



the rhythm of our business 

Following many years of success, DenizBank became one of the foremost names in the Turkish banking industry, earning a well-deserved reputation for excellent service.

The DenizBank Financial Services Group

Banking

- > DenizBank
- > DenizBank AG
- > DenizBank Moscow
- > EuroDeniz Off-Shore Bank

Investment Banking and Brokerage

- > DenizYatırım Securities
- > EkspresInvest
- > TarihSecurities
- > Deniz Investment Trust
- > Deniz Portfolio Management

Leasing and Factoring

- > DenizLeasing
- > DenizFactoring

IT Services

- > Intertech



From DenizBank to the DFS Group

THE REVITALIZATION OF A WELL-KNOWN NAME

The roots of the DenizBank Financial Services Group (DFS Group) go back to 1997 when DenizBank was privatized. Originally, DenizBank was established as a state-owned bank in 1938 primarily to help finance the newly emerging Turkish maritime industry. Following many years of success, DenizBank became one of the foremost names in the Turkish banking industry, earning a well-deserved reputation for excellent service. In 1992, after a decision by the government to consolidate a number of state-owned banks, DenizBank merged with Emlakbank. In 1997, DenizBank left this union and was privatized as a separate entity. At that time, the Bank possessed no significant assets with the exception of a small number of branch offices that had been inactive since 1992. Operations commenced again in September after Zorlu Holding acquired DenizBank from the Privatization Administration early in 1997.

FROM A BANK TO A FINANCIAL SERVICES GROUP

After DenizBank was acquired by Zorlu Holding, a revitalization program was initiated that encompassed the hiring of new personnel and opening branches under the new corporate identity. This was achieved under the guidelines of a five-year strategic plan where all targets were successfully met. Expansion was supported by the acquisition of a number of branch offices from SDIF-controlled banks, as well as several financial companies including Tarihbank, which merged into DenizBank by the end of 2002. Additionally, DenizBank established and/or acquired financial companies that included banks in

Austria, Russia and the Turkish Republic of Northern Cyprus in addition to factoring, leasing, investment and brokerage companies to complement its existing banking products and services.

Encouraged by strong capitalization and good financial standing, DenizBank was able to take advantage of rapid developments in the financial services industry and rapidly rose to the forefronts. In 2003, the DenizBank Financial Services Group was formed along the lines of a financial supermarket able to offer a wide range of financial services.

ALL CONTEMPORARY FINANCIAL SERVICES UNDER ONE UMBRELLA

In addition to DenizBank, the DFS Group has ten domestic and three international financial subsidiaries, a financial services branch in Dortmund, Germany, as well as an overseas banking unit in Bahrain and in the Turkish Republic of Northern Cyprus. They are: DenizYatırım Securities, EkspresInvest, Deniz Investment Trust, Deniz Portfolio Management, TarihSecurities, DenizLeasing, DenizFactoring and Intertech on the domestic side and DenizBank AG, DenizBank Moscow and EuroDeniz Off-Shore Bank Ltd. on the international side.

With major operations, financial control and accounting functions centralized, the DFS Group has successfully transformed DenizBank's branch offices into marketing centers thereby optimizing the number of employees and improving operational efficiency.

From DenizBank to the DFS Group

Continued

A SERVICE NETWORK REACHING ALL SEGMENTS OF THE SOCIETY

The DFS Group possesses a service network that reaches all segments of the society throughout Turkey. It also has a solid standing in the Internet environment which provides customers, both individual and corporate, with the facility to conduct financial transactions remotely from anywhere in the world.

With adherence to the highest ethical business practices and corporate governance principles, the DFS Group has created sustainable, multi-faceted relationships with corporate and retail clients focusing on small and medium-size establishments, exporters, private companies and individuals. The DFS Group also has some niche markets such as ship finance, tourism, agricultural lending, foreign construction projects and medicare.

The Group continually strives for excellence in its core business areas utilizing a carefully developed branch network equipped with the latest technology accompanied by alternative distribution channels. Drawing on the collective wisdom of its management team and together with prudent business practices, the DFS Group provides customers with service that is comparable to the very best international financial groups.

EXPANDING BEYOND ITS BORDERS

Turkey, now on the verge of becoming an EU member, is rapidly transforming its institutions to comply with EU standards and practices. Since the very first day of its establishment, DenizBank and its financial institutions have adopted the best practices in corporate governance and international business. Consequently, the DFS Group is ready to comply with EU norms and already has operations in a number of EU countries, through DenizBank AG, its subsidiary based in Vienna, Austria.

The Group also has a subsidiary in Russia, another important trading partner for Turkey, rendering all complementary services to DenizBank, Istanbul.

Supported by its strong shareholder base and successful financial performance, the DFS Group aims to become one of the leading financial services groups in Turkey. It plans to expand beyond Turkey's borders into the EU and Russia through its subsidiaries.

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Consolidated Financial Highlights

-The DFS Group

Inflation Adjusted	2004		2003	
	US\$ millions	TL billions	US\$ millions	TL billions
Government Securities (TR)*	1,114	1,488,859	1,017	1,358,691
Government Securities (US & European)*	249	332,605	487	651,207
Loans, net	2,395	3,201,022	1,603	2,141,435
Equity Participations	6	7,822	10	12,831
Fixed Assets, net	92	122,573	79	105,223
Total Assets	6,031	8,058,569	4,802	6,416,614
Customer Deposits	3,844	5,137,233	3,062	4,091,764
Demand	774	1,034,983	604	807,506
Time	3,070	4,102,250	2,458	3,284,258
Funds Borrowed from Banks	1,231	1,644,660	1,061	1,418,110
Net Worth	667	891,519	471	629,906
Paid-in Capital	237	316,100	151	202,000
L/Cs & L/Gs	1,868	2,495,929	1,683	2,248,673
Interest Income		830,167		731,261
Interest Expense		(458,628)		(511,344)
Net Interest Income after Provisions		331,053		171,966
Non-Interest Income		264,449		294,487
Non-Interest Expense		(433,999)		(334,700)
Net Income		137,545		86,045
Number of DenizBank Branches	199		170	
Number of DFS Group Staff	4,912		3,609	
Capital Adequacy Ratio	17.8%		17.5%	
ROE (on net profit in real terms)	20.6%		16.6%	

* Securities portfolio totals are evaluated at market prices.

DenizBank's Ratings by International Rating Agencies

Moody's Investors Service

LT FC Deposit / ST FC Deposit/Outlook	B2 / NP / Positive
FSR / Outlook	D+ / Positive
LT LC Deposit / ST LC Deposit / Outlook	Baa3 / Prime-3 / Stable

FitchRatings

Foreign Currency Short-Term	B
Foreign Currency Long-Term	B+
Outlook	Positive
Local Currency Short-Term	B
Local Currency Long-Term	B+
Outlook	Positive
Individual	D
Support	4
National	A- (tur) (Stable)

Message from the President

Dear shareholders, partners and colleagues,

Turkey's rapidly expanding markets have offered ample opportunities for business growth not only in the area of banking but in other lines of business as well. As we grow, we make long term plans and do not take advantage of occasional and short-lived market developments to earn a profit. Since we cannot predict the future, we have aimed instead to create it, grasping the rhythm of growth, utilizing this ebb and flow in all of our business undertakings.

Eight years ago, we were a handful of ambitious bankers aiming to create a bank that would be admired by its peers in the sector. Today, we employ thousands while the scope of our activities encompasses all contemporary financial services and are not limited to traditional banking. The geographical area in which we operate extends beyond the borders of Turkey, into Europe and Asia and encompasses fine financial institutions in Austria, Germany and Russia as well as other establishments abroad. As our management philosophy dictates, mere growth and size are not important. What really matters for us is sustainability, an excellent reputation and profitability. If any of these three conditions are not met, then we feel we are not on the right track.

In 2004, we made the decision to share our success with a broader shareholder base and on October 1, 2004, we went public and listed our shares on the Istanbul Stock Exchange with a

free-float ratio of 25%. DenizBank's IPO was a landmark event in Turkey's capital markets, which had been lackluster for some time. A 62% majority of our shares was purchased by foreign investors, demonstrating the trust DenizBank has created in international markets, as the demand was five times larger than the offer. Currently the share of foreign investors increased even further to 90% of the traded shares.

According to European rankings announced in the January 2004 issue of The Banker, DenizBank ranked first in southern Europe and fifth throughout Europe in terms of growth. In Turkey, DenizBank ranked seventh among the top domestically owned private commercial banks with regard to total assets.

Strong shareholders and prudent banking strategies has helped DenizBank maintain robust capitalization over the years. The Capital Adequacy Ratio reached 17.8% while the free capital ratio stood at 7% at the end of 2004. With such ratios it is not surprising to find DenizBank among the top Turkish banks in terms of capital strength.

Recently, Moody's assigned a Baa3 long-term and Prime-3 short-term local currency deposit ratings to DenizBank; both carry stable outlooks. Moody's has stated that "The Baa3 local currency deposit rating is the result of DenizBank's intrinsic financial strength. DenizBank's D+ financial standing rating reflects its solid - and improving - financial fundamentals and capable management team."

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DenizBank divided its marketing units into four major business segments; Corporate Banking-serving large scale and multinational companies, Commercial Banking-serving medium-size companies, Small Business Banking-serving smaller companies and Retail Banking. The Bank has also adapted ship finance, tourism, agricultural lending, health and foreign construction projects as its niche markets.

Our bankers are now able to tailor specific banking products and services directly to the requirements of clients in these segments. Accordingly, our branch, marketing and credit allocation organizations have been restructured to accommodate this separation of duties. As we serve an ever-expanding customer base, new practices have been added to the workflow to optimize expense, develop the most efficient means to reach customers and to carry out tasks. An additional result of this separation was the reduced time required to process credit applications. A typical small business credit application is now approved within 48 hours and a car loan within 24 hours. A total of 43,000 small businesses were added to our customer portfolio by the end of the year; 11,000 were allocated credit limits.

In 2004, profitability remained strong and consolidated net profit increased by 60% to reach US\$ 103 million. The main component for this growth was the 63% real increase in net interest income, due to our focus on retail and small business loans. Our assets reached US\$ 6,031

million in consolidated terms and grew by an impressive 26%, a direct result of the 50% increase in loans. Our lending volume reached US\$ 2.4 billion by the end of 2004, constituting 40% of our total assets. Thanks to our focus on retail and SME clients their total share increased to 25% of the loan book.

Non-financial assets of DenizBank constitute only 4.3% of total assets, in line with our strategy of focusing on core banking operations. Despite an overall slowdown in deposits in Turkey last year, customer deposits at DenizBank increased by 26% in 2004.



Message from the President

Continued

Continuing our adherence to disciplined and conservative lending policy guidelines, DenizBank has an NPL ratio of 3.5% - well below the banking industry average. Moreover, continuing our prudent policy in this area, our provisioning ratio is 125% of the NPL figure, including general provisions.

As we have strongly committed ourselves to maintain low operational costs to serve our growing client base, we are very keen in enhancing our cost control measures to optimize our costs. In line with this strategy, the Bank has again enjoyed remarkable efficiency ratios. The Bank's Cost/Income ratio and Operating Expenses/Assets ratios were realized at 51.5% and 2.8%, respectively, probably one of the best ratios in the sector.

We have successfully applied the DenizBank management philosophy to all institutions within the DFS Group. The DFS Group has an organizational structure that allows us to stay committed to our goals while retaining sufficient flexibility to allow for sustainable growth and profitability.

At the end of 2004, DenizBank AG had assets totaling €585.5 million, a year-end before tax profit of €5.2 million and a capital adequacy ratio of 25.8%. DenizBank AG obtained its first syndicated loan facility of US\$ 25 million from 11 participating international banks. DenizBank Moscow had total assets of US\$ 57.1 million and a profit of US\$ 1.3 million at the end of the year.

During 2004, we strengthened our position with regard to capital market activities through an expanded investor base for our brokerage and investment companies that serve both domestic individual investors as well as international institutional investors. In 2004, DenizYatırım Securities ranked second among Turkey's brokerage houses in terms of equity trading market share. The Company achieved an equity trading volume of US\$ 18 billion and a market share of 5.85%. In a relatively stagnant marketplace, DenizYatırım Securities realized two landmark IPOs as the consortium leader; Fenerbahçe and DenizBank IPOs. The Privatization Administration has appointed the consortium of DenizYatırım Securities, BNP Paribas and PDF as financial adviser in the privatization of Turk Telecom. EkspresInvest grew further in 2004, keeping its focus on foreign institutional investors. Its equity trading volume increased by 119%, driving its market

Corporate Governance Association of Turkey has recognized the pioneering efforts of DenizBank regarding the implementation of its corporate governance practices as outstanding among its peers.

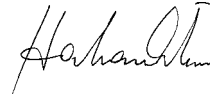
share to 2.7% by the end of the year. In 2004, EkspresInvest's number of foreign institutional clients increased five-fold.

TarişSecurities was restructured in 2004 as a specialized brokerage house in futures and options trading. We plan to make TarişSecurities one of the leading players in the Futures Exchange which will become fully operational in 2005. Its Headquarters were relocated to Istanbul with a branch office serving the Izmir area.

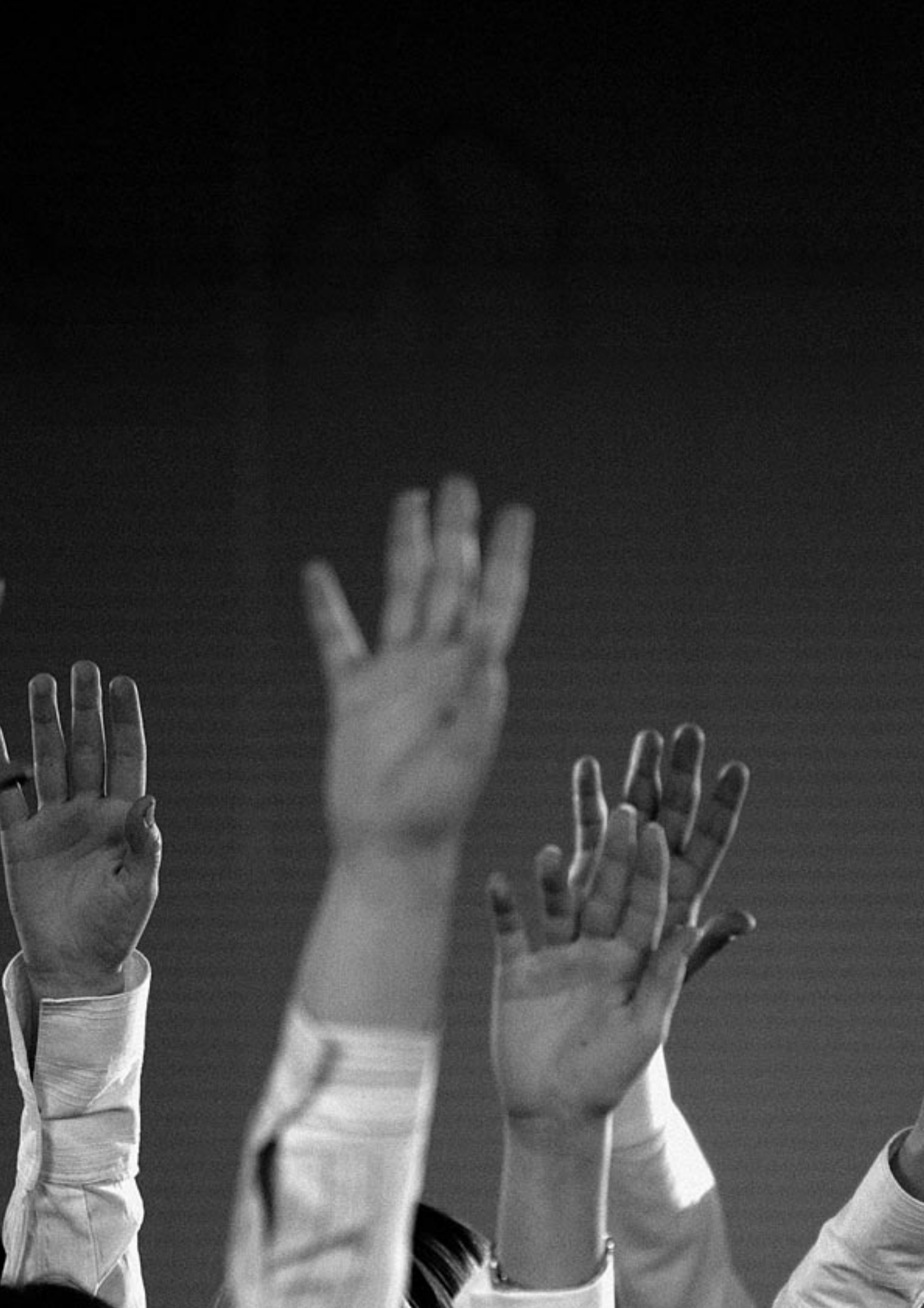
Year 2004 saw the start of our operations as a publicly traded company. This change did not bring about major modifications in our organization because we had already instituted corporate governance principles prior to this. At this point, I would like to emphasize that the Corporate Governance Association of Turkey has recognized the pioneering efforts of DenizBank regarding the implementation of its corporate governance practices as outstanding among its peers. In line with our commitment in this area the number of Board members increased from five to seven; three members function independently. DenizBank has two new committees to be led by independent Board Members: The Corporate Governance and Nomination Committee and the Audit Committee. The related sections of the corporate governance principles were included in the Articles of Association.

On behalf of the founding shareholders and the management, it is my distinct pleasure to welcome the new shareholders to our growing family. You may be sure that you will find transparency, fair distribution of profit, equal voice among all shareholders and value for your investment.

I also would like to thank our major shareholder - Zorlu Holding, our clientele, our correspondents and the hardworking staff within the entire DFS Group for their generous contributions, that have led to this success.



Hakan Ateş
President and CEO



Zorlu Holding

*Zorlu Holding
is now one of the
largest and most
extensive industrial
conglomerates in
Turkey.*



The history of Zorlu Holding goes back to the early 1950s when it was established as a home-based producer of textiles. It later grew into a dynamic group of industrial companies, globally recognized for high quality. Zorlu Holding is now one of the largest and most extensive industrial conglomerates in Turkey. With a total of 65 companies, Zorlu Holding has 15 large-scale industrial concerns operating in the international arena and three energy plants providing employment for 27,000 people. In 2004, Zorlu Holding companies achieved a total turnover of US\$ 4.0 billion and an export volume of US\$ 2.6 billion.

Currently, Zorlu Holding concentrates on four major business areas:

- Home textiles and polyester yarn
- Electronics, consumer durables and information technology
- Financial services
- Energy production

Having steadily grown in the area of home textiles during the 1980s, the TAÇ brand of the Zorlu Holding Textiles Group has become the leading brand in the Turkish home textiles industry. In 1994, the Holding acquired Vestel Electronics and in 1996 began operations in the energy sector through Zorlu Energy. The Holding further increased the number of companies under its management as it ventured into the financial services sector in 1997 with the acquisition of DenizBank.

In the five-year period from 2000 to 2004, the Holding had exports totaling US\$ 870 million, US\$

885 million, US\$ 1.3 billion, US\$ 1.7 billion and US\$ 2.6 billion, respectively.

HOME TEXTILES AND POLYESTER YARN

Operations in the home textiles sector have developed rapidly over the course of time prompting Zorlu Holding to enter international markets. Currently, the Holding has a total of 11 textile plants, located in Turkey, France, South Africa, the USA, Iran and Turkmenistan.

The Home Textiles Group has several manufacturing subsidiaries abroad; Bel-Air in France, Zorlu MFG Co. LLC in the USA and Korteks Africa, in South Africa, producing curtain material and cotton-based home textiles as end-products.

The Home Textiles Group has investments in home textiles in both domestic and overseas markets, large-scale plants and high quality products. Moreover, it aims to further strengthen its presence in international markets with the addition of retail stores. The Group plans to introduce new competitive brands to world markets during this decade.

ELECTRONICS, CONSUMER DURABLES AND INFORMATION TECHNOLOGY

Vestel Electronics, a publicly listed company, is Zorlu Holding's flagship in the Electronics, Consumer Durables and IT Group. The Group is comprised of a total of 18 companies: eight domestic and ten overseas.

Vestel Electronics has marketing subsidiaries in major European countries, including Germany,

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Key Financial and Operational Figures				
(US\$ millions)	2004	2003	2002	
Home Textiles Group				
Total assets	1,500	1,490	1,400	
Net sales	750	550	500	
Exports	350	255	225	
Imports	281	135	180	
Total foreign trade volume	631	390	405	
Electronics, Consumer Durables and IT Group				
Total assets	2,500	1,250	991	
Net sales	3,000	1,700	1,300	
Exports	2,200	1,400	1,100	
Imports	1,500	1,000	800	
Total foreign trade volume	3,700	2,400	1,900	
Energy Group				
Total assets	380	295	168	
Net sales	150	110	87	
Imports	85	16	42	
Installed capacity (MW)	211	211	211	
Power generated (kWh millions)	1,570	1,404	1,174	
Steam generated (tons thousands)	476	462	496	

France, Spain, Italy, the Netherlands, Luxembourg, Romania and the U.K. It also has a manufacturing subsidiary in Russia. In addition, Vestel Electronics has four R&D subsidiaries, located in San Diego, California in the United States, Urla in Turkey, Bristol in the UK and in Taiwan. Vestel-Russia in Alexandrov, Russia is Vestel Electronics' manufacturing subsidiary producing TV sets for the Russian market. Vestel has penetrated deep into the television market in Europe with a market share above 25%; 90% of its electronics production is exported. It alone was the largest Turkish exporter in 2002 and 2003. Vestel Electronics' ratings from both Moody's and FitchRatings are higher than the sovereign rating of Turkey.

