taxation charge on continuing operations is TL 180.944 (1 January-30 September 2013: TL 99.323) while deferred tax charge is TL 48.852 (1 January-30 September 2013: TL 140.541).

There are not current period taxation charge on discontinuing operations. (1 January-30 September 2013: None).

8.2 Deferred tax benefit / (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 Deductible Temporary Differences (+) | 165.132 | 75.265 |
| Arising from Reversal of Deductible Temporary Differences (-) | (109.165) | (160.918) |
| Arising from Origination of Taxable Temporary Differences (-) | (113.355) | (90.235) |
| Arising from Reversal of Taxable Temporary Differences (+) | 8.536 | 35.347 |
| Total | (48.852) | (140.541) |

8.3 *Deferred tax benefit / (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 Deductible Temporary Differences | 147.923 | (127.856) |
| Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences | (104.819) | (54.888) |
| Arising from Origination (+)/ Reversal (-) of Tax Losses | (91.956) | 42.203 |
| Arising from Origination (+)/ Reversal (-) of Unused Tax Credits | -- | -- |
| Total | (48.852) | (140.541) |

9. *Information on net profit and loss*

9.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

Income generated from 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.

9.2 Changes in estimations made by DFS Group with respect to the financial statement items do not have a material effect on profit/loss.

9.3 *Profit or loss attributable to minority interests*

| | Current Period | Prior Period |
|--|----------------|--------------|
| Profit/(loss) attributable to minority interests | 997 | 294 |

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

10. If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

| Other Fees and Commissions Received | Current Period | Prior Period |
|--|----------------|----------------|
| Credit card clearing and other commissions | 336.081 | 176.281 |
| Contracted merchant / POS commissions | 153.361 | 130.609 |
| Filing fees | 76.032 | 65.230 |
| Account management fees | 72.343 | 65.073 |
| Insurance services | 67.331 | 47.797 |
| Intermediary services | 50.178 | 47.548 |
| Remittance commissions | 23.687 | 18.011 |
| Expertise fees | 9.747 | 6.866 |
| Other | 90.098 | 82.162 |
| Total | 878.858 | 639.577 |

| Other Fees and Commissions Paid | Current Period | Prior Period |
|---------------------------------|----------------|----------------|
| Credit card / POS commissions | 168.127 | 111.338 |
| EFT fees and commissions | 5.881 | 3.768 |
| Other | 60.588 | 66.204 |
| Total | 234.596 | 181.310 |

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

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

1.1 *Information on loans and other receivables to DFS Group's risk group*

Current Period

| DFS Group's Risk Group (*) | Associates, Subsidiaries and Joint-Ventures | | Bank's Direct and Indirect Shareholder | | Other Real Persons and Legal Entities in Risk Group | |
|---|---|----------|--|----------|---|----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans and Other Receivables | | | | | | |
| Balance at the Beginning of the Period | 24.507 | 8.555 | 920 | 11.287 | 47 | 4 |
| Balance at the End of the Period | 965 | 4.800 | 37.657 | 62.639 | 133 | 4 |
| Interest and Commission Income Received | 180 | 13 | 113 | 35 | -- | -- |

Prior Period

| DFS Group's Risk Group (*) | Associates, Subsidiaries and Joint-Ventures | | Bank's Direct and Indirect Shareholder | | Other Real Persons and Legal Entities in Risk Group | |
|---|---|----------|--|----------|---|----------|
| | Cash | Non-Cash | Cash | Non-Cash | Cash | Non-Cash |
| Loans and Other Receivables | | | | | | |
| Balance at the Beginning of the Period | 206.861 | 137 | -- | -- | 94 | 4 |
| Balance at the End of the Period | 24.507 | 8.555 | 920 | 11.287 | 47 | 4 |
| Interest and Commission Income Received | 9.172 | 12 | 86 | -- | 1 | -- |

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

1.2 *Information on deposits held by and funds borrowed from DFS Group's risk group*

| DFS Group's Risk Group (*) | Associates, Subsidiaries and Joint-Ventures | | Bank's Direct and Indirect Shareholder(**) | | Other Real Persons and Legal Entities in Risk Group | |
|--|---|--------------|--|--------------|---|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| Balance at the Beginning of the Period | 17.699 | 22.887 | 2.887.026 | 335.616 | 14.650 | 16.571 |
| Balance at the End of the Period | 5.555 | 17.699 | 3.918.965 | 2.887.026 | 23.250 | 14.650 |
| Interest and Commission Expenses | 1.143 | 1.033 | 158.993 | 41.014 | 884 | 921 |

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

(**) Includes the subordinated loan obtained from Sberbank of Russia amounting to US Dollar 1.050 million and Euro 115 million.