Vestel Electronics was the first manufacturer in Turkey to produce 100 Hz television sets, flat screen TVs, the TV-DVD Player Combi, TV-DivX Player Combi, Digital Media Player-TV Combi, Web TV, Web Phone, Personal Recorder Televisions, Digital TVs, Plasma and LCD TVs. In 2003, Vestel Electronics established a high-end TV plant in Vestel City, Manisa, an industrial town in Western Turkey.

Vestel White Goods, located in Vestel City, accommodates a number of large-scale plants. These include a refrigerator plant with 20% domestic market share, an air-conditioner plant with 30% domestic market share and a newly established washing machine production facility.

Zorlu Holding

Continued

In addition, a plant that produces ovens and a new refrigerator plant are currently under construction. Vestel White Goods has a planned annual export volume of US\$ 300 million.

Another important company operating within the Electronics, Consumer Durables and IT Group is Vestel Communications, a leading producer of personal computers, digital and analog satellite receivers, DVBs, DVB/Ts, DivX Players, DVD Recorders and DVD Players. This Company has the largest surface-mounted assembly operation in the country and a planned annual export volume of US\$ 350 million.

In 2004, the export revenue of the Group reached US\$ 2.2 billion. Of this, 80% went to EU countries, while the balance was exported to Eastern Europe, North and South Africa, the USA, Russia, the Balkan States, Australia, the Middle East and the Turkish Republics.

Vestel was the first global consumer electronics and durables company to invest in a modern manufacturing facility in Moscow. The TV factory which was built in 2003 with a capacity of one million units, produced and sold 700,000 TVs in Russia during 2004; constituting a market share of 12%. Such a large success in just the first year of operations encouraged the Group to further invest in the country. Currently, Vestel CIS is building two new factories next to its TV plant to produce washing machines and refrigerators. Both factories will have a 500,000 capacity and will be finalized during 2005.

ENERGY PRODUCTION

Producing electricity and steam concurrently, Zorlu Energy was originally established to meet the energy requirements of Group companies. As a result of the IPO launched in May 2000, Zorlu Energy became the first publicly-traded auto-producer in Turkey.

Zorlu Energy is now serving 240 industrial concerns throughout Turkey via the operation of three power plants. Two of these are combined cycle power plants; in Bursa and Ankara; there is also a co-generation power plant in Lüleburgaz. The Company has an installed capacity to generate 211 MW of electricity and 150 tons of steam per hour. Zorlu Energy undertook three new power plant investments in early 2004 with the aim of increasing its installed power capacity by 84%, from 211 MW to 387 MW by the first quarter of 2005. This will effectively increase Zorlu Energy's annual electricity generation capacity to three billion kWh per annum. The first of these is a 154 MW combined-cycle power plant in the Kayseri Industrial Zone with a total investment cost of US\$ 90 million. The second project is a co-generation power plant with an installed capacity of 15 MW electricity and a steam production capacity of 20 tons per hour at the İpek Kağıt facilities in Yalova. The investment cost will be approximately US\$ 12 million. Zorlu Energy's third project is another co-generation plant for Kayseri Birlik Mensucat with an installed power of seven

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Financial and Operational Highlights of Zorlu Holding

Total employment: 27,000

Total covered production area: 1,700,000 square meters

(US\$ millions)	2004	2003	2002
Foreign Trade			
Total exports	2,550	1,655	1,325
Total imports	1,866	1,135	980
Total foreign trade volume	4,416	2,790	2,305

MW and a steam production capacity of 12 tons per hour. The total investment cost will be US\$ 6 million.

Zorlu O&M, another energy sector-related company within Zorlu Holding was established in 2000 to provide operational and maintenance services to both Zorlu Energy and non-Zorlu Holding companies. It is the first and only Turkish company of its kind operating in this highly technical field. Currently, Zorlu O&M serves Zorlu Energy, Nuh Enerji and Bosen Enerji in Turkey.

Zorlu Industrial and Power Plants Company was established in 2000 to develop, implement and provide financial support to industrial and power plant projects. The other energy-related companies in Zorlu Holding are Zorlu Petrogas, Zorlu Electric and Zorlu Natural Gas.

The Zorlu Energy Group of Companies is currently involved in international power projects in Israel and Russia. Zorlu Energy became a 20% shareholder of an 800 MW combined cycle power plant project in Israel (Dorad Project). Zorlu Industrial will be the EPC contractor and Zorlu O&M will be the maintenance service provider for this project. Investments for this project are expected to begin at the end of 2005. Zorlu Enerji also won a tender in Russia for 140 MW combined cycle power plant. Zorlu Energy will have a 55% stake in this project, Zorlu Industrial will undertake the EPC works and Zorlu O&M will operate and maintain the plant.



Review of operations in 2004

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Banking



DENIZBANK AT A GLANCE

Following another year of favorable results, the total consolidated assets of DenizBank reached US\$ 6,031 million at the end of 2004, an increase of 26% over the 2003 figure which was US\$ 4,802 million. By the end of the year, the Bank's net worth stood at US\$ 667 million, recording an increase of 42% over US\$ 471 million posted in 2003. The capital adequacy ratio of DenizBank was as high as 17.8%, with its free capital ratio, one of the best in the Turkish banking system at 7%. DenizBank currently has 199 branches nationwide in addition to an Internet Branch and a Call Center.

CORPORATE BUSINESS

In 2004, following restructuring, the Bank's corporate business was divided into three segments to allow for specialization and diversification of products and services catering to their specific needs. These segments include: Corporate Banking serving companies with annual turnover of more than US\$ 25 million; Commercial Banking serving companies with annual turnover of between US\$ 2 million and US\$ 25 million and; Small Business Banking serving companies with less than US\$ 2 million annual turnover.

The restructuring process also entailed a separation of duties among branch offices designated as retail, corporate and full service branches. Changes were made in the organizational setup and workflow to provide the basis for better customer interaction, as well as increased efficiency in marketing channels and sales. This segmentation assisted to enhance DenizBank's business volume especially in the small business segment where many new companies were added to the customer portfolio.

In 2004, DenizBank continued corporate marketing activities and initiated a new marketing approach specifically designed to focus on the needs of customers in different segments.

CORPORATE BANKING

Following segmentation and redefining target customers in the corporate banking segment, approximately 1,350 large-scale companies were retained in the portfolio; the smaller ones that remained were transferred to the commercial banking portfolio. Specialized corporate

banking services were initiated at six branches and three new corporate branches were opened.

During the year, a new system was launched to monitor customer accounts and efficiency. This system helps account executives to follow up their portfolios more attentively and tailor products to best suit their customers' needs. The large-scale, multinational companies that make up this segment usually have more sophisticated banking needs. Account executives assigned to corporate banking are well-trained and experienced professionals who are capable of tailoring complex product packages to satisfy their demanding customers.

At the end of 2004, the total credit portfolio of the Corporate Banking Group was US\$ 1.8 billion.

Project Finance

To handle project financing by a specialized group of bankers, a separate unit was established within the Corporate Banking Group. The Project Finance Unit concentrates mainly on financing opportunities generally in infrastructure, housing and investment projects. Energy-petroleum-gas, housing-construction and commodity markets are the prime sub-sectors in which DenizBank has been a major player during 2004. Additionally, industrial privatization projects draw top-level attention at DenizBank. Specifically these investments such as fertilizers, gold and silver refineries are closely followed-up.

Structured and project finance products complement corporate banking services available at DenizBank. These products are provided to customers through US Eximbank, Hermes, ERG and some of the world's other export credit agencies with which DenizBank cooperates. With facilities obtained from these international institutions at favorable terms and ample limits, DenizBank can extend long-term investment and project credits to its customers.

Consequently, from a project finance point of view, sector-specific loans help increase the overall lending portfolio with large-scale and highly collateralized transactions.

COMMERCIAL BANKING

Following restructuring, the Head Office Marketing Department was established. The Commercial Banking Group serves their customers out of eight regional

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directorates and 126 branch offices across the country. With a staff of 260 sales and marketing specialists, the Bank allocates considerable funds for commercial segment customers. With the newly built portfolio follow-up system, the Bank was able to increase cross sales opportunities. At the beginning of the year, the number of commercial segment customers reached 10,500; this figure increased to 14,000 by year's end following further specialization in this segment.

During the year, the credit volume of the Group increased by 60% to reach over US\$ 1.6 billion. DenizBank's share of Turkey's total foreign trade related transactions rose to 4.5%, with a 1% increase achieved in 2004. With regard to check clearance volume, DenizBank ranked sixth among Turkish banks participating in the Central Bank's check clearance system. This is clear evidence of DenizBank's active role in collecting trade receivables of its commercial customers.

The Commercial Banking Group aims to tailor banking products and services to meet the specific needs of certain industries that rely on banking credits in their operations. In 2004, tourism and shipbuilding were two of the industries designated by DenizBank to develop specialized lending services. As a result, a total of US\$ 220 million was lent to over 100 tourism projects while US\$ 352 million went to 47 projects involving shipbuilding during the year.

SME BANKING

SME banking operations were previously shared by the Retail and Commercial Banking Groups. The credit needs of micro-size companies, usually proprietorship companies, were served by the Retail Banking Group and those with a more sizeable sales volume of between US\$ 600,000 to US\$ 2 million were served by the Commercial Banking Group. Following segmentation, on July 15, 2004, all small and medium-size companies with sales turnover of up to US\$ 2 million were placed under the responsibility of the newly created SME Banking Group.

After a decision by the Board to emphasize SME banking, DenizBank created a new service brand with a special logo and slogan. Branch, Regional Directorate and Head Office organizations were restructured to accommodate SME banking operations that involved the formation of the SME credit unit. A credit scorecard was developed and put

into use through a collaborative effort by DenizBank's credit staff and an external consultation company. The scorecard, working in conjunction with the credit application form, was integrated into the Bank's system and has greatly facilitated the application and the approval process.

Thanks to efficient workflow and the scorecard, a typical SME credit application is approved within 48 hours. The SME Credit Group started operations evaluating only 50-60 credit applications a day but this number increased to 600 daily in the following three months. As a pioneer in the SME segment in Turkey, DenizBank aims at further diversifying its loan book into small and medium-size companies as it develops additional products and services able to cater to the business needs of this segment.

After the formation of the SME Banking Group, a total of 43,000 small and medium-size enterprises were added to the customer portfolio by the end of the year; credit limits were allocated to 11,000 of this total with US\$ 213 million as outstanding lending volume at the end of the year. To increase awareness of DenizBank's SME banking brand in the marketplace, intensive direct marketing efforts were complemented with participation in industry-specific seminars, fairs and similar business gatherings.

Cash Management Services

In 2004, a number of new strides were taken to enhance cash management services:

DenizBank was awarded the tender to collect industrial natural gas bills for Istanbul for the second consecutive year. Last year the amount of those collections was above TL 177 trillion.

Collections for the Social Insurance Institution and Turkish Electricity Company Directorates are now carried out on-line. DenizBank became one of the pilot banks to provide these services.

The second version of the Cash Card was launched in November 2004. Cash Card is an innovative cash management tool that enables credit sales on a secure platform and creates an alternative instrument to market-dominating post-dated checks. The Cash Card is an electronic banking tool similar to a regular credit card, though it is used by corporate customers for purchases from their suppliers. It provides not only a

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means to facilitate credit purchases of buyers but also provides a bank guarantee for suppliers' receivables. With the Cash Card, DenizBank seized the opportunity to become actively involved in the cash collection cycle of its clients. A number of business sectors, most importantly of which is the pharmaceuticals sector, were chosen as the focus for Cash Card distribution.

Electronic payment schemes were further emphasized during 2004; the number of monthly transactions exceeded 25,000 and TL 120 trillion for the Bank's Evet-Öde (Yes-Pay) electronic transfer system.

The monthly number of collections achieved through the Evet-Tahsil-Et (Yes-Collect) electronic collection system reached 6,000 and totaled TL 11 trillion.

As a first time application for a private sector bank, DenizBank achieved the collection of the sales proceeds for the fifth phase of Kiptaş Başakşehir houses through its electronic collection platform. The project is expected to provide a cash collection amount of TL 500 trillion in coming years. Following the successful implementation of this scheme, DenizBank is planning to obtain similar collection businesses in the future.

As an example of another innovative collection scheme, the Evet-Gümrük (Yes-Customs) application was launched as an Internet-based collection platform. This service allows customers to pay their customs duties through the Bank's Internet branch and speed up delivery of their imported goods without additional documents. This application will be expanded during 2005.

Money transfers through Western Union reached 63,000 transactions for a volume of US\$ 43 million. It earned the Bank a fee income of US\$ 600,000.

Capitalizing on DenizBank's expertise in agricultural banking, new cash management projects were initiated for milk producers and farm equipment sales companies. In 2005, the Bank expects to increase the synergy between cash management tools and agricultural banking.

The Cash Management Department is currently working on a number of different instruments that will further facilitate the payment and collection cycles of its corporate customers while providing significant cost

savings for the Bank. Likewise, more extensive use of electronic banking products geared according to customer needs will boost both sales efficiency as well as profitability.

CREDITS

Credit Allocation Policies

DenizBank adheres to prudent banking practices and principles when selecting credit customers. As a result, the Bank has built a broad-based credit portfolio composed of creditworthy companies from across all business segments. All major economic sectors benefit from DenizBank's credit facilities that range from short-term cash credits that finance working capital requirements to the more specialized industry-specific credit packages.

DenizBank offers its corporate customers contemporary banking products and services that go far beyond mere credit facilities. Aiming toward long-term mutually beneficial relationships with its corporate customers, DenizBank has successfully created a loyal and satisfied clientele from all three segments.

The quality of DenizBank's credit portfolio is improving continuously even with the rapid expansion of the customer base. Utmost care is given to include only those companies that best comply with the Bank's prudent credit policies.

Credit Allocation Process

Following the restructuring of corporate business into three well-defined segments, credit allocation departments were also reorganized into specialized units. Within the commercial credit allocation departments, manufacturing, marketing, service, tourism and construction and contracting companies are catered to by separate units as well as project finance and agricultural credit transactions that require different skills and analysis tools.

The Financial Analysis Department was restructured to adapt to the Bank's changing credit organization structure. The branches and the Regional Directorates were assigned additional financial analysts to help them facilitate the credit decision process. The Bank's commercial and corporate scorecard is currently being revised by an external consultant company for Basel II compliance and is expected to be operational by April 2005.

Aiming toward long-term mutually beneficial relationships with its corporate customers, DenizBank has successfully created a loyal and satisfied clientele from all three segments.

During 2004, a total of 6,783 credit application files were processed from the corporate and commercial segments and 15,000 from the SME segment.

Credit Scoring and Decision Models

DenizBank makes extensive use of mathematical modeling in its credit assessment and decision processes. The SME scorecard and the decision module that works in conjunction with the scorecard is a unique model utilized within the banking industry in Turkey. The highest scoring companies are accepted automatically with collaterals, pricing and limits as determined by the decision model. Likewise, the lowest scoring companies as well as those that do not comply with DenizBank's credit policy are rejected automatically. The credit applications that fall within the high-end and low-end cut-off lines are reviewed manually using input provided by the scorecard and the decision model. The final decision is the responsibility of the credit officer who is specialized in SME operations.

The commercial credit scorecard is currently under revision by an external consultation company which is also assessing its compliance with Basel II standards and efficiency in predicting possible defaults. Additionally, a decision module is under construction for a smaller subdivision of the commercial segment made up of companies with a sales turnover of less than US\$ 5 million. After observing the results of the small business decision model utilized by DenizBank since mid-2004, the Commercial Banking Group is now developing a similar model for the lower-end of the commercial segment to speed up the credit allocation process.

The credit scorecards currently running at DenizBank are mathematical models developed with expert modeling techniques. As sufficient data is accumulated in related data warehouses, these models will be re-developed using statistical methods. DenizBank envisages that this period will not exceed three years from the end of 2004.

These models (scorecards and decision models) reflect DenizBank's unique credit culture; the scorecards have proven to be excellent systems to differentiate the good and bad credits in advance and have greatly facilitated credit decisions made by senior credit officers. Pricing, collaterals and follow-up systems were developed based on scoring system outcomes, making

the most of the credit scores assigned to each customer at each allocation. The scoring system also helps credit officers monitor risk as well as the profitability of the customer portfolio. Branches, regional directorates and economic sectors can be analyzed, evaluated and compared in terms of risk with each other.

Agricultural Credits

After the acquisition of Tarıřbank, in 2003, DenizBank started providing support to the agricultural sector, originally Tarıřbank's traditional area of involvement. An Agricultural Banking Unit was established within the Bank, a unique department within the Turkish banking system. The geographical range and the scope of agricultural credits were enlarged in 2004 encompassing 72 branches, 12,000 producers and totaling TL 100 trillion.

There are two main types of agricultural loans granted by DenizBank:

1. Short-term Agricultural Loans (Producer Card)

Short-term credits to the agricultural segment are granted through the use of a Producer Card. The maximum period for a short-term agricultural loan is 12 months. A number of vendors supplying agricultural producers have been contracted by DenizBank to enable the cardholder producer to make purchases from these companies using their cards. Farmers use the Producer Card to purchase fertilizers, agricultural chemicals, fuel oil, spare parts and other needs from member vendor companies.

At the end of 2004, the number of vendors with POS terminals which permit the use of the Producer Card increased to 660. The Producer Card can also be used for withdrawing cash from ATMs.

2. Long-term Investment Loan

There are three types of long-term investment loans:

- Tractor and Equipment Loans
- Milk-producing Animal Loans
- Greenhouse Construction Loans

Agreements were made with eight agricultural tractor manufacturers to facilitate the granting of tractor credits to DenizBank customers. These credits are granted with or without distributor guarantees but

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usually have buy-back agreements. Additionally, credits are also granted to finance other agricultural equipment purchases by the farmers.

DenizBank is striving to be the leader in the agricultural sector with both short and long-term agricultural credits. A protocol was signed with the Agricultural Economics Department of the Faculty of Agriculture at Aegean University. This protocol will facilitate the preparation of a comprehensive report dealing with Turkish agriculture. It will also facilitate data gathering to be used for credit strategy development in agricultural banking.

CRM & Branch Planning

In 2004, DenizBank expanded its distribution network to 199 branches in 45 cities, primarily in areas where consumers and small business customers are concentrated. Furthermore, the branches have been divided into three groups; Corporate/Commercial, Full Service and Retail & SME. To increase market penetration in the Marmara Region, one of Turkey's prime locations for industry and trade, a regional directorate in Bursa was established to oversee business in this lucrative area.

Within the CRM applications, a Sales Opportunities Screen has been developed to share customer information with portfolio managers to maximize sales efficiency by offering the right product to the right customer. By building a bank-wide Customer Relationship Management platform, all kinds of information on customers' product usage, potential customers and slow-moving customers will be shared among portfolio managers. Both SME and Retail Banking customers within these criteria will be displayed on this platform to increase sales of multi-customer line of businesses.

RETAIL BANKING

Retail Marketing

To achieve maximum customer satisfaction and optimize on operational costs, a number of new consumer products were launched during 2004, some of them for the first time in Turkey. These products include:

- Alo-Kredi; a type of a consumer loan granted on the phone without requiring the borrower to visit a DenizBank branch and without a third-party's guarantee

- Express limit, an additional installment loan facility on credit cards, that can be utilized for durable good purchases at member merchants via POS terminals
- A 4-month grace period for consumer loans
- Special credit terms for the employees of certain institutions like the Central Bank, Turkish Industrialists and Businessmen Association member companies and The Scientific and Technical Research Council of Turkey (Tübitak)
- A number of cross-selling campaigns were organized for existing DenizBank customers: mutual fund investors, direct deposit customers, employees of companies receiving their salaries through DenizBank and credit cardholders without overdue problems
- A number of campaigns, like additional installments, cash rebates, customized reward and postponed payment were organized in order to increase the turnover of DenizBank credit cards
- DenizBank started issuing Bonus Visa Card in addition to Bonus Master Card
- Repo, T-bills trading and mutual fund transactions were added to ATMs' functions

Credit Cards

Year 2004 can be marked as a leap year for DenizBank's credit card operations. The number of credit cards increased by 39% to 860,111, with a market share reaching 3.22%.

DenizBank credit card applications are processed through the online real-time workflow system, which serves to increase the pace of operations and approvals. All applications are processed through a scorecard-based approval system which facilitates limit allocations and performance monitoring. Always aiming at delivering the best available service to cardholders, DenizBank is continuously improving its technological infrastructure and enhancing its card processing systems.

Performances of DenizBank Credit Cards

	2004	2003
Number of Credit Cards	860,111	620,074
Market Share (# of cards)	3.22%	3.23%
Credit Card Turnover (TL billions)	131,653	54,085
Market Share (by volume)	2.21%	1.38%



Bonus Card

Bonus Card is the first multi-branded chip based credit card in Turkey, offering both installments and rebate rewards. There are 35,000 partner merchants taking place in the Bonus program which offer installments and cash rebates to Bonus cardholders.

Direct Sales

In 2004, DenizBank launched Direct Sales as a new sales channel. Direct Sales teams work in the field and interact with the customers face to face. Direct Sales teams are located in Istanbul, Ankara, Adana, Antalya, Izmir and Bursa and operate with 155 sales representatives. In 2004, 290,000 applications were received from prospective customers and 105,000 were approved.

Consumer Loans

The volume of consumer loans increased significantly in 2004, mainly due to a deeper penetration provided by a segment-focused marketing approach. Consumer loans increased to TL 227 trillion in 2004, up from TL 54 trillion the previous year. DenizBank's market share increased to 1.85% in 2004, up from 1.03% in 2003.

Overdraft Facility

DenizBank raised the number of customers having overdraft limits from 72,500 up from 42,530 the previous year. As a consequence, the outstanding overdraft total of TL 21 trillion at the end of 2003 increased to TL 38.3 trillion at the end of 2004. The expansion of the Bank's overdraft facility volume was further enhanced by salary and private school tuition payment agreements.

Bill Payment Orders

One of the key strategies of the Bank to expand its customer base is to increase the number of individuals having bill payment orders. This target was successfully met as those customers increased from 27,500 in 2003 to 36,000 in 2004.

Direct Depositing Service for Employees

By the end of 2004, DenizBank was carrying out direct depositing service for 90,339 employees up from 60,871 at the end of 2003. The total amount of the direct depositing service increased to TL 38.1 trillion in 2004 up from TL 27.7 trillion in the previous year.

Mutual Funds

Mutual funds are one of the most important instruments to raise commission income for a bank in a low inflation environment. DenizBank also utilizes this product as a source to raise additional income. By the end of 2004, DenizBank marketed mutual funds under the management of Deniz Portfolio Management amounting to TL 361 trillion, up from the figure of TL 232 trillion in 2003. The target for 2005 is set at TL 650 trillion.

Insurance Services

Insurance services through DenizBank's branches provide a favorable stream of revenue while at the same time complementing banking services to both individuals and corporate clientele.

Life and non-life insurance products are available in the product range of DenizBank branches. DenizBank works as an agent of Axa Oyak, Garanti Emeklilik and Güven Sigorta insurance companies. With the IT integration achieved with Axa Oyak, DenizBank branches can now issue insurance policies directly on-the-spot; through the cooperation of Güven Sigorta, DenizBank is now involved in agricultural and live stock insurance schemes. To be able to serve customers better, 700 DenizBank personnel have been trained on the provision of insurance products and services.

The volume of insurance premiums increased significantly in 2004, primarily as a result of integrating online insurance sales processes at the branches and training branch personnel on insurance. Insurance premiums increased to TL 8.2 trillion in 2004 up from TL 1.7 trillion the previous year (TL 6.4 trillion from non-life insurance business and TL 1.8 trillion from life insurance). This total, made up of 55,000 policies, represents a 382% increase over the previous year.

Alternative Distribution Channels

Through DenizBank's alternative distribution channels customers may access a large number of services without the need to visit a branch office. In addition to routine banking transactions, these services also include investment products which DenizBank customers can utilize through the Internet Branch, ATMs, Kiosks and the Contact Center. Through these channels they can buy and sell mutual funds, government bonds and Treasury bills. Customers can also change foreign currency and

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buy prepaid GSM cards through alternative distribution channels. Additionally, debit card applications can be made through all four of these channels.

In 2004, DenizBank pioneered another first in Turkish banking. In addition to applications through branches and the website, customers can now apply and register online for Internet banking services by simply calling the Contact Center.

In an effort to promote the use of alternative distribution channels, customers are given DenizYıldızı (SeaStar) via @çıkDeniz, Contact Center and Kiosks, in proportion to their usage of the channel. SeaStar entitles the customer to certain privileges or benefits in their relationship with the Bank.

The constantly changing face of banking is forcing Alternative Distribution Channels management to introduce technology-based and user-friendly applications while making access to banking services easier and more reachable around the world. The new technologies are able to deliver account and market data on a real-time online basis. As a side benefit, information captured in alternative distribution channels facilitates CRM applications and cross-selling activities.

@çıkDeniz Internet Branch

In operation since 1999, DenizBank's Internet Branch @çıkDeniz has capabilities for modular transactions and information search facilities. Through this innovative medium, the Bank's customers can conduct all banking and investment transactions online. These transactions include making utility payments and money transfers, placing direct debit orders via credit cards, merging of accounts, enabling the upgrading, canceling and resizing of stock orders, as well as communicating with Contact Center personnel.

In 2004, consumer credit applications were enabled online through the @çıkDeniz Internet branch. This further facilitated the removal of paper work while speeding up the pace of credit approvals. Additionally, utility payment orders could be placed, modified or cancelled through the Internet branch. Customs duty payments have been added to the list of payments DenizBank customers may make through @çıkDeniz. This option has facilitated the use of the Internet branch by companies having daily transactions with the Customs Offices.

During 2004, sales of shares under six IPOs were handled by DenizBank's Internet Branch. Brokerage transactions conducted by investors remotely in the warmth of their homes make @çıkDeniz an ideal platform for trading securities.

In 2004, DenizBank customers conducted 2,770,000 transactions through the Internet Branch, an increase of 110% over the 2003 figure.

Contact Center

DenizBank has assigned a special team in the Contact Center to handle all incoming customer complaints and suggestions. These personnel, known as 'The Customers First' team, work in cooperation with relevant departments in the Head Office. They are charged with recording requests, suggestions and complaints received from calling customers; this data is then stored in a database, with follow-up and appropriate replies given within preset time limits. This team also replies directly to the customers, providing them with relevant responses and information.

In 2004, DenizYatırım Securities initiated investment advisory services to equity investors via the Contact Center. The highly trained Contact Center staff is proficient in equity transactions and can efficiently handle the transactions of a large number of investors in a timely manner. Serving large numbers of small investors through the Contact Center has allowed DenizYatırım Securities to concentrate more on VIP customers who require personalized contact and more sophisticated products.

In 2004, the number of incoming calls to the Contact Center rose to 2,635,000, a figure 112% higher than that of 2003. Meanwhile, the number of outgoing calls totaled 800,000, a growth of 5% over that of the previous year.

ATMs and Kiosks

ATMs assist customers with their petty cash needs and are largely instrumental in the provision of salary disbursements. In 2004, 90,339 employees from 337 companies received TL 38.1 trillion in cash as salaries from DenizBank ATMs. In addition to DenizBank Internet Branch, in-branch and off-site banking kiosks also allow debit or credit cardholders to sign in with their personal passwords.

In addition to the ratings assigned by FitchRatings, DenizBank has been rated for the first time by Moody's. The Bank received a LT Foreign Currency Deposit rating of B2 and Financial Strength rating of D+, the highest rating assigned by Moody's to any Turkish bank.

POS Terminals

In 2004, DenizBank achieved the largest growth in the number of POS terminals with a 253% increase. This growth was the highest in Turkey for the year, which helped the Bank to rank in the ninth place in terms of the number of POS terminals. In addition to Visa and MasterCard, DenizBank member merchants started to accept JCB and Diners cards.

POS Statistics

	2004	2003
Number of DenizBank POS Terminals	22,500	6,350
Market Share in POS Units	2.46%	0.96%
DenizBank POS Turnover (TL trillion)	1,305	500
Market Share in Turnover	0.97%	0.57%

SMS Banking

In 2004, DenizBank initiated SMS banking to increase accessibility to and confidence in remotely conducted banking transactions. The message receiving capability of cellular phones provides a convenient platform for confirming certain transactions and informing the customers of bond and T-bill maturity endings and new products. For those customers looking for absolute security in their Internet banking transactions, their personal codes are delivered to them directly to their cellular phones. This facility has been used throughout the year to maintain close contact with customers.

FINANCIAL INSTITUTIONS

Due to the expansion of its distribution network along with successful marketing strategies, DenizBank's market presence in corporate banking and international trade finance transactions were strengthened further during 2004. As a result, the number of DenizBank's correspondent banks from various countries increased from 743 to 945 in 2004 due to wider acceptance and the rising reputation of DenizBank in global banking environments. With considerable increases over previous years, the total volume of export-import transactions handled by DenizBank rose to US\$ 6.8 billion during 2004.

In October 2004, DenizBank renewed its syndicated loan facility and raised US\$ 325 million from international markets. This new syndication marks an increase of 240% over the previous year's level of US\$ 135 million. With 15 arrangers, a total of 50 banks from 20 countries

participated in the facility. The funds were utilized for the pre-export financing requirements of DenizBank's exporting clientele.

DenizBank continued to act as an intermediary for the medium and long-term importation of capital goods for its corporate clients from various European countries under Export Credit Agency insurance schemes. Utilization of GSM 102-103 credit facilities offered by the CCC of the US Department of Agriculture also expanded in 2004.

DenizBank received a five-year loan for two of its important corporate clients to finance their investment projects. This loan amounted to US\$ 10 million and was derived from National City Bank in Ohio under OPIC insurance. With this transaction, DenizBank became the first bank in Turkey to utilize such a loan facility under this program.

With the shipbuilding industry designated as a target market for lending activities, DenizBank supported its clients by issuing refund guarantees to correspondent banks for the construction of marine vessels.

In addition to the ratings assigned by FitchRatings, DenizBank has been rated for the first time by Moody's. The Bank received a Foreign Currency Deposit rating of B2 and Financial Strength rating of D+, the highest rating assigned by Moody's to any Turkish bank.

TREASURY

The main principle of DenizBank's Treasury is to achieve sustainable profits rather than windfall gains, through applying strict risk measurement techniques.

Risk-free fee income generating Treasury Marketing Unit (TMU) activity comprises an imperative strategic line of business for the Treasury. In 2004, TMU profitability reached US\$ 28 million, following a considerable rise in transaction volume. During 2004, trading volume increased by 18% in foreign exchange to US\$ 16 billion and by 24% in securities trading to US\$ 2.4 billion. Structured products sales volume reached US\$ 325 billion.

The Treasury Sales Group was established in the first half of 2004. It provides first class support functions for treasury products to existing and potential clientele through the Bank's branch network. The Group consists

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of 11 experienced treasury staffers, five of whom are regional managers serving customers from within their respective peripheries.

The Private Banking Group also began operations in 2004. Targeting an affluent client base, it provides tailor-made sophisticated services to clients. Within the first few months following the start-up, the Group had an asset size of US\$ 125 million and 140 clients in its portfolio.

DenizBank began serving as the settlement body for the Istanbul Gold Exchange as part of its bank-for-banks activities and carried out gold settlement transactions for 50 financial institutions. Settlement transactions reached a total of US\$ 5 billion in 2004.

As one of the key gold traders on the Exchange with a market share of 12%, DenizBank carried out gold transactions totaling 27 tons. Gold imports through DenizBank reached US\$ 336 million.

DenizBank plays an important role in banknote trading and cash shipment business by providing delivery service to a number of banks on a commission basis. Cash shipment volume in 2004 reached US\$ 4.2 billion. Banknote carrying agreements were signed with two banks, and costs involved in moving cash through the country decreased considerably.

As for the Bank's proprietary trading activities, DenizBank had foreseen the rise in global risk appetite and the markets' resilience. This provided the opportunity to improve profitability without compromising on the Bank's conservative trading policy which dictates taking on calculated risks and limited exposure.

RISK MANAGEMENT, INTERNAL AUDIT AND INTERNAL CONTROL CENTER

The Risk Management Department

Risk management function has been in place at DenizBank since March 2000. The main objectives of the Risk Management Department are the implementation and improvement of risk management standards, models and parameters according to local and international risk management applications. The Risk Management Department has integrated the risk management system among the various departments

and analyzes all new products, business process and key performance indicators from a risk point of view. This Department works closely with various risk management committees.

The Risk Management Department has three units:

Management Reporting Unit

The Management Reporting Unit provides risk management information to senior management and the Board of Directors on a daily basis. These daily reports include overall cost/return analysis, calculation of income margins and profitability of departments and products.

The Management Reporting Unit presents ALCO reports, consolidated financial statements of the Bank and its subsidiaries, prepares comparative analyses versus other banks and provides budget projections and historical data concerning the performance of each department.

The Management Reporting Unit is responsible for the establishment and improvement of the risk management information system at the Bank. In addition to regular daily, weekly, monthly, quarterly and year-end reports, the Management Reporting Unit also conducts special studies and analyses as demanded by shifting economic trends.

The Branch Reporting Unit

The Branch Reporting Unit provides cost and return analysis for each branch and region on a daily basis and monitors daily movements. The Unit assists each branch in preparing their annual budgets and subsequently monitors these branches closely to ensure that their targets are met. The Branch Reporting Unit presents monthly branch budget realization and productivity reports via the Bank's Intranet. These reports play a key role in assessing branch performance.

The Risk Management Unit

Following emphasis on risk management activities globally and in Turkey as a result of economic trends, DenizBank has revised its management systems and adopted a risk-focused approach in all of its undertakings. The Risk Management Unit at DenizBank monitors market, credit and operational risk for each product daily using a range of techniques. It ensures that the Bank never puts more than half of its equity at risk and that it will maintain a capital adequacy ratio of at least 9% (as compared to the statutory minimum of 8%) even in the worst case scenario.

During 2004, the Internal Control Center continued its activities to reduce operational risk, develop tools to manage credit risk and improve processes at Head Office departments and branches.

DenizBank's fundamental strategy in risk management is to take on minimum risk at a given target profitability level. To achieve this strategy in market operations, DenizBank implements globally-accepted VaR methodology. This methodology helps the Bank calculate the maximum loss in monetary terms that may arise from securities' price fluctuations given a confidence level. In DenizBank's VaR calculations, a 99% confidence level and one to ten days holding periods are assumed.

In risk assessments, other methodologies such as parametric testing, historical simulation and Monte Carlo simulation are effectively employed depending on the financial instruments that make up the portfolios.

Back testing is performed on the market database provided by the Reporting Unit to test the viability of VaR analyses. Stress tests and scenario tests are also conducted to measure the effects of different market conditions on the portfolios. Additional analysis tools include RAROC (Risk Adjusted Return on Capital) calculations to assess the risk-return relationship for each product. This analysis tool helps the Bank manage resources more effectively.

One of the primary goals of the Risk Management Unit is to provide complete adherence to Basel II directives. Among studies conducted under Basel II directives, the measurement of operational risks and analysis of lending processes are currently on-going. The current studies will also help enhance the RAROC calculations.

The Risk Management Unit also prepares standard reports that are required by Turkish banking regulators, including a weekly report of foreign exchange positions, a monthly market risk analysis report and a quarterly report of consolidated market risk. These reports are submitted to the BRSA. A summary of the outcome of all risk analysis and management reports is presented to the Board of Directors and the Executive Committee to guide them in determining risk limits and developing risk management strategies. The member of the Board of Directors responsible for risk management, audit and internal control receives a daily report from the Risk Management Unit with respect to risk-related matters.

Internal Audit

Internal audit function is performed by internal auditors headed by a Chairperson who reports to the Audit Committee. The Audit Committee is composed of two

members from the Bank's Board of Directors. By the end of 2004, there were 52 internal auditors. As the strength of any internal audit function lies in its personnel, staffing of Internal Audit is a detailed and important procedure. Recruiting is mainly made from outside among new graduates by applying several aptitude and personal profile tests and interviews. After selecting qualified candidates, a detailed training and career development plan is applied.

Internal audits are performed as requested by current laws and regulations and also by taking into account the International Standards for Auditing. Special audit activities, for example, Loss Prevention and Fraud Investigation, are also performed by auditors at all branches, Head Office departments, subsidiaries and suppliers of important outsourced facilities (e.g. IT, Credit Cards).

Throughout 2004, compliance audits were performed as planned at all branches, important regional divisions, financial subsidiaries and certain Head Office departments of the Bank. Auditors also perform operational risk assessment surveys and assign ratings for the Bank.

Internal Control Center

During 2004, the Internal Control Center continued its activities to reduce operational risk, develop tools to manage credit risk and improve processes at Head Office departments and branches. The Internal Control Center increased the number of its staff from 52 the previous year to 55 in 2004.

IT Internal Control Unit

The IT Internal Control Unit provides support to related task forces working to improve the Bank's workflow and process security. In conjunction with the IT Department in areas such as disaster recovery, project management, security patches, Internet banking, physical and password security and the implementation of various mandatory technological updates (e.g. transfer to the New Turkish Lira), this Unit plays an essential role in the creation of a highly secure IT environment for the Bank.

Financial Control Unit

The Financial Control Unit is responsible for the reliability of the data reflected in the Bank's balance sheet and the income statement. While ensuring the correctness of the data flowing from 199 branches and

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Head Office units, the Unit cooperates closely with Risk Management and Management Reporting Departments.

Branches Internal Control Unit

Branches Internal Control Unit carries out its activities on-site by visiting branch offices. The Unit performed a total of 440 branch controls in 2004. As a result, the Unit made recommendations to improve various processes within the branches and established ways to increase cooperation between the branches and the Head Office. The Branches Internal Control Unit ensures that all branches follow the Bank's internal policy guidelines and legal regulations in their operations.

Treasury Internal Control Unit

This Unit's control work includes the fund management operations carried out by the branches and the related Head Office department. Through the controls of this Unit, a more effective means of supervising the overall daily management of funds at the Bank is ensured.

Retail Banking Internal Control Unit

The Retail Banking Unit is responsible for the preparation of weekly reports on retail loans, credit cards, credit approvals and guarantees. The Unit also provides support and makes recommendations to relevant units for the development of new products.

Corporate Credits Control and Follow-up Unit

This Unit is responsible for control activities for corporate credit allocations and for monitoring processes and compliance with credit limits, internal regulations and legal requirements. The Unit also warns branch offices of possible non-performing loans and helps them to solve problematic cases.

Centralized Operations Internal Control Unit

Centralized Operations Internal Control Unit ensures that export, import and corporate and retail loan transactions handled by Centralized Operations are accurately processed. It also controls the compliance of these transactions with the internal procedures and legal regulations.

Reconciliation Unit

This Unit reconciles and controls account balances with correspondent banks.

OPERATIONS

Since its establishment, DenizBank has carried out all operations - from the simple and routine to the most complex and sophisticated - in a centralized manner. Keeping pace with advances in technology and their applications in banking operations, DenizBank has developed centralized operations systems similar to the ones used at many highly developed banking environments throughout the world.

The flexible structure of centralized operations enables the handling of increased business volume in retail and corporate banking activities, while fully ensuring the seamless functioning of all transactions without delay.

The Operations Division is divided into the Head Office Operations Department and the Branch Operations and Payment Cards Operations Department.

Head Office Operations Department

Treasury and Financial Institutions Operations Unit

The Treasury and Financial Institutions Operations Unit carries out operations and accounting for transactions executed by the Treasury Division and the Financial Institutions Division. It ensures that EFT and SWIFT systems operate without interruption as it controls the activities of related divisions and the Banknote Processing Unit regionally across Turkey.

SWIFT Transactions

The e-side project has been completed and Head Office units can now simultaneously follow incoming and outgoing SWIFT messages from the branches.

Gold Transactions

The infrastructure of the related branch was modified to enable it to act as the settlement body for the Istanbul Gold Exchange. A Gold Transactions Module was prepared and added to the Application Software in use at the Treasury Operations Unit as well as at the branches.

EFT Transactions

Straight through processing of the incoming EFT transactions and batch delivery of outgoing EFT transactions are performed. The EFT emergency system enables the transfer of each EFT transaction individually and creates account entries automatically in the event that the Banking Application System fails to operate.



Banknote Processing Unit

DenizBank has joint banknote transportation agreements with various correspondents and direct cash delivery to overseas locations can be carried out. In 2004, new agreements were made with two banks.

Correspondent Operations

DenizBank effectively utilizes the websites of its correspondent banks and has established a good correspondent relationship with 202 new banks in 2004.

Eurobond Transactions

DenizBank performs securities transactions mainly for its customers through its account at Euroclear.

Investment Banking Operations Unit

The Investment Banking Operations Unit manages all of the Bank's marketable securities transactions plus their accounting and reporting. It is responsible for building concurrent organizations and systems that assist these operations.

The trading of the Liquid Fund has been enabled on all distribution platforms 24-hours a day. The sale of Turkish lira-denominated government securities began from all ATMs where repo transactions can also be conducted. Additionally, Derivatives Market software was prepared and the license to trade derivative instruments was obtained from the Capital Markets Board.

Stock Exchange Operations

Operations, accounting and reporting of the Treasury Division's Stock Exchange transactions and payment and settlement responsibilities fall within the duties of the Investment Banking Operations Unit.

Central Bank of Turkey Operations

Treasury auctions, open market transactions, and similar other operations are conducted by the Investment Banking Operations Unit.

Accounting Group

One of the major issues dominating agendas of the accounting departments in 2004 was the transfer to the New Turkish Lira (YTL), removing six zeros from the currency. Thanks to the meticulous efforts of the Accounting Unit, this transfer to the new currency was seamless and without any problems. All regulatory reports were transferred to a YTL basis.

Independent auditing of accounts was completed prior to DenizBank's IPO in 2004 as well as audits of the Capital Markets Board and the Istanbul Stock Exchange. Compulsory reporting responsibilities were fulfilled by the Reporting Unit, numerous reports were prepared and sent to both domestic and overseas consultants and other parties involved.

Control and payment of taxes and procurements were carried out centrally by the Central Payment and Tax Unit. The Central Purchasing Unit managed timely and cost effective procurements for the head office and branches.

Branch Operations and Payment Cards Operations Department

To create synergy and utilize the infrastructure and human resources most effectively, especially during peak times, the Payment Cards Operations Unit was added to the Operations Group in 2004. This Department is now made up of three units: the Operations Unit; the Payment Cards Operations Unit and; the Project and Quality Management Unit.

During 2004, 260,000 credit card applications from Direct Sales were rapidly processed through the workflow system at the lowest possible cost. The allocation of agricultural credits using a credit card was implemented by DenizBank for the first time in Turkey in 2004 when approximately 20,000 Producer Cards were distributed to farmers. Additionally, the Cash Card implementation for commercial businesses started and new software was downloaded remotely from the Head Office to POS terminals.