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

| | Associates, Subsidiaries and Joint-Ventures | | Bank's Direct and Indirect Shareholder | | Other Real Persons and Legal Entities in Risk Group | |
|--|---|--------------|--|--------------|---|--------------|
| | Current Period | Prior Period | Current Period | Prior Period | Current Period | Prior Period |
| DFS Group's Risk Group (*) | | | | | | |
| Transactions for Trading Purposes: | | | | | | |
| Balance at the Beginning of the Period | -- | -- | 292.678 | 211.068 | 4.735 | -- |
| Balance at the End of the Period | -- | -- | 101.683 | 292.678 | 27.863 | 4.735 |
| Total Income/(Loss) | -- | -- | (1.417) | 3.721 | (32) | 95 |
| Transactions for Hedging Purposes: | | | | | | |
| Balance at the Beginning of the Period | -- | -- | -- | -- | -- | -- |
| Balance at the End of the Period | -- | -- | -- | -- | -- | -- |
| Total Income/(Loss) | -- | -- | -- | -- | -- | -- |

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

1.4 *Information on benefit provided to Executives*

DFS Group makes payment amounting to TL 20.913 (30 September 2013: TL 28.299) to its Executives as of 30 September 2014.

1.5 *Information on transactions with DFS Group's risk group*

As of 30 September 2014, cash loans and other receivables of the risk group represent 0,057% of DFS Group's total cash loans and bank deposits granted the deposits and borrowings represent 5,1% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,35% of the total balance.

The risk group, which DFS Group belongs to, has finance and operation lease contracts with Deniz Leasing. The Parent Bank gives brokerage services through its branches for Deniz Yatırım. As part of the consolidation adjustments, these balances and transactions have been eliminated from the accompanying financial statements.

SECTION SIX OTHER DISCLOSURES AND FOOTNOTES

- I. Other explanations related to DFS Group's operations
1. Explanations related to DFS Group's operations

The Parent Bank secured a US Dollar 150 million subordinated loan with 10 years maturity at the fixed interest rate of 7,93% for first 5 years and US Dollar IRS rate plus yearly 6,12% fixed interest rate for after first 5 years period from Sberbank of Russia on 30 April 2014. Based on the written approval of BRSA in accordance with accounting standards described in "Regulation on Banks Equity Accounts" the fund was accepted as secondary subordinated loans which recognize in supplementary capital account.

The Parent Bank secured a Euro 115 million subordinated loan with 10 years maturity at the fixed interest rate of 6,2% for first 5 years and US Dollar IRS rate plus yearly 5,64% fixed interest rate for after first 5 years period from Sberbank of Russia on 30 September 2014. Based on the written approval of BRSA in accordance with accounting standards described in "Regulation on Banks Equity Accounts" the fund was accepted as secondary subordinated loans which recognize in supplementary capital account.

2. Summary information about ratings of the Banks which has been assigned by the international rating agencies

Moody's (*)

| | |
|--------------------------------------|------------------|
| Long Term Foreign Currency Deposits | Ba1 / Stable |
| Short Term Foreign Currency Deposits | Not Prime |
| Long Term Local Currency Deposits | Ba1 / Stable |
| Short Term Local Currency Deposits | Not Prime |
| Bank Financial Strength Rating (BCA) | D-(ba3) / Stable |

Fitch Rating's (**)

| | |
|-----------------------------|----------------------|
| Long Term Foreign Currency | BBB- / Negative |
| Short Term Foreign Currency | F3 |
| Long Term Local Currency | BBB- / Negative |
| Short Term Local Currency | F3 |
| Viability | bb+ |
| Support | 2 |
| National | AA+ (tur) / Negative |

(*) As of 3 June 2014

(**) As of 15 April 2014

3. Subsequent events

On 31 July 2014, European Union ("EU") had applied sectoral restrictive measures to the Russian Federation, and certain financial institutions, including Sberbank Group (excluding their subsidiaries established in EU countries), had been subjected to these measures. According to EU amendments dated 8 September 2014, the scope of the applied restrictive measures has been amended.

In addition, according to the amendment dated 12 September 2014 on the directive dated 12 March 2014 (together, "the Directive"), the Office of Foreign Assets Control ("OFAC"), established under the United States Department of the Treasury, has applied a number of restrictive measures to all transactions by the United States citizens with the persons determined in the Directive. Consequently, Denizbank has also been included in the scope of these restrictions.

Denizbank has applied to OFAC to be exempt from the scope of these restrictions and OFAC has announced that DenizBank has been excluded completely from restrictive measures through the Directive by General License No.3, dated 6 October 2014. The attempts are underway for DenizBank to be left outside the scope of the restrictive measures of EU as well.

SECTION SEVEN

INDEPENDENT AUDITORS' REVIEW REPORT

I. Information on the independent auditors' review report

DFS Group's consolidated financial statements and footnotes have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Ernst&Young Global Limited) and the independent auditors' review report dated 6 November 2014 is presented in front of the consolidated financial statements.

II. Disclosures and footnotes prepared by independent auditor

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