The Branch Support Line facilitates internal communications and finds instantaneous solutions to possible inquiries via a call center infrastructure. For the purpose of preventing duplicate transactions and delivering better service in a shorter period of time, many of the transactions conducted at the branches were moved to central operations. This allows the branches to gain more time for their marketing activities.

Utilizing state-of-the-art software in its check clearing system, DenizBank ranked sixth in terms of the number of checks processed at banks participating in this system.

Banking



EFT, money transfers, account-to-account transfers and account opening transactions were centralized and initialized at 20 branch offices. Additionally, Western Union was expanded to cover all branches online and its reporting system was made automatic.

During 2004, a total of about 100 projects were completed and 150 were started according to the list of priorities. Some of the projects completed include the automation of the cash management module; the revision of the directives and SWIFT follow-up systems and; the automation of the inter-branch provision system following the implementation of the Document Management System.

The Q-Matic queuing system was expanded to cover 44% of the branches during 2004. It is anticipated that by the end of May 2005, 90% of the branches will have the Q-Matic system.

A foreign currency-denominated checks settlement system was established in Turkey under the leadership of DenizBank with other eight banks.

The transfer to the New Turkish Lira throughout the branches and card payment systems was coordinated and the transition was seamless.

INFORMATION TECHNOLOGY

Until June 2004, the IT operations of DenizBank were provided by DenizBank's own IT Group. In June 2004, all DFS Group's IT operations were outsourced to Intertech.

During 2004, the following IT key projects were completed:

The New Turkish Lira (YTL)

As of January 1, 2005, conversion of all software currently in production to a New Turkish Lira (YTL)-basis was completed and no problems were encountered. At the beginning of the year, all DFS Group's software was running seamlessly utilizing YTL notations.

System Management

HP Openview application for System Management was one of the major projects for 2004. Via this tool, System Management Service is offered to all IT infrastructures on a 24/7 availability.

New Infrastructure

The IT infrastructure of the Bank was totally reinvigorated with new hardware. Migration to Windows 2003 and XP was completed. Active Directory based authentication was in production until August 2004. Single sign-on project was running on Active Directory and in-house developed authorization module. MS SMS tool was deployed for patch management and software deployment.

Data Warehouse and MIS

Data Warehouse project was one of the important projects for 2004. Data model for financial business was developed as the first step in collaboration with worldwide Data Warehouse specialists. The Data Warehouse Model for the DFS Group was prepared according to this data model. Data Warehouse feeds data for static reporting of branches and the headquarters via a web reporting tool which has been developed by Intertech. MIS Reporting was also built on Data Warehouse using the MS OLAP reporting tool.

Workflow Application

In order to provide enhanced efficiency and the effective use of resources, processes within the Bank have been identified and moved to a data platform to enable sound analysis and reporting. For this task, an infrastructure tool named ROTA Workflow Tool has been prepared by Intertech which will allow the Bank use its resources more efficiently. This tool will be in production in 2005.

Portal

Developing a corporate portal infrastructure to institutionalize the data and providing the integrity of the many applications at the Bank were accomplished using the MS SharePoint Portal tool. Related business lines can manage the corporate portal with this tool. Private pages for top management are also prepared via this portal tool.

ADMINISTRATIVE SERVICES

Human Resources and Training

In 2004, DenizBank continued its strategic move to become one of the leading banks in Turkey, increasing the number of its branches to 199 and the number of its employees to 4,344.

With the responsibility to represent the banking sector in the Board of Directors of the Bankers Association of

DenizBank in Turkey cooperates closely with its subsidiary in Austria to offer the required support as new frontiers are discovered in Europe.

Turkey, DenizBank will continue to employ a qualified staff whose members possess an average working experience of eight years.

Fulfilling its mission to train qualified employees for the banking industry, during 2004, DenizBank organized 1,000 training programs to enhance employee knowledge and skill regarding technical issues. These training programs help support personal development and adaptation to the corporate culture and procedures of the Bank. In 2004, total number of participations to these programs, which lasted 186,000 hours, reached 19,000 people.

Real Estate Management

To accommodate increased business volume and the newly established units within the Bank, an additional 8,166 square meter-space was constructed within the Head Office. An additional 6,650 square meters of space to accommodate 22 branches was rented and equipped for operations. Under the new corporate identity scheme, 13 existing branches with a total area of 5,672 square meters was renovated; 33 branches with a total area of 12,244 square meters were restored and renovated bringing the total of the renewed branches to 68 by the end of 2004.

Advertising and Public Relations

As part of its internal communications activities, top-level executives from the DFS Group held several meetings during the year to share ideas and develop a common vision for the future of the Group. Additionally, to become familiarized with Zorlu Holding's activities and to create operational synergies, DenizBank executives visited some of the Group's industrial companies during the year.

In order to develop and facilitate educational, artistic and cultural organizations, the DFS Group established Deniz Culture and Arts Inc., which recently published its latest book, History of the Turkish Republic: Behind the Scenes.

Several meetings were organized with customers in different regions. At these meetings, executives of the Bank had the chance to discuss current issues directly with customers, helping to strengthen customer relations.

INTERNATIONAL SUBSIDIARIES

DenizBank AG

Background

Established in 1996 by the former Esbank of Turkey, Esbank AG of Vienna offered comprehensive foreign trade finance and payment services to a large client base in Europe and Turkey. DenizBank entered the Eurozone banking market by acquiring Esbank AG in August 2002 for a sum of €26 million. Subsequent to acquisition, the name of the Bank was changed to DenizBank AG at the beginning of 2003.

DenizBank AG is a member of the Austrian Deposit Insurance Fund, the International Forfeiting Association, the Austrian Banks and Bankers' Association and the Austrian-Turkish Business Association.

Widespread presence

DenizBank AG opened its first branch outside of Austria in Frankfurt - the financial center of Germany - in July 2003. With the inauguration of the Linz Branch in August 2003 and the Innsbruck branch in June 2004, the number of DenizBank AG branches in Austria increased to six - three in Vienna and one each in Bregenz, Innsbruck and Linz. The premises of the Frankfurt branch were enlarged to accommodate the volume of business encountered in its first year of operations. A representative office was inaugurated in Istanbul to be able to follow Turkish market developments more closely and to establish a presence there.

Range of products and services

DenizBank in Turkey cooperates closely with its subsidiary in Austria to offer the required support as new frontiers are discovered in Europe. Backed by strong shareholder support, the Bank plans to expand its activities in the Eurozone via new branches in Germany. DenizBank AG will continue to act as an intermediary for the foreign trade transactions of Turkish companies in Eurozone countries, delivering forfeiting and foreign currency payment services. Other services of the Bank include small business loans, alternative savings programs, credit cards, money transfers and various insurance products. DenizBank AG also launched private banking services that reached customer assets of €35 million entrusted to the Bank by the end of the year. This line of business is expected to grow further in the coming years.

DenizBank AG is also involved in project finance facilities. Two of the energy plants built with credit lines from the Bank are currently in operation. Other project finance credits are directed toward tourism and education investments in Turkey.

Banking

Continued

Sound financial results

At the end of 2004, DenizBank AG had a balance sheet footing of €585.5 million (€341.6 in 2003), year-end before tax profit of €5.2 million (€4.3 in 2003) and a capital adequacy ratio of 25.9%. In 2004, DenizBank AG obtained its first syndicated loan facility of US\$ 25 million from 11 participating international banks.

DenizBank Moscow

Background

DenizBank acquired İktisat Bank Moscow at the beginning of 2003. Subsequent to acquisition, the name of the Bank was changed to DenizBank Moscow. Also, its capital was increased from US\$ 1.7 million to US\$ 8 million, with shares distributed between DenizBank AG and DenizBank A.Ş., which currently own 51% and 49% of the share capital of the Bank, respectively.

DenizBank Moscow is a member of the State Deposit Insurance System, the Association of Russian Banks and the Association of Russian-Turkish Businessmen (RTIB).

Business goal and core activities

DenizBank Moscow was acquired with a vision to create a commercial bank that would serve as a full financial service provider primarily to Turkish-Russian businesses. Not limited to this segment, the Bank will also serve small and medium-size businesses of Russian origin in the commercial banking field.

Ever increasing commercial and investment relations between Turkey and Russia provide a unique opportunity for DenizBank Moscow to become a large commercial bank providing credit, non-credit and trade finance products to entrepreneurs doing business in Russia. The Bank serves as the 'first stop' for DenizBank clients in Turkey currently doing business in Russia or for those who want to pursue possible business opportunities there. The presence of the electronics division of Zorlu Holding in Russia, i.e. OOO Vestel CIS as well as the textile division - Taç Textiles also provides the Bank with valuable business potential.

In addition to its core business of commercial banking, DenizBank Moscow became an active player in the Russian foreign exchange and money markets, as well as fixed-income securities trading and investments.

Activities in 2004

In 2004, DenizBank Moscow acquired a license from the Central Bank of the Russian Federation to start retail banking activities and collect deposits denominated in both

the Rouble and foreign currencies. The Bank has obtained licenses for dealership, brokerage, depository and custody operations. Furthermore, DenizBank Moscow was admitted to the newly enacted State Deposit Insurance System.

During the year, the Bank increased its trade finance business volume significantly by expanding relationships in domestic and international markets, enlarged funding base provided by local, regional and foreign banks, and widened its international and domestic correspondent network.

The IT infrastructure of the Bank was entirely updated with new hardware. The SWIFT interface was upgraded to SwiftNet technology and began operating on a leased line. Operational software was upgraded and all banking applications were working seamlessly by the end of the year. Additionally, the Internet website was renewed and its content re-developed. A VPN connection was established with DenizBank in Istanbul resulting in better information sharing.

In 2004, DenizBank Moscow moved its Head Office to a modern building in Moscow's newly developed business district.

Favorable financial results

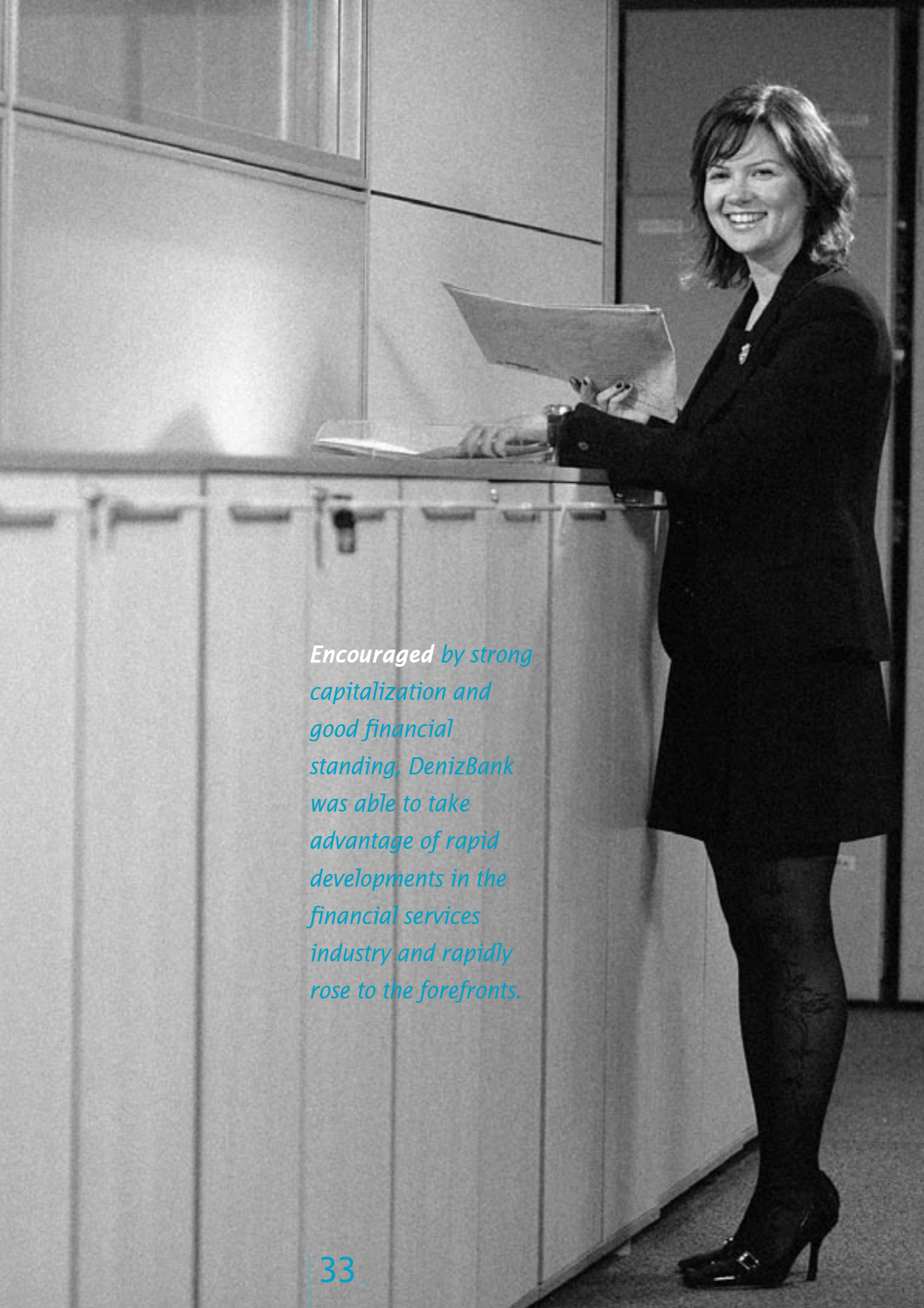
At the end of 2004, DenizBank Moscow had total assets of US\$ 56.6 million, representing an increase of 167% over the year-end 2003 figure of US\$ 21.2 million. The Bank posted a before tax profit of US\$ 1.3 million at the end of 2004.

At the end of 2004, the Board of Directors decided to increase the Bank's capital by US\$ 10 million and necessary regulatory steps were initiated.

EuroDeniz OFFSHORE BANK LTD.

DenizBank acquired EuroDeniz Off-Shore Bank Limited, located in the Turkish Republic of Northern Cyprus, from the Savings Deposit Insurance Fund at the beginning of 2002. The Bank is licensed to undertake all commercial banking transactions.

At the end of 2004, EuroDeniz Off-Shore Bank had a balance sheet total of US\$ 386.2 million (US\$ 222.4 million in 2003) and a shareholders' equity of US\$ 5.2 million (US\$ 4.9 million in 2003).

A black and white photograph of a woman with shoulder-length hair, smiling at the camera. She is wearing a dark blazer and skirt, and is standing behind a modern, light-colored reception desk. She is holding a large folder or portfolio in her left hand and a pen in her right hand. The background consists of a wall with large, light-colored panels.

Encouraged by strong capitalization and good financial standing, DenizBank was able to take advantage of rapid developments in the financial services industry and rapidly rose to the forefronts.

Investment Banking and Brokerage

INVESTMENT BANKING AND BROKERAGE



A strong presence in Turkey's capital markets

Backed by both the support and trust reflected in its parent DenizBank, DenizYatırım Securities pursues wise, well-calculated yet dynamic strategies as it performs investment banking and brokerage operations in Turkey's rapidly developing capital markets.

DenizYatırım Securities experienced a year of growth in 2004. With a wide-ranging presence across Turkey, DenizYatırım Securities provides security trading service with trading rooms located in 101 of DenizBank's 199 branches. DenizBank serves as DenizYatırım Securities' agent. Trades are executed by 23 floor traders at DenizYatırım Securities and backed by the advance EX-API system at the Istanbul Stock Exchange (ISE). EX-API is a remote trading system developed by the ISE that allows brokerage houses to execute orders from virtually anywhere in Turkey without the need of a floor trader. DenizYatırım Securities has the largest EX-API network in Turkey, thus offering one of the fastest trading services to its clients.

Results for 2004 again placed DenizYatırım Securities among the top players in the market. With 274 high-caliber employees working throughout Turkey, DenizYatırım Securities aims to maintain its lead position in Turkey's capital markets.

Domestic Markets

In 2004, DenizYatırım Securities maintained its second place among Turkey's brokerage houses in terms of equity trading market share. It achieved an equity trading volume of TL 24.2 quadrillion (US\$ 18 billion) and a market share of 5.85%.

At the end of 2004, the number of active investment accounts stood at 32,958 out of a total investor portfolio of 66,843.

Corporate Finance

The Corporate Finance Department at DenizYatırım Securities realized two major IPOs as consortium leader during 2004: the Fenerbahçe IPO had a volume of US\$

40 million and the DenizBank IPO had a volume of US\$ 140 million. In both, DenizYatırım Securities succeeded in collecting purchase orders amounting to five times the shares on offer.

Additionally, DenizYatırım Securities participated in the Secondary Public Offering (SPO) of Turkish Airlines and was one of the 39 brokerage houses handling the transaction. The SPO had a total sales volume of US\$ 194 million. DenizYatırım Securities was also a sales agent in the IPO of AFM Cinemas.

The Privatization Administration has appointed the DenizYatırım Securities, BNP Paribas and PDF consortium as financial adviser in the privatization Project of Turk Telecom.

The success of DenizYatırım Securities in the IPO schemes is more evident in the following table where sales figures are displayed.

IPO Scheme	Total Number of Investors Buying Stocks	Number of Investors Serviced DenizYatırım by Securities
Fenerbahçe	35,113	15,856
DenizBank	18,615	15,061
AFM (as sales agent)		817
Turkish Airlines	28,706	1,306

Quality Assurance

Four years ago, DenizYatırım Securities began implementation of the ISO 9000 Quality Management System and has continued to improve its standards. AOQC Moody International performed two audits during this period and confirmed DenizYatırım Securities' ISO 9001-2000 revision.



Focus on foreign institutional investors

EkspresInvest joined the DFS Group at the end of 2002 and continued with its expansion in 2004 keeping its focus on foreign institutional investors. It ranked 11th among all brokerage firms on the ISE by volume, up from 18th in 2003. Its trading volume increased by 119% in 2004, driving its market share up from 1.7% to 2.7% in 2004.

Backed by both the support and trust reflected in its parent DenizBank, DenizYatırım Securities pursues wise, well-calculated yet dynamic strategies as it performs investment banking and brokerage operations in Turkey's rapidly developing capital markets.

In 2004, the number of EkspresInvest's foreign institutional clients increased five-fold. EkspresInvest owes this success to its commitment to customer satisfaction along with the provision of high quality research coupled with advisory and trade execution services. The Company's sales team pays regular visits to institutional investors abroad, providing them with fresh investment ideas and keeping a close track of their investment needs.

The number of employees increased from 49 at the end of 2003 to 62 at the end of 2004.

Sophistication in research reports

EkspresInvest's research team publishes periodical industry and micro-level analyses on publicly traded companies and economic and political environments; these reports are then distributed to the international investment community. In 2004, the research team increased its coverage of publicly traded companies from 30 to 51, corresponding to 82% of ISE market capitalization. Furthermore, EkspresInvest's research reports became available through international research providers such as Bloomberg and Thomson One Analytics. EkspresInvest prides itself on its excellent track record for identifying and rapid response to trends in the Turkish capital markets.

Boutique Brokerage Services

In addition to foreign institutional investors, EkspresInvest began targeting domestic institutional investors during 2004, capitalizing on the strength of its research services. The Company continued to provide boutique brokerage services to domestic high net worth individuals.

Corporate Finance

Acting as international co-lead manager, EkspresInvest successfully took part in two sizable and prominent IPO's; Fenerbahçe and DenizBank. EkspresInvest is also among the group of advisors, together with DenizYatırım Securities, to the Privatization Administration for the ongoing privatization project of Turk Telecom.

Tariş Securities

Background

Located in Izmir, TarişSecurities was originally established as a subsidiary of Tarişbank in 1997 to handle the brokerage activities of its parent bank. With the acquisition of Tarişbank by DenizBank in 2002, TarişSecurities became a member of the DFS Group.

New strategies in effect

To partake in the lively market environment of Istanbul, Turkey's banking and financial center, the Board of Directors decided to move its Headquarters to Istanbul and maintain a branch office in Izmir. Necessary applications were made before the end of 2004 and the actual move will take place in early 2005. Relocating the Headquarters will also increase the synergy with other DFS Group companies which will be within arms length.

In 2004, TarişSecurities was restructured to become a specialized brokerage house in futures and options trading. Consequently, stock brokerage activities were reduced significantly. The Company plans to be one of the leading players in the Turkish Derivatives Exchange (TurkDEX) when it becomes fully operational soon. It is also planned to establish strategic partnerships with major brokerage houses abroad to serve the needs of the local clients in various futures and options exchanges.

The technical infrastructure at the Head Office, including software, was totally renewed, refurbished and made ready for operations by the end of 2004. New marketing materials were printed and distributed to potential customers that reflected the Company's new vision and core business activity. A freshly designed advertising campaign was created for magazines and newspapers. Additionally, the Company took part in seminars and meetings organized by the Derivatives Exchange.

Theoretical and practical training programs were offered to enhance employees' knowledge in areas of specialization within the Company's new line of involvement. Assistance was provided to the staff to obtain the necessary licenses from regulatory bodies.

Leasing and Factoring

Favorable operational results in 2004

Despite the decision to reduce the volume of equity trading, the Company maintained its market share of 0.1% in 2004. The equity trading volume increased by 19% over the previous year and reached TL 205.3 trillion. The number of customers was reduced by 514 to 1,047 investors. At the end of the year, 903 of these investors had active accounts; the total value of securities entrusted to the Company in their portfolios amounted to TL 8.8 trillion.

In 2004, the Board of Directors decided to increase the capital to TL 7 trillion, up from TL 1.5 trillion



Background

In May 2003, DenizYatırım Securities acquired Ege Portfolio Management and changed its name to Deniz Portfolio Management. This acquisition has not only contributed to the increased volume of DenizYatırım Securities' domestic brokerage business but has also helped focus on pension fund activities, a new development for Turkish capital markets.

Managing an excellent mutual funds portfolio

Deniz Portfolio Management targets serving Turkey's top performing mutual funds and investment portfolios. In 2004, the market value of the funds under management reached TL 370 trillion, up from TL 280 trillion in 2003. The market share showed a parallel increase to 1.66% in 2004 from 1.15% the previous year. This success is not only due to performance, but is also a result of the support extended by DenizBank. In addition to branch offices, B-type liquid fund certificates can be traded through DenizBank ATMs 24-hours a day allowing investors to benefit from investment services all over the country regardless of time.

All DenizBank mutual funds were among the top performers within their respective categories and all were designed to address the various risk-taking and income expectation attitudes of investors. Among all mutual funds, in 2004, Deniz Portfolio Management's Liquid Fund ranked first in terms of percentage increase with a rate of

62%. In terms of yield, the Liquid Fund was in the first place among funds larger than TL 200 trillion in asset size. In terms of all 44 mutual funds, it ranked tenth in terms of yield. DenizBank's Composite Fund was listed in fifth place among 23 funds in terms of yield.

During the year, DenizBank acquired Kentbank's A-Type Variable Fund and B-Type Liquid Fund and İktisat Bank's A-Type Equities Fund, all to be merged with the existing funds in the fund portfolio under the management of Deniz Portfolio Management.

The performance of mutual funds should be evaluated with a long-term perspective rather than making daily, monthly, or even yearly analyses. Since the beginning of 2000, all DenizBank mutual funds managed by Deniz Portfolio Management ranked in the highest echelon of their respective groups.

Excellent research products

The Research Department within Deniz Portfolio Management primarily serves mutual fund managers, portfolio traders, equity investors and domestic clients of DenizYatırım Securities by issuing daily and monthly research reports that incorporate recommendations. Additionally, it serves the needs of Group companies with reports reflecting the latest economic and financial developments, prospects and forecasts.

During the year, the Research Department prepared 70 company reports and six industry reports in addition to numerous company visits. The number of clients benefiting from research reports increased to 30,000 by the end of 2004, up from 12,700 at the end of the previous year.

LEASING AND FACTORING



Powerful synergies

Since commencing operations in December 1997 as a member of the DFS Group, DenizLeasing's operating strategy has been to pursue controlled growth, highlighting customer service while offering competitive rates. Conforming to the DFS Group's strategic plan, DenizLeasing has focused on its core

The success of DenizLeasing is based on the Company's continuing ability to provide specialist knowledge, to demonstrate a clear understanding of client requirements and to focus on financial performance allied to customer objectives.

business of leasing while resting on the powerful synergy created within the Group.

Solid customer portfolio

DenizLeasing's customer portfolio mainly consists of small to medium-size businesses in Turkey covering virtually all economic sectors. The customer portfolio is highly diversified into numerous companies with no group of companies making up more than 5% and no single company making up more than 2% of the total leasing portfolio. Notwithstanding the industry or equipment leased, DenizLeasing offers attractive financing schemes meeting the most stringent requirements of its customers. Without neglecting large-scale companies, DenizLeasing also finances their new and expansion investment projects.

The success of DenizLeasing is based on the Company's continuing ability to provide specialist knowledge, to demonstrate a clear understanding of client requirements and to focus on financial performance allied to customer objectives. Its ability to foster strong relationships provides a stable platform that customers can rely on despite all the challenges and complexities inherent in a fiscal, legal and regulatory environment.

Leasing products

DenizLeasing provides short to medium-term financing denominated in both FX and Turkish lira in an effort to avoid foreign currency open positions and maturity mismatches. To raise FX funding facilities, DenizLeasing has built strong relations with international creditors and suppliers, thanks to its superb financial position and the good reputation of Zorlu Holding in international markets.

Leasing Volume

(US\$ millions)

2002	15.5
2003	51.8
2004	116.9

Favorable operational and financial results

DenizLeasing achieved a leasing volume of US\$ 117 million in 2004, more than double the figure of US\$ 52 million in the previous year. Total assets stood at US\$

126.6 million and net profit was US\$ 4.4 million at the end of the year.

Plans for 2005

In 2005, with 1,200 new contracts and a total leasing volume of US\$ 200 million, DenizLeasing envisages a ranking among the top ten leasing companies in Turkey.

DenizLeasing is opting for an increase in the number of vendor companies that are strategic business partners to the Company. There will be an increased concentration in agriculture, healthcare, construction machinery, transportation, tourism and food processing businesses in the upcoming year.

Specialized leasing packages will be developed to reduce the time required to process applications. As such, agricultural tractor and medical equipment leasing packages will be ready by the beginning of next year to enable swift processing of customer applications. In 2004, an application was processed within an average of 4.5 days; this period will be reduced to an average of three days in 2005.

Currently, DenizBank branches have a 68% share in the marketing of DenizLeasing's services. This share will be increased by creating additional synergies with DenizBank branches.

DenizFactoring

Strong foundations

DenizFactoring was established in 1998 with Zorlu Holding as the largest shareholder, owning 97.56% of its equity. In May 2000, DenizFactoring became a member of the Turkish Factoring Association and in September 2001, it was accepted as a member of FCI, the largest factoring chain in the world. Following its membership in this highly respected international organization, DenizFactoring enhanced its service quality and had an opportunity to expand its international reach.

In 2004, in addition to its prosperous domestic and export factoring businesses, DenizFactoring began import factoring. Meeting the criteria to become a full

Leasing and Factoring

Continued

member in October 2004, DenizFactoring was appointed as the fifth full member company in Turkey within the FCI organization and 64th globally. Full membership provided the Company with voting rights in the management affairs of FCI.

At the end of 2004, DenizFactoring had shareholders' equity totaling US\$ 13.1 million along with total assets of US\$ 96.7 million.

Business strategy

DenizFactoring has preferred a sustainable growth strategy rather than taking advantage of occasional developments that occurred in the markets. Following risk-averse and prudent lending policies while emphasizing risk management principles, DenizFactoring has maintained high quality assets in its balance sheet. As a result, problem loans are only one in a thousand in its loan book, which is negligible.

International business

Utilizing the export synergy provided by companies within the Zorlu Holding Group, of which DenizFactoring is a part, export factoring volume reached US\$ 265 million. This has placed the Company at third place among Turkish factoring companies in terms of export business achieved. DenizFactoring handles 13.1% of Turkey's export factoring volume. Expanding international business

volume helped the Company to access alternative funding sources as well as a larger correspondent base worldwide.

Domestic business

Paralleling optimism in the economy and improving indicators have fostered growth in the domestic factoring business in 2004. Being part of a large financial services group has also contributed positively to DenizFactoring's expanding business volume. At the end of 2004, the Company achieved a total domestic factoring turnover of US\$ 270 million. When total factoring turnover is considered (domestic plus international) DenizFactoring's total turnover of US\$ 535 million was the fourth largest in Turkey's factoring sector during 2004.

Targets for the next year

DenizFactoring expects that the favorable economic environment will continue into 2005 helping the Company achieve an even larger business volume. It is planned that total factoring turnover will reach US\$ 780 million, of which US\$ 380 will be derived from international factoring and US\$ 400 from domestic turnover. With this projected business volume, DenizFactoring will rank third among all factoring companies in Turkey in terms of total turnover in 2005.

Major Operational and Financial Highlights

(US\$ millions)	2003	2004	Change (%)	2005 Target	Change (%)
Domestic Turnover	230	270	17	400	48
International Turnover	144	265	84	380	43
Total Turnover	374	535	43	780	46
Total Assets	45	97	116	125	29
Shareholders' Equity	9	13	44	18	38
Factoring Receivables	36	78	117	115	47

Intertech, serving primarily the banking and financial services industry, added new areas of IT expertise to its core business lines during 2004.

IT Services

INTERTECH

Intertech was established in 1991 to provide IT services to the finance industry, especially the banking sector. Since 2002, it has operated under the DFS Group. 2004 was a period of restructuring for Intertech. The Company's project teams initiated a customer-focused approach; specialization has been further promoted through additional training programs. Human resources were more effectively used and customer relations received top priority.

Conversion of all software currently in production into New Turkish Lira (YTL) was a major concern but thanks to diligent efforts, no problems were encountered. As of January 1, 2005, all Intertech software was running seamlessly utilizing YTL notations.

Intertech, serving primarily the banking and financial services industry, added new areas of IT expertise to its core business lines during 2004.

System Management

Specializing in HP Openview, teams at Intertech began providing system management services to their customers. This service is offered to all IT infrastructures on a 24/7 availability. Active Directory, Windows 2003, XP and SMS were other new areas of specialization for the Company during 2004.

Security

Intertech has created added value for its customers in the finance business with security services encompassing authentication and authorization provided from a single point and with a sign-on structure installed on the Active Directory. The Company began providing patch management services with SMS expertise and software deployment services. Both of these are among the "must-do" applications for security management.

Intertech has enhanced specialization in the following security issues and has begun to offer consultation services to its customers:

- Secure code development life-cycle
- Security policy development, application and follow-up
- PKI applications and related project development
- OTP (one time password) applications

- Penetration tests, tests for system and network vulnerability
- Security criteria implementation and reporting
- Security analysis on web applications
- Verification and application of security architecture (needs and projects)

CRM and Data Warehouse

Among the new specialization areas of Intertech in the CRM business, the following may be cited:

- Data Warehouse data modeling for the finance business
- Data Warehouse development and MIS reporting on Data Warehouse
- Reporting tool operating on the web at branches in various locations
- Providing analysis data to customers through OLAP

Providing such infrastructure and tools has opened up new avenues for the customers in the finance sector for CRM applications.

Workflow Infrastructure

In order to provide enhanced efficiency and the effective use of resources, processes within the finance sector have been identified and moved to a data platform to enable sound analysis and reporting. For this task, an infrastructure tool named ROTA Workflow Tool has been prepared allowing the customers use their resources more efficiently.

Portal

Developing a portal infrastructure to institutionalize the data and providing the integrity of the many applications in the finance sector are compulsory tasks in today's business environment. During the year, Intertech project teams have specialized in Microsoft SharePoint Portal and the necessary infrastructure has been installed at customer offices to enable them to manage their own corporate portals. Additionally, portals were tailored to meet specific customer requirements. These efforts by Intertech have greatly facilitated the efficient management of resources by the customers in the finance sector.





Denizbank A.Ş.

*Management's
Announcement
On Corporate
Governance*

Management's Announcement On Corporate Governance



DenizBank's Corporate Governance Principles has been developed on the basis of Corporate Governance Principles disseminated by the Capital Markets Board (CMB) and by taking into consideration international and sector-specific practices.

Corporate Governance Statement sets forth the Bank's commitments concerning the arrangement of relations with shareholders and stakeholders and the determination of the duties and responsibilities of the Board of Directors and the subordinate management levels through its corporate governance concept based on transparency, equality, responsibility and accountability.

The growth achieved in a short time span by DenizBank, founded in 1997, has been possible through its commitment to these principles and the parallel reinforcement of its management mechanisms. The aforementioned principles constitute the backbone of DenizBank's ongoing restructuring process which is part of its dynamic growth. Moreover, Risk Management Principles known as Basel II are the guiding principles adopted in the Bank's understanding of Corporate Governance.

The attitude of the founders and the professional management which underscored inclusiveness and equality as well as being transparent enabled rapid progress in the adoption and execution of Corporate Governance Principles. While fulfilling their responsibility for accountability, the founders of DenizBank addressed shareholders, stakeholders, customers and the professional management and their appraisal of getting financial return on the invested capital was based on the same understanding.

Extreme care is taken for putting in place and developing mechanisms that conform to Corporate Governance Principles along the aims detailed below with first and foremost the basic aim of protecting investors and creating confidence.

- Developing a management philosophy aiming to create responsibility and added value, and minimizing risk through effective control mechanisms,
- Building confidence with existing and potential shareholders, customers, employees and the domestic and international markets in general,
- Continuously increasing DenizBank's market value through the contributions of the Board of Directors and the Executive Committee,
- Maintaining high employee motivation in order to provide services that will increase customer satisfaction,
- Enabling the Board of Directors to monitor the Bank's activities effectively through the internal and external audit systems put in place in line with the aforementioned principles,
- Promoting the forming of all kinds of information platform enabling stakeholders to be informed about the Bank's situation,
- Taking utmost care to enable stakeholders to use and protect their contractual and statutory rights.

On 23-24 September 2004, DenizBank shares were offered to the public. As of this date, the Bank has been subject to the ISE (Istanbul Stock Exchange) quotation rules and CMB arrangements. Prior to the IPO, the Bank voluntarily adopted the CMB's Corporate Governance Principles by taking into consideration international practices and sector-specific applications and announced its "Corporate Governance Report" which was discussed and voted on during the Board of Directors meeting held on 16 September 2004.

DenizBank continued its Corporate Governance Harmonization and republished an updated "Corporate Governance Report" incorporating the post IPO changes. The said report includes principles and information about the implementation of the Corporate Governance Principles within the Bank in the recent term as well as the rationale for the discrepancies between the Bank and the said principles.

DenizBank considers Corporate Governance Principles as an ongoing endeavor. It therefore periodically reviews local and international corporate governance practices and updates its applications in line with new developments in this area. In order to clearly delineate duties and responsibilities concerning the follow up and improvement of practices in Corporate Governance Principles, the Corporate Governance and Nomination Committee formed under the chairmanship of an independent member of the Board of Directors, will annually submit to the Board of Directors a "Corporate Governance Principles Compliance Report" developed in line with the aforementioned principles.

DenizBank will annually publish the Corporate Governance Principles Compliance Report along with the DenizBank Annual Report while the "DenizBank Corporate Governance Report" entailing practices and developments emerging in line with these principles during the current term will be published on the Internet.

The discrepancies that emerged between the Bank and the Corporate Governance Principles promulgated by the CMB in July 2003 have been summarized below in two articles and further taken up under the relevant topic headings.

Concerning the statement, "Articles of Association should include a provision whereby important decisions such as company splits, sale, purchase and lease of a substantial amount of assets must be taken at the General Assembly" mentioned in Chapter 1, Article 3.6 of the Corporate Governance Principles, and also taken up under the Corporate Governance Principles Compliance Report, Article 4. under the heading General Assembly information; Article 19 of DenizBank Articles of Association says, "decisions concerning the purchase, acquisition, sale or lease of real estate for the Bank as permitted by the Banking Law" has been included among the duties of the Board of Directors.

The reason the said decision has been defined among the duties of the Board of Directors is based on the purpose of taking fast decisions. In order to

enable shareholders to be informed about such decisions and provide their input, such decisions are publicized through the Bank's web page on the Internet. Moreover, within the framework of the entitlements of shareholders, they have the right to demand discussion of certain subjects by the Board of Directors as per Article 20 of Articles of Association. Also, Article 11 of Articles of Association provides the minority shareholders having 1% or more of the shares with the right to have a subject added to the agenda and to demand investigation of a certain subject.

Although the two members of the Board of Directors appointed as independent members meet the great majority of the independent member criteria stipulated by the CMB and international principles, it differs from the principle "Individuals who have served on the company's Board of Directors for a total of seven years may not be appointed as independent members" stated in "CMB Corporate Governance Principles-Chapter IV-Article 3.3.4".

Considering practices in other countries where the stipulation concerning length of service on the Board is not regarded as criteria for independence and considering other practices where the said duration may be between 9-12 years, the Bank did not evaluate the restriction on the duration of service on the Board as a factor hindering independence.

SHAREHOLDERS

Investor Relations Group

The Bank has set up an Investor Relations Department with a view of compliance with existing legislation, the articles of association and other in house regulations and arrangements and in order to take the necessary precautions enabling the exercise of these rights. The structure of the Group, its principles of operation, the names and contact information of personnel working in the Group are published on the web page. Activities carried out within the relevant fiscal year, applications made by investors, questions addressed and answers provided have been placed on the said Internet web site.

Management's Announcement On Corporate Governance

DenizBank  Continued

The Shareholders' exercise of their right to obtain information

Shareholders' requests for information, other than those that are considered trade secrets, have been met both verbally and in writing as soon as possible. During the term in question, 25 applications were made to the Group, all of which were replied to. All developments affecting the exercise of shareholders' rights were posted on the web page enabling shareholders to access information in the fastest possible way. The request for appointing a special auditor has been stipulated as an individual right in Article 14 of the Articles of Association and there has been no request lodged during the term in question.

General Assembly Information

During the term in question, one ordinary and three extraordinary general assembly were held. Invitation to the general assembly was made by an announcement in the Commercial Registry Gazette, dailies Hürriyet and Sabah as well as on the Internet and also by sending invitations to shareholders at least three weeks prior to the general assembly date. The general assembly agenda items, annual report, the updated version of the company articles of association, financial statements and profit distribution proposal, proxy forms and other documents relevant to the agenda are announced to shareholders at the Bank Headquarters and on the Internet. Agenda items and the proxy form are also announced in the dailies Hürriyet and Sabah. General Assemblies have been held with the participation of shareholders, stakeholders and the media while the participants' roll list is announced on the Internet. The registration of registered stocks in the shareholders logbook has been completed before the General Assembly.

Arrangements concerning the shareholders right to ask questions and make suggestions are included in the articles of association and opportunities were provided for the use of these rights during the meeting and the questions posed were answered. The questions and suggestions received during the meeting were recorded by the Investor Relations Group and published on the Internet.

In matters concerning decisions for buying, selling and leasing of substantial amounts of assets and property the authority rests with the Board of Directors within the framework of the Banking Law. The relevant provisions on this issue are in Article 19 of the Articles of Association. The decisions taken regarding the issue are then announced via the internet. Moreover, shareholders are entitled to demand discussion of certain subjects by the Board of Directors as per Article 20 of Articles of Association. Also, Article 11 of Articles of Association provides the minority shareholders having 1% or more of the shares with the right to have a subject added to the agenda and to demand the investigation of a certain subject. For ease of participation in the General Assembly, access to all information concerning the meeting and the proxy form over the Internet has been provided, while there is no requirement for the person using the proxy form to be a shareholder. Meanwhile, General Assembly minutes are posted permanently on the Internet for the information of shareholders.

Voting Rights and Minority Rights

Shares do not have preferential rights. The Bank does not have any affiliates with which a mutual affiliation necessitating a relationship of sovereignty over the other enterprise exists. Minority rights are represented by shareholders representing at least 1/20 of the paid-up capital. A member of the independent members of the Audit Committee has been appointed as the Board Member representing small shareholders. Therefore, the method of cumulative voting is not employed.

Dividend Distribution Policy and Profit Distribution Time

There are no privileges concerning sharing of profits. The Bank's profit distribution policy has been laid down in the Articles of Association (Article 33) and this information has been made available to shareholders during the General Assembly and on the Internet. The profit of 2003 was distributed within 2004 by delivering bonus shares to the shareholders.

Transfer of Shares

There is no provision restricting the transfer of shares. In Article 8 of the Articles of Association there is a provision stating that the transfer of share is permitted provided that the provisions of Turkish Commercial Code, Banks Code, Capital Market Code and Articles of Association shall be reserved, but as the share certificates are registered, the said transfer is to be recorded to the share book with the decision of the Board of Directors in order to imply a provision against the Bank. For the part of the share certificates that are offered to public, their transfer with white endorsement was allowed pursuant to the decision by the Board of Directors dated 11 May 2004, number 2004/29.

INFORMING THE PUBLIC AND TRANSPARENCY

Company Disclosure Policy

The Bank has formed a disclosure policy and has announced it on the Internet web page. Managers of all business units within the framework of disclosure of special circumstances, to include first and foremost the Board of Directors, Corporate Governance and Nomination Committee, Investor Relations Group, Office of the General Manager, Risk Management and Financial Affairs Group and Management Services Group, are responsible for executing the policy of disclosure.

Investor Announcements

Based on the communiqué with Series: VIII, No: 39 of the CMB, a total of 45 investor announcements were made during the term in question within the framework of the related legislation and all of these were posted on the Internet web page. For two of the disclosures, CMB and ISE and these additional explanations were made within legal terms. As the Bank's shares are not listed in overseas exchanges, no special condition disclosure was made in a stock exchange other than the ISE.

The Bank's Internet Web Page and its Contents

The Bank has a web page at www.denizbank.com. The web page includes all information cited in CMB Corporate Governance Principles Part II, Article 1.11.5.

Disclosure of Real Person

Ultimate Sovereign Shareholder(s)

The ultimate sovereign shareholders of the Bank have been disclosed to the public under the partnership organization section on the web page. There is no reciprocal ownership scheme in the shareholder structure of DenizBank.

Disclosure of Those Who Are

in a Position to Have Inside Information

The list of individuals who could be in the position of obtaining insider information has been posted on the Bank's web page under the same heading. Members of the Board of Directors, Executive Secretaries, Assistant General Managers, General Managers of Affiliated Companies, Investor Relations personnel, General Accounting personnel, Loans, Internal Audit and Risk Management Groups, IT Unit staff as well as Group, Division and Branch Managers are in a position to access information that is important for the Bank and which would be within the scope of trade secrets.

STAKEHOLDERS

Informing the Stakeholders

Stakeholders are constantly informed through the general assembly, investor announcements, press releases, committees, senior management, in-house announcements and meetings, periodic information meetings held in response to requests from stakeholders, written statements and also by keeping the Internet page updated.

Shareholders Taking Part in the Management

Shareholders can take part in the management of the Bank through attending various committee meetings, through the proposal system, through General Assembly and their right to call the Board of Directors for a meeting.

Human Resources Policy

The Bank has a Human Resources policy in place. The said policy and the procedures concerned have been posted on the Bank's Intranet portal "Denizportal" accessible by all staff as well as on the Bank's web site. There is no complaint lodged by the staff particularly on the issue of discrimination.

Management's Announcement On Corporate Governance

Information about Relations with Customers and Suppliers

Relations with customers and suppliers are being carried out within the framework of ethical rules and along the lines of written procedures. Moreover, the Bank has a Customer Compliance Division working on customer relations. Also, suppliers are evaluated whereby factors that may impact customer satisfaction are being analyzed.

Social Responsibility

In addition to its endeavors in economic and financial areas, DenizBank aims to contribute to the environment and the social, cultural and artistic activities. The Bank's social responsibility policy and its activities relation are announced on the Internet web page.

BOARD OF DIRECTORS

Organization and Formation of the Board of Directors and its Independent Members

The Bank's Board of Directors comprises seven members. Five members are not assigned with executive duties and three of these members serve as Independent Members of the Board. The Chairman of the Board is an Independent Member. The Chairman of the Board of Directors and the General Manager of the Bank are different. Detailed information about the Board Members can be found in the annual report and the Internet web page. Statements of Independence have been received from the Independent Members of the Board. During the term in question, no incidence that affected the independence of the Board Members in question has occurred.

Members of the Board of Directors assume other duties outside the Bank as well. Members of the Board of Directors also serve as Board Members on the Board of Directors of affiliates under the "DenizBank Financial Services Group" with a view to a sound cooperation between the financial institutions of the Bank and in order to follow up existing and potential risks on a consolidated basis. There is no restriction as to the number of such duties to which the Board Members can be appointed. However, the Board Members have been

informed that in principle the number of such duties to be assumed outside Bank's affiliates should not exceed three so as not to compromise effective management.

Qualifications of the Board Members

The minimum qualifications sought when selecting members for the Board of Directors overlaps with the qualifications stipulated in articles 3.1.1, 3.1.2 and 3.1.5 of Part IV of the CMB Corporate Governance Principles. Members of the Board of Directors other than the General Manager are selected in the General Assembly from among candidates nominated by shareholders who have the qualifications stipulated by the Banking Law. Provisions concerning the qualifications, terms of duty, selection and suspension from duties of Board Members are included in the Bank's Articles of Association. Since Board Members have been selected from among candidates that have been screened by the Corporate Governance and Nomination Committee, they are suitable for the duties they have been selected for and they have been given no training and orientation program. The Corporate Governance and Nomination Committee assesses the performance, independence, suitability and competence of the Board Members in line with the Corporate Governance Principles of the Bank.

The Company's Mission, Vision and Strategic Goals

The Bank's mission/vision has been developed by the Board of Directors and has been published on the Internet. The strategic goals of the Bank laid down by the Senior Management have been approved by the Board of Directors. The General Manager submits a monthly report to the members of the Board of Directors about the status of strategic goals, and the Bank's general financial and non-financial status.

Risk Management and Internal Control Mechanism

The Board of Directors has put in place a risk management and internal control mechanism and detailed information about how the system operates and its efficiency is provided on the Internet web page.

Duties and Responsibilities of the Board Members and Executives

Duties and responsibilities of the Bank's Board Members are included in Article 19 of the Articles of Association while those of Bank executives are included in Article 28.

Operating Principles of the Board of Directors

The articles of association determine the essentials of the Board Meetings. Board of Directors shall convene at least once a month. During the term in question, 92 Board Meetings have been held. In addition to the agenda items stemming from the duties and responsibilities of Board Members as well as requests from the Board Members, issues discussed at the Senior Management meetings and proposals forwarded by shareholders constituted the source for the meeting agendas. Moreover, the auditors of the Bank may also set an agenda and call for a Board of Directors meeting. It is essential that Board Members attend meetings in person. Attendance can also be realized by any type of technological remote conferencing device or method. On issues stipulated in Article 2.17.4 of Corporate Governance Principles, members attend Board meetings in person.

The members of the Board have equal votes with no member or the Chairman having a privileged or weighted vote or a veto power. The Executive Secretaries are responsible for organizing the holding of regular and organized Board Meetings, forwarding associated invitations and holding the minutes of the meetings. Information about other duties and responsibilities of the Executive Secretaries has been posted on the Internet. During Board of Directors meetings, members with negative votes on issues about which opposing views have been voiced must sign the minutes along with a statement explaining the rationale of their voting. Moreover, important Board Meeting decisions of which the shareholders must be informed are published on the Internet web page.

Prohibition of transactions with companies and prohibition of competition

Provided that they remain outside the issues prohibited by Banking Law No. 4389, permissions concerning Articles 334 and 335 of the Turkish

Commercial Code about prohibition of transactions with companies and prohibition of competition have been granted to the Board Members at the General Assembly. No situation contrary to what is stipulated by the current legislation has arisen. Transactions undertaken by the Board of Directors and the Executives are inspected at least once a year by the Inspection Board.

Ethics

The Bank adopted Banking Ethic rules within the frame of the ethic rules. The ethic rules are available at DenizPortal for review by the staff and also disclosed in the Bank's web page.

Number, Structure and Independence of Committees formed by the Board of Directors

An Audit Committee and a Corporate Governance and Nomination Committee have been formed under the chairmanship of Independent Members. The operating principles of committees subordinate to the Board of Directors and executive committees providing information flow to the management have been laid down and posted on the Internet web page.

Financial Rights Accorded to the Board of Directors

A salary to be determined by the General Assembly is paid to the Chairman, Vice Chairman and members of the Board of Directors. In determining these salaries, the time to be spent by the individuals during, before and after the meeting is taken into consideration. Also the honorarium to be paid to the meeting members for each meeting is also determined by the General Assembly. Barring the General Manager, the Chairman and Members of the Board of Directors were paid TL 3,500,000,000 (YTL 3,500) gross per month as an honorarium throughout their term starting in January 2004 while the Vice Chairman of the Board of Directors and the Managing Director were paid a monthly salary of TL 20,000,000,000 (YTL 20,000) gross. Auditors were paid TL 500,000,000 (YTL 500) gross per month.





Denizbank A.Ş.

*And Its Subsidiaries
Consolidated Financial
Statements As of
31 December 2004
Together With Report
of Independent
Auditors*



**Cevdet Suner Denetim ve
Yeminli Mali Müşavirlik A.Ş.**

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Report of Independent Auditors

To the Board of Directors of Denizbank A.Ş.

We have audited the accompanying consolidated balance sheet of Denizbank Anonim Şirketi and its subsidiaries ("the Bank") as of 31 December 2004 and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of certain consolidated companies as of 31 December 2004, which statements reflect total assets constituting 17 percent; and total interest and commission income constituting 14 percent after elimination of intercompany balances and transactions as of and for the year ended 31 December 2004 of the related consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those companies is based solely on the reports of the other auditors.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements present fairly the financial position of the Bank as of 31 December 2004, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards. As discussed in Note 25 to the consolidated financial statements, the Bank early adopted revised versions of IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement" in 2004.

KPMG Cevdet Suner Denetim ve
Yeminli Mali Müşavirlik A.Ş.

İstanbul

16 February 2005

Denizbank A.Ş. And Its Subsidiaries

Consolidated Balance Sheets

As at 31 December 2004

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

	Note	2004	2003
Assets			
Cash and balances with Central Bank	10	788,661	640,364
Due from banks	11	1,667,356	1,016,750
Trading securities	12	414,668	299,234
Loans and advances to customers	13	3,201,022	2,141,435
Investment securities	14	1,627,794	1,980,490
Accrued interest, prepaid expenses and other assets	15	205,938	215,162
Deferred tax asset	21	13,928	-
Bank premises and equipment	16	122,573	105,223
Intangible assets	17	16,629	17,956
Total assets		8,058,569	6,416,614
Liabilities			
Deposits from banks	18	616,939	1,013,106
Deposits from customers	19	5,137,233	4,091,764
Funds borrowed	20	1,027,721	405,004
Deferred tax liabilities	21	452	27,416
Current tax liabilities		1,246	12,484
Accrued interest and other liabilities	22	383,393	234,941
Total liabilities		7,166,984	5,784,715
Minority interest		66	1,993
Shareholders' equity			
Share capital	23	549,221	482,854
Share premium		98,281	-
Unrealized gains on available-for-sale securities		110,021	148,008
Translation reserves		(6,038)	(3,416)
Retained earnings		140,034	2,460
Total shareholders' equity		891,519	629,906
Total liabilities, minority interest and shareholders' equity		8,058,569	6,416,614

Denizbank A.Ş. And Its Subsidiaries

Consolidated Income Statements

For the year ended 31 December 2004

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

	Note	2004	2003
Interest and similar income	2	830,167	731,261
Interest expense and similar charges	2	(458,628)	(511,344)
Net interest income		371,539	219,917
Fee and commission income	3	178,131	124,151
Fee and commission expense	3	(63,289)	(29,964)
Net fee and commission income		114,842	94,187
Net gain on trading and investment securities	4	11,738	81,157
Other operating income	5	66,688	52,762
Operating income		564,807	448,023
General and administrative expenses	6	(293,716)	(215,218)
Impairment losses on loans and advances	13	(40,486)	(47,951)
Foreign currency exchange gain / (loss), net		7,892	36,417
Other operating expenses	7	(36,508)	(41,567)
Operating expenses		(362,818)	(268,319)
Profit from operations		201,989	179,704
Loss on net monetary position, net		(56,431)	(46,228)
Profit before tax		145,558	133,476
Income tax expense	21	(8,007)	(47,921)
Profit after tax		137,551	85,555
Minority interest		(6)	490
Net profit for the year		137,545	86,045

Denizbank A.Ş. And Its Subsidiaries

Consolidated Statements of Changes in Equity

For the year ended 31 December 2004

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

	Note	Share capital	Share premium	Unrealized gains / losses on AFS securities	Translation reserves	Retained earnings	Total
Balances at 1 January 2003		482,854	-	-	101	36,275	519,230
Correction of errors:	24						
Gross amount		-	-	-	-	5,904	5,904
Less: Tax effects		-	-	-	-	(2,875)	(2,875)
		-		-	-	3,029	3,029
Change in accounting policy	25						
Gross amount		-	-	122,650	-	(122,650)	-
Less: Tax effects		-	-	(491)	-	491	-
		-	-	122,159	-	(122,159)	-
Restated balances at 1 January 2003		482,854	-	122,159	101	(82,855)	522,259
Gain from change in fair value of available-for-sale securities (AFS) -		-	25,849	-	-	25,849	
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	(3,517)	(787)	(4,304)
Minority share in retained earnings		-	-	-	-	57	57
Net profit for the year		-	-	-	-	86,045	86,045
Balances at 31 December 2003		482,854	-	148,008	(3,416)	2,460	629,906
Balances at 1 January 2004		482,854	-	148,008	(3,416)	2,460	629,906
Issue of share capital		66,367	98,281	-	-	-	164,648
Net gains on available-for-sale assets transferred to the income statement on disposal		-	-	(15,497)	-	-	(15,497)
Loss from change in fair value of available-for-sale securities (AFS) -		-	(22,490)	-	-	(22,490)	
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	(2,622)	-	(2,622)
Minority share in retained earnings		-	-	-	-	29	29
Net profit for the year		-	-	-	-	137,545	137,545
Balances at 31 December 2004		549,221	98,281	110,021	(6,038)	140,034	891,519

Denizbank A.Ş. And Its Subsidiaries

Consolidated Statements of Cash Flows

For the year ended 31 December 2004

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

	Note	2004	2003
Operating activities			
Net profit for the year		137,545	86,045
Adjustments for non-cash items:			
Depreciation and amortization	16 and 17	28,781	25,419
Change in accrued interest expense		8,331	23,111
Change in accrued interest income		(40,236)	(38,242)
Impairment losses on loans and advances	13	40,486	47,951
Reserve for employee severance indemnity		1,916	(3,000)
Minority interest		6	(222)
Deferred tax	21	(41,344)	44,930
Effect of the restatement of non-cash items		(5,095)	6,515
Effect of currency translation		(2,622)	(3,620)
Changes in operating assets and liabilities:			
Money market instruments		427,847	(183,660)
Loans and advances to banks		7,895	300,901
Loans and advances to customers		(1,091,198)	(692,248)
Other operating assets		(35,368)	(54,195)
Deposits from banks		(396,167)	775,335
Deposits from customers		1,045,469	325,081
Funds borrowed		622,717	134,077
Other operating liabilities		145,370	28,984
Taxes payable		(11,238)	(6,591)
Cash flows from operating activities		843,095	816,571
Investing activities			
Proceeds from sale of investments		13,912	-
Proceeds from sale of bank premises and equipment		4,497	4,541
Purchase of bank premises and equipment	16	(24,647)	(22,861)
Proceeds from sale of intangible assets		271	938
Purchase of intangible assets	17	(4,393)	(10,617)
Cash flows from investing activities		(10,360)	(27,999)
Financing activities			
Proceeds from issuance of common stock		164,648	-
Dividends paid		-	-
Cash flows from financing activities		164,648	-
Net increase in cash and cash equivalents		997,383	788,572
Cash and cash equivalents at 1 January		1,427,119	638,547
Cash and cash equivalents at the end of the year	9	2,424,502	1,427,119

Denizbank A.Ş. And Its Subsidiaries

Notes to Consolidated Financial Statements

As of and for the year ended 31 December 2004

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

Overview of the Bank

Denizbank Anonim Şirketi ("Denizbank"), was established by the Directorate of Privatization of the Turkish Republic on 18 September 1996, pursuant to the Board of Ministers' permission to perform banking activities prescribed by the Turkish Banking Law and related regulations. Denizbank was privatized on 20 March 1997 as a commercial bank and started its operations on 25 August 1997. After privatization, Denizbank realized rapid developments in the banking industry and acquired a number of branches from Savings Deposit Insurance Fund ("SDIF")-controlled banks, as well as several financial institutions including Milli Aydın Bankası T.A.Ş. ("Tarişbank"), which merged into Denizbank by the end of 2002.

In September 2004, a total number of 72,500,000,000 shares of Denizbank were sold in domestic and international offerings. Of the total number of shares sold, 27,500,000,000 shares were sold in domestic public offering and 45,000,000,000 shares were sold in an international offering outside of Turkey in the form of Shares and Global Depositary Shares. The domestically held shares commenced trading on 1 October 2004 in the Istanbul Stock Exchange.

Denizbank currently has 199 branches and its head office is located in Istanbul. As of 31 December 2004, Denizbank has a total number of 4,344 employees. The total number of employees of Denizbank and its subsidiaries is 4,912.

Denizbank is fully owned by Zorlu Holding A.Ş. ("Zorlu Holding"), which is one of the major industrial conglomerates in Turkey. Zorlu Holding has 21 large-scale industrial concerns and three energy plants that provide employment to 22,000 people. In 2003, Zorlu Holding companies realized revenues of US\$ 2.4 billions and an export volume of US\$ 1.7 billions.

Denizbank has 99.99% ownership in Denizbank AG, a commercial bank located in Austria. Established in 1996 by the former Esbank A.Ş. (a Turkish bank which was taken over by SDIF), Esbank AG in Vienna offered foreign trade finance and payment services to a client base in Europe and Turkey. Denizbank entered the Eurozone banking market by acquiring Esbank AG in August 2002. Subsequent to the acquisition, the name of Esbank AG was changed to Denizbank AG at the beginning of 2003. As of 31 December 2004, Denizbank AG has seven branches and its head office is located in Vienna.

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

Denizbank acquired 99.88% of the shares of Eurodeniz Off-shore Bank Limited ("Eurodeniz"), established in the Turkish Republic of Northern Cyprus, from SDIF at the beginning of 2002. Eurodeniz is licensed to undertake all commercial banking transactions.

Denizbank has 99.95% ownership in Deniz Yatırım Menkul Değerler A.Ş. ("Deniz Yatırım"), a brokerage and investment company, located in Istanbul. Deniz Yatırım was established on 29 January 1997 and mainly involved in trading of and investing in securities, stocks, treasury bills and government bonds provided from capital markets; the management of mutual funds and performing intermediary services.

Denizbank, together with Deniz Yatırım, acquired 78.01% of the shares of Ekspres Yatırım Menkul Değerler A.Ş. ("Ekspres Yatırım") from SDIF at the end of 2002. With subsequent acquisitions, the Bank and Deniz Yatırım's share increased to 99.82% as of 31 December 2004. Ekspres Yatırım, located in Istanbul, is engaged in trading of and investing in securities, stocks, treasury bills and government bonds provided from capital markets. Located in Izmir, Tariş Yatırım Menkul Değerler A.Ş. ("Tariş Yatırım") was originally established as a subsidiary of Tarişbank in 1997 to handle the brokerage activities of its parent bank. With the acquisition of Tarişbank in 2002, Tariş Yatırım became a subsidiary of Denizbank.

Established in 1976, Anadolu Kredi Kartı Turizm ve Ticaret A.Ş. ("AKK") was the first credit card processing company in Turkey. Shares of AKK were transferred to the SDIF in 1999 following its parent bank's acquisition by the same organization. At the end of 2001, Denizbank purchased 99.98% of AKK shares from the SDIF. AKK accepts domestic and international debit and credit cards (VISA, MasterCard, JCB and Diners) with 14 branches and three cash offices. Denizbank has sold its shares in AKK in December 2004.

Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ("Intertech") was established in 1991 to provide IT services to the financial sector and mainly to the banking sector. Denizbank acquired 100% of the shares of Intertech from SDIF in 2002.

Deniz Destek Oto Kiralama ve Temizlik A.Ş. ("Destek"), established in 1997, provides car rental service with a fleet of 187 vehicles. Denizbank has sold its shares in Destek in November 2004 to Zorlu Holding.

In May 2003, Deniz Yatırım acquired 98.43% of the shares of Ege Portföy Yönetimi A.Ş. and changed its name to Deniz Portföy Yönetimi A.Ş. ("Deniz Portföy"). Deniz Portföy is engaged in serving domestic mutual funds and investment portfolios.

In December 2004, Denizbank has established DenizBank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ("Deniz Kültür Sanat") for the purpose of supporting cultural and art activities.

Significant accounting policies

a) Statement of compliance

Denizbank and its Turkish subsidiaries maintain their books of account and prepare their statutory consolidated financial statements in Turkish lira in accordance with the Accounting Practice Regulations as promulgated by the Banking Regulation and Supervision Agency (BRSA) and also the Turkish Commercial Code (collectively, Turkish GAAP); Denizbank's foreign subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the generally accepted accounting principles and the related legislation applicable in the countries they operate.

The accompanying consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) and are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS. Denizbank and its consolidated subsidiaries adopted all IFRS, which were mandatory as of 31 December 2004.

The Bank has exercised its option to early adopt the revised versions of IAS 32 Financial Instruments: Disclosure and Presentation (IAS 32) and IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) in the consolidated financial statements before their effective date of 1 January 2005. The effect on the income statement and equity of the change in accounting policy to early adopt these standards are disclosed in Note 25.

b) Basis of preparation

The accompanying consolidated financial statements are presented in Turkish lira (TL), rounded to the nearest billion as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29; "Financial Reporting in Hyperinflationary Economies".

The accompanying consolidated financial statements are prepared on a fair value basis for derivative financial instruments, financial assets and liabilities held for trading, and available-for-sale assets, except those for which a reliable measure of fair value is not available. Recognized assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historical cost.

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Notes to Consolidated Financial Statements

As of and for the year ended 31 December 2004 (Continued)

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

Except for the early adoption of IAS 32 and IAS 39 as explained in section (a) above, the accounting policies applied by Denizbank are consistent with those used in previous periods.

c) Basis of consolidation

i) Methodology

The accompanying consolidated financial statements include the accounts of the parent company, Denizbank, and its subsidiaries (together "the Bank") on the basis set out in section below. The financial statements of the subsidiaries included in the consolidation have been prepared as of the date of the consolidated financial statements.

For the purposes of the accompanying consolidated financial statements, the subsidiaries are those companies over which Denizbank has a controlling power on their operating and financial policies through having more than 50% of the ordinary shares held by Denizbank and / or its other subsidiaries.

Significant accounting policies

The major principles of consolidation are as follows:

- The balance sheets and income statements are consolidated on a line-by-line basis.
- All intercompany investments, receivables, payables, dividends received and paid and other intercompany transactions reflected in the balance sheets and income statements are eliminated.
- The results of the subsidiaries are included in or excluded from the consolidation from their effective dates of acquisition or disposal, respectively.
- Minority interests in the shareholders' equity and net income of the consolidated subsidiaries are separately classified in the consolidated balance sheets and consolidated income statements.

ii) Subsidiaries

The subsidiaries included in the consolidation and their ownership percentages are as follows:

	Nature of Activities	Country of Incorporation	Indirect Ownership (%)	
			2004	2003
Denizbank AG	Banking	Austria	99.99	99.99
Eurodeniz	Banking	Cyprus	99.88	99.88
Denizbank Moscow	Banking	Russia	99.99	99.99
Deniz Yatırım	Securities	Turkey	99.95	99.95
Ekspres Yatırım	Securities	Turkey	99.81	78.02
Tariş Yatırım	Securities	Turkey	100.00	100.00
Deniz Portföy	Investment	Turkey	98.38	98.38
Intertech	Technology	Turkey	100.00	100.00
DenizBank Kültür Sanat	Art	Turkey	100.00	100.00
AKK (sold in 2004)	Credit cards	Turkey	-	99.98
Destek (sold in 2004)	Car rental	Turkey	-	98.40

d) Accounting in hyperinflationary economies

International Accounting Standard (IAS) 29, which deals with the effects of inflation in the consolidated financial statements, requires that consolidated financial statements prepared in the currency of a highly inflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for previous periods be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three year inflation rate approaching or exceeding 100%.

As of 31 December 2004 the cumulative three-year inflation rate in Turkey has been 69.72%, based on the countrywide wholesale price indices announced by the Turkish State Institute of Statistics (SIS), not meeting the 100% criterion in IAS 29. However there are other indicators of high inflation in IAS 29, such as preference of people to keep their savings in foreign currency, prices of various services and goods being in foreign currency; correlation of interest rates, wages and prices to general price index level, application of interest on accounts even for short-term maturity to offset the decrease in purchasing power. Accordingly, the consolidated financial statements of the entities located in Turkey are restated for the changes in the general purchasing power of the Turkish lira as at 31 December 2004 based on IAS 29.

The restatements were calculated by means of conversion factors derived from the wholesale price indices. Such indices announced by SIS and conversion factors used to restate the consolidated financial statements at 31 December 2004, 2003 and 2002 are given below:

Dates	Index	Conversion Factors
31 December 2004	8,403.8	1.000
31 December 2003	7,382.1	1.138
31 December 2002	6,478.8	1.297

The basic principles applied in the restatement of the accompanying consolidated financial statements are summarized in the following paragraphs.

- Monetary assets and liabilities, which are carried at amounts current at the balance sheet date, are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date (31 December 2004).
- Non-monetary assets and liabilities, which are not carried at amounts current at the balance sheet date, and components of shareholders' equity are restated by applying the relevant (monthly, quarterly / yearly average, quarter / year end) conversion factors. Additions to premises and equipment in the year of acquisitions are restated using the relevant conversion factors.
- The inflation adjusted share capital amount has been derived by indexing each capital increase from the date it was contributed except for contributions funded from profit distributions in which case the amount of the capital increase has been limited to the amount of profit available for distribution in the accompanying consolidated financial statements.
- Prior periods' consolidated financial statements are restated using general inflation indices at the currency purchasing power at the balance sheet date (31 December 2004).
- All items in the statements of income are restated by applying the monthly conversion factors except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.
- The effect of general inflation on the Bank's net monetary position is included in the statements of income as monetary gain or loss.

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As of and for the year ended 31 December 2004 (Continued)

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e) Foreign currency

i) Foreign currency transactions

Transactions are recorded in Turkish lira, which represents its functional currency. Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into Turkish lira at the exchange rates ruling at balance sheet date with the resulting exchange differences recognized in the income statement as foreign exchange gain or loss. Gains and losses arising from foreign currency transactions are reflected in the income statement as realized during the course of the year.

ii) Consolidated financial statements of foreign operations

The foreign operations of the Bank are not considered an integral part of its operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Turkish lira at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Turkish lira at foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognized directly in equity.

f) Bank premises, equipment and intangible assets

i) Owned assets

The cost of the bank premises, equipment and intangible assets are restated for the effects of inflation in TL units current at the balance sheet date pursuant to IAS 29. Accordingly, bank premises, equipment and intangible assets are carried at restated costs, less accumulated depreciation and amortization.

ii) Leased assets

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired through finance leases are stated at amounts equal to the lower of present value of minimum lease payments or the fair value of leased assets at the inception of the lease. Capitalized leased assets are depreciated in accordance with depreciation policies noted below, except where there is no reasonable certainty of obtaining ownership by the end of the lease term, in which case the asset is fully depreciated over the shorter of the lease term or its useful life.

iii) Subsequent expenditure

Expenditure incurred to replace a component of an item of bank premises and equipment that is accounted for separately, including major inspection and overhaul costs, is capitalized. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the item of bank premises and equipment. All other expenditures are recognized in the income statement as an expense as incurred.

iv) Depreciation and amortization

Bank premises, equipment and intangible assets are depreciated and amortized over the estimated useful lives of the related assets from the date of purchase or the date of installation, and on a straight line basis. Leasehold improvements are depreciated over the periods of the respective leases on a straight-line basis. Bank premises, equipment and intangible assets purchased since January 2003 are depreciated using the double-declining balance method. The depreciation and amortization rates for bank premises, equipment and intangible assets, which

approximate the economic useful lives of such assets, (for leasehold improvements; the periods of respective leases) are as follows:

Buildings	2%
Vehicles	10%-40%
Other equipment, furniture and fixtures	10%-40%
Intangibles	9%-40%

The useful lives and depreciation and amortization methods are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of premises, equipment and intangible assets.

g) Goodwill / Negative goodwill

Positive goodwill arising from the difference between the acquisition costs and the fair values of the Bank's share of the net assets of the acquired companies at the time of acquisition, if any, are amortized on a straight-line basis over 10 years (20 years for goodwill related to Denizbank Moscow acquisition) based on the management's estimation for the realization of future economic benefits. Amortization expense / income of goodwill is reflected in the income statements. The amount of negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets is recognized as income on a systematic basis over the remaining weighted average useful life of the identifiable acquired depreciable / amortizable assets.

At each balance sheet date, the Bank assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount and impairment loss is recognized as an expense in the income statement.

h) Financial instruments

i) Classification

Trading instruments are those that the Bank principally holds for the purpose of short-term profit taking. These include investments and derivative contracts that are not designated as effective hedging instruments. All trading derivatives in a net receivable position (positive fair value) are reported as trading assets. All trading derivatives in a net payable position (negative fair value) are reported as trading liabilities.

Loans and receivables comprise loans and advances to banks and customers.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity. These include certain debt investments.

The Bank cannot classify any financial asset as held-to-maturity if they have, during the current financial year or during two preceding financial years sold or transferred held-to-maturity investments before maturity.

Available-for-sale assets are financial assets that are not held for trading purposes, loans and advances to banks and customers, or held to maturity. Available-for-sale instruments include money market placements and certain debt and equity investments.

ii) Recognition

Financial assets held for trading and available-for-sale assets are recognized on the date at which the purchase of the assets is committed. From this date any gains and losses arising from changes in fair value of the assets are recognized in the income statement.

Held-to-maturity instruments and loans and receivables are recognized on the day they are transferred to the Bank.

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iii) Measurement

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all trading instruments and all available-for-sale assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities, loans and receivables and held-to-maturity assets are measured at amortized cost less impairment losses. Amortized cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the balance sheet date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of trading instruments are recognized in the income statement as net trading income.

Gains and losses arising from a change in the fair value of available-for-sale securities are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of the cumulative gain or loss recognized in equity is transferred to the income statement. Interest earned whilst holding available-for-sale securities is reported as interest income. Interest earned whilst holding held to maturity assets is reported as interest income.

vi) Specific instruments

• Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with central banks, demand deposits at domestic and foreign banks and short-term highly liquid investments with maturities of three months or less when purchased, including treasury bills and other bills eligible for rediscounting with the central banks.

• Investments

Investments that the Bank holds for the purpose of short-term profit taking are classified as trading instruments. Debt investments that the Bank has the intent and ability to hold to maturity are classified as held-to-maturity assets. Other investments are classified as available-for-sale assets.

• Loans and advances to banks and customers

Loans and advances originated by the Bank are classified as originated loans and receivables, and are reported net of allowances to reflect the estimated recoverable amounts.

i) Derecognition

A financial asset is derecognized when the Bank loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

Available-for-sale assets and assets held for trading that are sold are derecognized and corresponding receivables from the buyer for the payment are recognized as of the date the Bank commits to sell the assets. The specific identification method is used to determine the gain or loss on derecognition.

Held-to-maturity instruments and originated loans and receivables are derecognized on the day they are transferred by the Bank.

j) Repurchase transactions

The Bank enters into purchases (sales) of investments under agreements to resell (repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security. Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest.

k) Impairment

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of loans and advances that are classified as held-to-maturity, is calculated as the present value of the expected future cash flows, discounted at the instrument's original effective interest rate. Short-term balances are not discounted.

Loans and advances are presented net of specific and general allowances for uncollectibility. Specific allowances are made against the carrying amount of loans and advances that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and advances to their recoverable amounts. In addition to the allowance for specific loan losses, the Bank also provides general provisions for inherent credit risk on loans and guarantees and commitments. The level of general provision is based on management's evaluation of the loan portfolio, including such factors as the volume and character of loans outstanding, loan loss experience in the past and general economic conditions. The general provision is also presented as a deduction from loans and advances.

The Bank fully reflected all such provisions in the accompanying consolidated financial statements. The expected cash flows for loan portfolios of similar assets are estimated based on previous experience and considering the credit rating of the underlying customers and late payments of interest or penalties. Increases in the allowance account are recognized in the income statement. When a loan is known to be uncollectible, all the necessary legal procedures have been completed, and the final loss has been determined, the loan is written off directly.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write down, the write-down or allowance is reversed through the income statement.

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l) Income and expense recognition

Interest income and expense is recognized as it is accrued taking into account the effective yield of the asset or an applicable floating rate, except for interest income on overdue loans, which are generally recognized only when received. Certain commissions, such as those deriving from letters of guarantee and other banking services are also usually recognized as income when received. Net trading income includes gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading.

m) Items held in trust

Assets, other than cash deposits, held by the Bank in fiduciary or agency capacities for their customers and government entities are not included in the accompanying consolidated balance sheets, since such items are not the assets of the Bank.

n) Reserve for employee severance indemnity

In accordance with existing social legislation, the Bank is required to make lump-sum termination indemnity payments to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the accompanying consolidated financial statements, the Bank has reflected a liability calculated using actuarial method and discounted by using the current market yield at the balance sheet date on government bonds, in accordance with IAS 19- revised "Employee Benefits".

The principal actuarial assumptions used at 31 December 2004 and 2003 are as follows;

	2004 %	2003 %
Discount rate	10	18
Expected rate of salary / limit increase	16	25
Turnover rate to estimate the probability of retirement	85	84

Actuarial gains and losses are recognized in the income statement in the period they occur.

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 31 December 2004 is TL 1,574 million; at 31 December 2003 it was TL 1,583 million. The liability is not funded, as there is no funding requirement.

o) Income taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the year in respect of current and deferred tax.

Deferred tax liabilities and assets are recognized for the tax effects attributable to differences between the tax and book bases of assets and liabilities (i.e. future deductible or taxable temporary differences) and tax losses carried forward, using the liability method at currently enacted tax rates. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset at the balance sheet date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities relating to individual consolidated subsidiaries that report to the same fiscal authority are offset against each other in the accompanying consolidated financial statements.

p) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet date when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

r) Provisions

A provision is recognized when, and only when, the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in provision reflecting the passage of time is recognized as interest expense.

s) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

t) Subsequent events

Post balance sheet events that provide additional information about the Bank's position at the balance sheet dates (adjusting events) are reflected in the consolidated financial statements. Post- balance sheet events that are not adjusting events are disclosed in the notes when material.

u) Purchase accounting

Under purchase accounting, the identifiable assets and liabilities of the acquired entity that existed at the date of acquisition, plus certain restructuring provisions, are brought at fair value. The identifiable assets include any intangibles that can be reliably measured. The cost of an acquisition is the amount of cash or cash equivalents paid, or the fair value of the other purchase consideration given, plus any costs directly attributable to the acquisition.

The date of acquisition is the date on which control is effectively transferred to the acquirer.

v) Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

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1) Segment reporting

Segment information is presented in respect of Denizbank's geographical and business segments. The primary format, geographical segments, is based on Denizbank's activities.

Measurement of segment assets and liabilities and segment results is based on the accounting policies set out in the accounting policy notes.

Transactions between segments are conducted at arm's length basis.

1.1 Business segments

Denizbank and its subsidiaries operate principally in the financial services segment. As the results of operations of the non-financial services segment are insignificant such business segment information is not presented.

1.2 Geographical segments

Denizbank and its subsidiaries operate principally in Turkey, but also have operations in Austria, Russia and Turkish Republic of Northern Cyprus. The geographical segments as of 31 December 2004 and 2003 are as follows:

2004	Turkey	Austria	Russia	Cyprus	Combined	Eliminations	Total
Interest and similar income	731,520	41,997	3,324	80,582	857,423	(27,256)	830,167
Interest expense and similar charges	(415,065)	(28,138)	(725)	(41,956)	(485,884)	27,256	(458,628)
Fee and commission income	172,874	4,295	517	454	178,140	(9)	178,131
Fee and commission expense	(61,960)	(1,189)	(149)	-	(63,298)	9	(63,289)
Dividend income	90,783	-	-	-	90,783	(90,783)	-
Net gain on trading and non-trading inst.	10,911	299	875	(347)	11,738	-	11,738
Other operating income	67,134	191	-	56	67,381	(693)	66,688
General and administrative expenses	(279,635)	(11,173)	(3,429)	(97)	(294,334)	618	(293,716)
Impairment losses on loans and advances	(40,061)	-	(425)	-	(40,486)	-	(40,486)
Foreign exchange gain, net	(55,029)	2,818	2,263	54,932	4,984	2,908	7,892
Other operating expenses	(36,331)	(164)	-	(13)	(36,508)	-	(36,508)
Loss on net monetary position, net	(56,034)	-	-	-	(56,034)	(397)	(56,431)
Income tax benefit / (expense)	(2,744)	(2,999)	(401)	(1,863)	(8,007)	-	(8,007)
Minority interest	-	-	-	(6)	-	(6)	-
Net profit for the year	126,363	5,937	1,850	91,748	225,898	(88,353)	137,545
Segment assets	6,626,813	1,068,131	75,581	430,965	8,201,490	(338,133)	7,863,357
Investments in equity participations	195,212	-	-	-	195,212	-	195,212
Total assets	6,822,025	1,068,131	75,581	430,965	8,396,702	(338,133)	8,058,569
Segment liabilities	5,920,135	984,721	63,640	423,662	7,392,158	(225,174)	7,166,984

2003	Turkey	Austria	Russia	Cyprus	Combined	Eliminations	Total
Interest and similar income	636,888	31,774	403	62,674	731,739	(478)	731,261
Interest expense and similar charges	(471,608)	(20,491)	(122)	(19,601)	(511,822)	478	(511,344)
Fee and commission income	120,427	2,895	392	445	124,159	(8)	124,151
Fee and commission expense	(29,538)	(342)	(92)	-	(29,972)	8	(29,964)
Dividend income	41,301	-	-	-	41,301	(41,301)	-
Net gain on trading and non-trading inst.	80,559	1,595	315	(1,520)	80,949	208	81,157
Other operating income	53,448	11	-	181	53,640	(878)	52,762
General and administrative expenses	(207,998)	(5,993)	(1,744)	(134)	(215,869)	651	(215,218)
Impairment losses on loans and advances	(47,951)	-	-	-	(47,951)	-	(47,951)
Foreign exchange gain, net	25,927	220	2,097	8,173	36,417	-	36,417
Other operating expenses	(39,109)	(2,458)	-	-	(41,567)	-	(41,567)
Loss on net monetary position, net	(47,305)	-	-	-	(47,305)	1,077	(46,228)
Income tax expense	(43,655)	(2,744)	(517)	(1,005)	(47,921)	-	(47,921)
Minority interest	-	-	-	-	-	490	490
Net profit for the year	71,386	4,467	732	49,213	125,798	(39,753)	86,045
Segment assets	5,256,268	676,432	33,657	400,841	6,367,198	(220,410)	6,146,788
Investments in equity participations	352,323	6,966	-	-	359,289	(89,463)	269,826
Total assets	5,608,591	683,398	33,657	400,841	6,726,487	(309,873)	6,416,614
Segment liabilities	4,955,447	637,772	21,493	344,889	5,959,601	(174,886)	5,784,715

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2) Net interest income

	2004	2003
Interest and similar income		
Interest and similar income arise from:		
Loans	419,576	281,592
Securities	344,994	324,368
Deposits in banks	52,174	122,562
Other	13,423	2,739
	830,167	731,261
Interest expense and similar charges		
Interest expense and similar charges arise from:		
Deposits from banks and customers	427,069	485,055
Funds borrowed	29,801	17,029
Other	1,758	9,260
	458,628	511,344
Net interest income	371,539	219,917

3) Net fee and commission income

	2004	2003
Fee and commission income		
Cash loans	10,583	7,095
Non-cash loans	30,057	27,239
Credit card commissions	37,774	25,252
Brokerage fees and other banking service income	99,717	64,565
	178,131	124,151
Fee and commission expense		
Cash loans	4,012	775
Non-cash loans	107	24
Brokerage fees and other banking service expense	59,170	29,165
	63,289	29,964
Net fee and commission income	114,842	94,187

4) Net gain on trading and investment securities

	2004	2003
Net trading income		
Net trading gain / (loss) arise from:		
Equity instruments	5,875	(12,930)
Debt instruments and related derivatives	(7,179)	57,581
Foreign exchange rate fluctuations and related derivatives	101	17,922
	(1,203)	62,573
Net gain on disposal of investment securities		
Net gain / (loss) on disposal	(2,556)	18,584
Transfer from unrealized gains (equity)	15,497	-
	12,941	18,584
Net gain on trading and investment securities	11,738	81,157

5) Other operating income

	2004	2003
Credit card income from AKK	22,621	23,254
Other	44,067	29,508
	66,688	52,762

6) General and administrative expenses

	2004	2003
Salaries and employee benefits	143,665	103,618
Administrative expenses	86,254	44,798
Depreciation and amortization	28,781	25,419
Rent expense	18,967	18,808
Taxes other than on income	16,049	22,575
	293,716	215,218

7) Other operating expenses

	2004	2003
Cost of credit card operations of AKK	17,816	17,541
Premium paid to SDIF	4,690	5,016
Other	14,002	19,010
	36,508	41,567

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8) Related parties

For the purpose of this report, the Bank's ultimate parent company, Zorlu Holding and all its subsidiaries, and the ultimate owners, directors and executive officers of Zorlu Group are referred to as related parties. During the course of the business, the Bank has made placements with and granted loans to related parties and also received deposits from them at various terms. The balances and transactions with the related parties are as follows:

	2004	2003
Loans	23,139	33,696
Deposits from customers	585,944	104,759
Interest income	3,928	811
Interest expense	4,528	976
Non-cash loans	230,373	297,046
Derivative transactions	10,596	-

Interest and commission rates applicable to these transactions approximate the market rates.

9) Cash and cash equivalents

Cash and cash equivalents include cash, due from banks and securities with original maturity periods of less than three months. Cash and cash equivalents included in the accompanying consolidated cash flow statements are as follows:

	2004	2003
Cash and balances with Central Bank	788,661	640,364
Deposits at banks	1,443,431	784,930
Trading securities	192,410	1,825
	2,424,502	1,427,119

10) Cash and balances with Central Bank

	2004	2003
Cash on hand	233,958	157,147
Balances with Central Bank other than reserve deposits	166,477	91,903
Interbank money market placements	93,543	187,601
Reserve deposits at Central Bank	294,683	203,713
	788,661	640,364

Reserve deposits represent the minimum cash reserve maintained with the Central Bank of Turkey (the Central Bank), as required by the Turkish Banking Law, calculated on the basis of customer deposits taken at the rates determined by the Central Bank. At 31 December 2004, reserve deposit ratios for Turkish lira and foreign currency deposits are 6% and 11%, (31 December 2003: 6% and 11%) respectively. These reserve deposit ratios are applicable to both time and demand deposits. At 31 December 2004, TL funds sold to interbank money market earned interest at the rate of 18% (31 December 2003: 26%) with maturities within 3 days (31 December 2003: 1 to 2 days).

11) Due from banks

	2004	2003
Due from banks-demand	47,868	402,108
Due from banks-time	1,619,488	614,642
	1,667,356	1,016,750

Due from banks-time represent placements with interest rates ranging from 16% to 23.6% (31 December 2003: 26% to 26.75%) for the Turkish lira denominated placements having maturities ranging from 3 to 365 days; and from 2.02% to 7.01% (31 December 2003: 0.5% to 5%) for the foreign currency denominated placements having maturities ranging from 3 to 182 days (31 December 2003: 2 to 36 days).

The following table summarizes the carrying and the fair value amounts of due from banks:

	2004	2003
Principal amount	1,667,356	1,016,750
Accrued interest (a)	1,754	367
Carrying amount	1,669,110	1,017,117
Fair value (b)	1,669,166	1,017,117

(a) Accrued interest income is included in "accrued interest, prepaid expenses and other assets" caption in the financial statements.

(b) The interest rates used to determine the fair value of due from banks, applied on the balance sheet date to reflect active market price quotations are as follows:

Currencies	2004	2003
Turkish lira (%)	18.0-27.0	26.0-26.75
Foreign currencies (%)	1.0-7.0	1.0-4.0

As of 31 December 2003, since market interest rates are very close to the rates used by the Bank, fair value amounts of due from banks are assumed to be same as their carrying amounts.

12) Trading securities

Trading securities as of 31 December 2004 and 2003 comprise:

2004	Face value	Book value	Interest range (%)	Latest maturity
Trading portfolio				
Debt instruments:				
Government bonds	259,433	243,408	17.66-24.15	2007
Private sector bonds	23,104	23,716	10.00-15.00	2010
Foreign government eurobonds	20,818	23,807	5.00-15.00	2030
Turkish government eurobonds	9,408	10,616	4.00-9.50	2034
Foreign currency government bonds	9,068	8,785	3.00-3.96	2007
Treasury bills	6,959	6,281	16.46-19.31	2005
Private sector eurobonds	4,477	5,259	8.00-12.75	2010
Foreign government bonds	2,639	2,876	4.50-5.50	2008
	335,906	324,748		
Equity instruments:				
Listed		89,920		
Total trading securities		414,668		

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2003	Face value	Book value	Interest range (%)	Latest maturity
Trading portfolio				
Debt instruments:				
Government bonds	111,258	94,678	19.28-49.00	2004
Treasury bills	103,226	94,374	24.00-49.00	2004
Turkish government eurobonds	5,463	5,242	8.17	2006
	219,947	194,294		
Equity instruments				
Listed		104,940		
Total trading securities		299,234		

13) Loans and advances to customers, less allowance for possible losses

Outstanding loans and advances to customers are presented based on economic sectors as follows:

	2004	2003
Consumer loans and credit cards	538,218	217,423
Construction, glass and mining	360,595	448,232
Finance	319,628	149,124
Textile and leather	286,185	287,596
Food	268,660	181,466
Consumer durables	267,028	120,668
Metal and machinery	230,031	178,080
Tourism and transportation	211,657	130,686
Electronics and IT	182,287	91,735
Press and other public media	145,666	60,534
Chemicals	74,549	60,686
Others	316,118	205,064
Total performing loans	3,200,622	2,131,294
Non-performing loans	116,259	106,049
Total gross loans	3,316,881	2,237,343
Allowance for possible losses	(115,859)	(95,908)
Net loans and discounts	3,201,022	2,141,435

The Bank generally seeks collateral security comprising real estate and other mortgages of varying ranking, cheques and bills, cash collaterals, personal guarantee of shareholders, and similar items.

The allowance for possible losses includes specifically identified loans and discounts and general provision as explained below.

The specific allowance for possible losses is comprised of amounts for specifically identified problem and non-performing loans and advances plus a further amount considered adequate to cover the inherent risk of loss present in the lending relationships presently performing in accordance with agreements made with borrowers.

In addition to the allowance for specific loan losses explained in the preceding paragraph, the Bank also provides general provisions for inherent credit risk on loans and guarantees and commitments. The level of general provision is based on management's evaluation of the loan portfolio, including such factors as the volume and character of loans outstanding, loan loss experience in the past and general economic conditions.

Movement in the allowance for specific and general loan losses during the year is as follows:

	2004	2003
Balances, beginning of the year	95,908	62,228
Reversal of the provision	(31,612)	(5,872)
Restatement of the beginning balance and of the current year provision for the effect of inflation	(11,660)	(8,116)
Provision for the year	63,223	47,668
Balances, end of the year	115,859	95,908

The following table summarizes the carrying and the fair value amounts of loans and advances to customers:

	2004	2003
Principal amount	3,201,022	2,141,435
Accrued interest (a)	43,030	24,218
Carrying amount	3,244,052	2,165,653
Fair value	3,248,210	2,169,388

(a) Accrued interest is included in "accrued interest, prepaid expenses and other assets" caption in the financial statements.

The interest rates applied to determine the fair value of loans, at the balance sheet date reflecting the active market price quotations are as follows:

Currencies	2004	2003
Turkish lira	20.2%-22.0%	28.0%
Foreign currencies	4.75%-6.25%	4.75%

The source of impairment losses on loans and advances is as follows:

	2004	2003
Specific and general provision on non-performing loans	31,611	41,796
Provision for non-cash loans (Note 22)	8,875	6,155
Impairment losses on loans and advances	40,486	47,951

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14) Investment securities

Investment securities as of 31 December 2004 comprise:

	Face value	Book value	Interest range (%)	Latest maturity
Available-for-sale portfolio				
Debt instruments:				
Government bonds-floating rate	836,346	730,268	24.96-27.60	2006
Foreign currency government bonds and treasury bills	320,099	308,450	3.88-6.92	2025
Turkish government eurobonds	138,609	148,867	2.14-11.90	2034
Private sector eurobonds	121,897	125,187	2.40-12.75	2018
Foreign government eurobonds	15,296	16,057	7.43-9.49	2040
	1,432,247	1,328,829		
Equity instruments:				
Listed		124,562		
Unlisted		6,516		
		131,078		
Total available-for-sale portfolio		1,459,907		
Held to maturity portfolio				
Foreign currency private sector bonds	85,617	85,465	4.10-4.80	2014
Turkish government eurobonds	56,891	55,510	2.32-9.88	2011
Foreign currency indexed government bonds	24,115	24,115	5.60	2006
Foreign government eurobonds	2,797	2,797	8.00	2007
Total held to maturity portfolio	169,420	167,887		
Total investment securities		1,627,794		

Investment securities as of 31 December 2003 comprise:

	Face value	Book value	Interest range (%)	Latest maturity
Available-for-sale portfolio				
Debt instruments:				
Foreign currency government bonds and treasury bills	760,081	772,465	1.00-6.00	2023
Government bonds-floating rate	558,427	505,399	22.00-25.30	2004
Turkish government eurobonds	198,265	215,708	4.00-12.00	2030
Private sector eurobonds	3,711	3,752	5.00-12.00	2007
	1,520,484	1,497,324		
Equity instruments				
Listed		161,466		
Unlisted		3,420		
		164,886		
Total available-for-sale portfolio		1,662,210		
Held-to-maturity portfolio				
Turkish government eurobonds	64,023	62,006	5.77-7.00	2011
Government bonds-floating rate	45,491	45,491	32.00	2004
Foreign government eurobonds	18,055	18,039	2.50-7.12	2007
Foreign currency indexed government bonds	52,641	52,641	4.00	2006
Foreign currency private sector bonds	139,678	140,103	2.20-6.70	2008
Total held-to-maturity portfolio	319,888	318,280		
Total investments		1,980,490		

The following table summarizes the carrying and the fair value amounts of held-to-maturity portfolio:

	2004	2003
Principal amount	167,887	318,280
Accrued interest (a)	9,914	19,560
Carrying amount	177,801	337,840
Fair value	189,637	345,520

(a) Accrued interest is included in "accrued interest, prepaid expenses and other assets" caption in the financial statements.

The following table summarizes securities that were deposited as collaterals with respect to various banking transactions:

	2004		2003	
	Nominal value	Book value	Nominal value	Book value
Deposited at Central Bank	233,436	227,657	208,406	208,404
Deposited at ISE (a)	21,900	21,900	2,960	3,042
Deposited at IGE (b)	525	525	-	-
Deposited at CH (c)	94,700	94,700	133,506	97,445
Others	800	613	831	719
	351,361	345,395	345,703	309,610

- (a) Istanbul Stock Exchange
(b) Istanbul Gold Exchange
(c) Clearing House (IMKB Takas Saklama Bankası A.Ş.)

The listed available-for-sale and trading securities include investment in Zorlu Enerji Elektrik Üretimi Otoproduktör Grubu A.Ş. (Zorlu Enerji), as disclosed in the following table reflecting the amount of and the ownership interest in the investee company:

	2004		2003	
	Amount	%	Amount	%
Available-for-sale securities	124,504	29.5	161,466	34.5
Trading securities	70,708	16.8	83,832	17.9
	195,212	46.3	245,298	52.4

The Bank does not have any significant influence or control on Zorlu Enerji due to the non-existence of the following conditions that determine significant influence or control:

- (a) Representation on the board of directors or equivalent governing body of Zorlu Enerji;
(b) Participation in policy making processes;
(c) Material transactions between the Bank and Zorlu Enerji;
(d) Interchange of managerial personnel; or
(e) Provision of essential technical information.

At 31 December 2004, the Bank has 37,773,155,000 Class (B) Zorlu Enerji shares (31 December 2003: 41,929,588,000). These shares are ordinary and do not have any privileges. Under the relevant provisions of the Articles of Association of Zorlu Enerji, only Class (A) shares have various privileges, especially electing the Board of Directors and internal auditors, and the voting right on the General Assembly.

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Therefore, neither the equity method of accounting for this investee nor the consolidation of its financial statements with those of the Bank is deemed necessary under these circumstances.

15) Accrued interest, prepaid expenses and other assets

Accrued interest, prepaid expenses and other assets comprised the following items:

	2004	2003
Accrued interest on loans	43,030	24,218
Accrued interest on securities	68,898	120,803
Accrued interest and foreign exchange gain on derivatives	17,061	19,440
Accrued interest on due from banks and similar items	4,989	14,109
Assets held for sale	18,177	2,724
Other	53,783	33,868
	205,938	215,162

16) Bank premises and equipment

Movement in bank premises and equipment is as follows:

	Building	Motor Vehicles	Furniture Fixture	Leased Assets	Leasehold Improvement	Carrying Amount
As of 1 January 2003						
Cost	45,829	13,158	43,261	41,518	13,748	157,514
Accumulated depreciation	(16,958)	(4,869)	(16,008)	(15,362)	(5,087)	(58,284)
Opening net book amount	28,871	8,289	27,253	26,156	8,661	99,230
Additions	559	3,071	10,572	8,006	8,659	30,867
Transfers and disposals	-	(353)	(1,486)	(1,614)	(1,087)	(4,540)
Depreciation expense	(5,916)	(1,699)	(5,584)	(5,360)	(1,775)	(20,334)
As of 31 December 2003	23,514	9,308	30,755	27,188	14,458	105,223

As of 1 January 2004

Cost	46,388	15,876	52,347	47,910	21,320	183,841
Accumulated depreciation	(22,874)	(6,568)	(21,592)	(20,722)	(6,862)	(78,618)
Opening net book amount	23,514	9,308	30,755	27,188	14,458	105,223
Additions	4,671	2,053	4,239	20,532	13,684	45,179
Transfers and disposals	-	(1,491)	(2,947)	(59)	-	(4,497)
Depreciation expense	(974)	(2,182)	(4,491)	(11,309)	(4,376)	(23,332)
As of 31 December 2004	27,211	7,688	27,556	36,352	23,766	122,573

Depreciation is calculated on the restated cost amounts.

17) Intangible assets

Movement in intangible assets is as follows:

	Rights	Goodwill / Negative Goodwill	Other	Carrying Amount
As of 1 January 2003				
Cost	22,761	(561)	6,990	29,190
Accumulated amortization	(11,732)	(304)	(3,790)	(15,826)
Opening net book amount	11,029	(865)	3,200	13,364
Additions	7,416	3,102	101	10,619
Transfers and disposals	(942)	-	-	(942)
Amortization expense	(3,641)	(498)	(946)	(5,085)
As of 31 December 2003	13,862	1,739	2,355	17,956
As of 1 January 2004				
Cost	29,235	2,541	7,091	38,867
Accumulated amortization (-)	(15,373)	(802)	(4,736)	(20,911)
Opening net book amount	13,862	1,739	2,355	17,956
Additions	3,012	171	1,210	4,393
Transfers and disposals	(157)	-	(114)	(271)
Amortization expense	(4,311)	(162)	(976)	(5,449)
As of 31 December 2004	12,406	1,748	2,475	16,629

Amortization for intangible assets is calculated on the restated cost amounts.

18) Deposits from banks

Deposits from banks comprised the following:

	2004	2003
Payable on demand	37,146	202,867
Term deposits	251,907	219,953
Obligations under repurchase agreements	327,886	590,286
	616,939	1,013,106

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The following table summarizes the carrying and the fair value amounts of deposits from banks:

	2004	2003
Principal amount	616,939	1,013,106
Accrued interest (a)	977	198
Carrying amount	617,916	1,013,304
Fair value (b)	618,251	1,013,304

(a) Accrued interest is included in "accrued interest and other liabilities" caption in the financial statements.

(b) The interest rates applied to determine the fair value of time deposits, at the balance sheet date, reflecting the active market price quotations are as follows:

Currencies	2004	2003
Turkish lira	16.0%-18.0%	23.0%-29.0%
Foreign currencies	2.25%-4.5%	1.1%-5.5%

As of 31 December 2003, since market interest rates are very close to the rates used by the Bank, fair value amounts of deposits from banks are assumed to be same as their carrying amounts.

19) Deposits from customers

Deposits from customers comprised the following:

	2004	2003
Payable on demand:		
Foreign currency	676,232	580,545
Savings	133,565	60,071
Commercial	225,186	166,890
	1,034,983	807,506
Term deposits:		
Foreign currency	2,156,902	2,023,197
Savings	1,043,348	730,603
Commercial	873,795	449,777
Obligations under repurchase agreements	28,205	80,681
	4,102,250	3,284,258
	5,137,233	4,091,764

The proceeds from the sale of securities that are the subject of repurchase agreements are treated as liabilities and recorded as obligations for repurchase agreements. As of 31 December 2004, the maturities of the deposits from customers are within 30 days with interest rates ranging between 14% and 24% (31 December 2003: 23% and 28%) for Turkish lira denominated deposits; and within 60 days for foreign currency denominated deposits with interest rates ranging between 0.75% and 5.25% (31 December 2003: 1.5% and 4.5%).

The following table summarizes the carrying and the fair value amounts of deposits from customers:

	2004	2003
Principal amount	5,137,233	4,091,764
Accrued interest (a)	32,017	37,678
Carrying amount	5,169,250	4,129,442
Fair value	5,170,325	4,132,878

(a) Accrued interest is included in "accrued interest and other liabilities" caption in the financial statements.

The interest rates applied to determine the fair value of term deposits at the balance sheet date, reflecting the active market price quotations are as follows:

Currencies	2004	2003
Turkish lira	19.0%-20.75%	27.0%
Foreign currencies	1.0%-3.75%	3.25%-3.30%

20) Funds borrowed

Funds borrowed comprised the following:

	2004	2003
Foreign currency borrowings from foreign banks	955,162	331,604
Turkish lira borrowings from domestic banks	47,767	39,385
Foreign currency borrowings from domestic banks	24,792	34,015
	1,027,721	405,004

The following table summarizes the carrying and the fair value amounts of funds borrowed:

	2004	2003
Principal amount	1,027,721	405,004
Accrued interest (a)	9,648	1,046
Carrying amount	1,037,369	406,050
Fair value (b)	1,037,369	406,050

(a) Accrued interest is included in "accrued interest and other liabilities" caption in the financial statements.

(b) The interest rates applied to determine the fair value of funds borrowed, at the balance sheet date reflecting active market price quotations are as follows:

Currencies	2004	2003
US\$	1.35%-5.47%	2.24%
Euro	1.60%-4.39%	4.39%
Turkish lira	19%	28%

Since market interest rates are very close to rates used by the Bank, fair value amounts of funds borrowed are assumed to be same as their carrying amounts.

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21) Taxation

The Bank is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey and in those countries where its subsidiaries are established. In Turkey, corporation tax is computed on the statutory income tax base determined in accordance with the Tax Procedural Code.

In Turkey, Law No. 4842, enacted on 24 April 2003, reduced the effective corporate tax rate from 33% to 30% from 1 January 2003.

In Turkey, as per the Temporary Tax Law 5035, enacted on 2 January 2004, the corporate tax rate applicable only for the fiscal year 2004 was determined as 33%. The corporate tax rate applicable for fiscal year 2005 and onwards will be 30% as stated in the law No. 4842.

Turkish tax legislation provides for a temporary tax to be calculated and paid based on earnings generated for each quarter. The temporary tax rate is calculated at the same rate stipulated for income of the related year. The amounts thus calculated and paid are offset against the final tax liability for the year. The final corporation tax, after deducting the quarterly payments, becomes due and is paid in one installment by 30 April.

In Turkey, tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred.

In Turkey, tax returns are required to be filed within the fourth month following the balance sheet date. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, according to the Act No. 5024 which became effective as of 1 January 2004 as published in the Official Gazette number 25332 dated 30 December 2003, tax based financial statements are required to reflect the effects of inflation. Therefore, such financial statements are to be restated in terms of the measuring unit current at the balance sheet date. All inflation adjustments to be computed as of 1 January 2004 (for balance sheet of 31 December 2003) will be non-taxable.

As of 31 December 2004, the Bank has computed its tax provision for 2004 on its tax financial statements that were adjusted for the effects of inflation. All inflation adjustments computed as of 31 December 2004 will be taxable or tax deductible, by also taking into consideration the facts explained in the following paragraphs.

The restated value of balance sheet items is taken as the new cost and / or base for depreciation. However, in accordance with the change made by Act No. 5228, loss on sale of the restated assets other than assets subject to depreciation, is not tax deductible to the extent of the restated amount.

In accordance with the Act No. 5281 which became effective as of 30 December 2004 as published in the Official Gazette number 25687 dated 31 December 2004; the profit resulting from the sale of equity investments is exempt from corporate income tax provided that the gain on sale of such investments are reflected in equity to be transferred to share capital later on.

The total provision for taxes on income is different than the amount computed by applying the statutory tax rate to income before provision for taxes on income as shown in the following reconciliation tables:

	2004	%	2003	%
Taxes on income per statutory tax rate	48,034	33.00	40,042	30.00
Permanent differences related to the restatement of equity items per IAS 29	1,541	1.06	31,434	23.55
Effect of different tax rates applicable for foreign entities	(29,160)	(20.03)	(13,835)	(10.36)
Early adoption of revised IAS 39	(1,192)	(0.82)	5,798	4.34
Tax disallowable items	(15,957)	(10.96)	(12,672)	(9.5)
Change in effective tax rates in 2004 and 2003	1,753	1.20	(1,280)	(0.96)
Other	2,988	2.05	(1,566)	(1.17)
Provision for taxes on income	8,007	5.5	47,921	35.90

Deferred tax assets and deferred tax liabilities are attributable to the items detailed in the table below:

	2004	2003
Deferred tax assets		
Allowance for loan losses	12,040	2,092
Reserve for employee severance indemnity	1,022	426
Accrued interest on derivatives	5,700	456
Statutory tax losses	88	-
Other	810	318
Total deferred tax assets	19,660	3,292
Deferred tax liabilities		
Effect of corrections to fixed assets	5,734	2,875
Valuation difference between tax base and reported base of investments	31	22,435
Accrued foreign exchange gains and interest on derivatives	23	2,314
Effect of change in leasing regulation	-	2,557
Others	396	527
Total deferred tax liabilities	6,184	30,708
Net deferred tax assets / (liabilities)	13,476	(27,416)

22) Accrued interest and other liabilities

The principal components of this caption are as follows:

	2004	2003
Payables related to credit cards	102,528	24,911
Remittances payable	69,064	57,857
Accrued interest on deposits	32,994	37,866
Allowance for losses on non-cash loans	29,566	23,554
Accrued interest and foreign exchange loss on derivatives	27,748	23,147
Taxes withheld and duties payable	19,261	15,858
Obligations under financial leases	16,943	13,898
Cash guarantees and collaterals received	10,785	3,842
Accrued interest on funds borrowed	9,648	1,046
Reserve for severance pay	3,682	2,010
Others	61,174	30,952
	383,393	234,941

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Movement in allowance for losses on non-cash loans during the year is as follows:

	2004	2003
Balances, beginning of the year	23,554	20,395
Reversal of the provision	(2,358)	(7,936)
Restatement of the beginning balance and of the current year provision for the effect of inflation	(2,863)	(2,996)
Provision for the year	11,233	14,091
Balances, end of the year	29,566	23,554

23) Share capital

The authorized nominal share capital of Denizbank amounted to TL 316,100 comprising 316.1 millions registered shares of one million Turkish liras each. The portion of share capital arising from the amounts paid in by the shareholders was restated for the effects of inflation (refer to accounting policy (d)) in the accompanying consolidated financial statements. However, the transfers from revaluation surplus on fixed assets for statutory purposes and transfers from statutory retained earnings have been eliminated. Accordingly, the share capital is reflected as TL 549,221 (2003: TL 482,854) in the accompanying consolidated financial statements.

24) Correction of errors

Under IAS 16 "Property, Plant and Equipment", the depreciable amount of an item of property, plant and equipment should be allocated on a systematic basis over its useful life. The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the enterprise. When an asset is either acquired or disposed of during the year, the full year depreciation calculation should be prorated between the accounting periods involved. In prior years, the Bank had not applied pro-rata depreciation method, and recorded depreciation expense for the whole year on items purchased during the year.

In the prior years, the financial statements of AKK, Intertech, Deniz Portföy and Destek were not consolidated. Under IAS 27 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries", a parent company which issues consolidated financial statements should consolidate all of its subsidiaries, foreign and domestic, unless the control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent. The Bank has had full control over these subsidiaries during the prior years.

These changes have been accounted for by adjusting the opening balance of retained earnings as of 1 January 2003 as follows;

		Retained Earnings
Retained earnings as of 1 January 2003 prior to the correction		36,275
Impact of the correction of an error on depreciation	8,704	
Impact of the consolidation of the subsidiaries that were not consolidated in the prior year	(2,800)	
Total tax effect of the corrections	(2,875)	
Total effect of the correction of errors		3,029
Restated opening balance as of 1 January 2003 before changes in accounting policy (Note 25)		39,304

25) Change in accounting policy

During the year the Bank adopted revised versions of IAS 32 and IAS 39.

In December 2003 the IASB issued revised versions of IAS 32 and IAS 39, effective for reporting periods beginning on or after 1 January 2005. Accordingly, the option to recognize fair value changes on available-for-sale financial assets in income is consequently removed. Such fair value changes are now recognized in equity. The Bank has early adopted IAS 32 and IAS 39 as permitted by these revised standards. The standards are applied retrospectively by adjusting the opening balance of retained earnings in the earliest period presented, and other comparative amounts as necessary.

The change in accounting policy had the following impact on equity;

	Unrealized gains on AFS securities	Retained Earnings
Restated opening balance as of 1 January 2003 after correction of errors (Note 24)		39,304
Effect of early adoption of revised IAS 32 and IAS 39	(122,650)	
Total tax effect of the changes in accounting policy	491	
Total effect of the changes in accounting policy		(122,159)
Restated opening balance as of 1 January 2003		(82,855)

The change in accounting policy had the following impact on the consolidated income statements;

	2003
Net profit before change in accounting policy	113,479
Early adoption of revised IAS 32 and IAS 39	(27,434)
Net profit after change in accounting policy	86,045

26) Commitments and contingent liabilities

26.1 Letters of guarantee, letters of credit, acceptances and other credit related commitments

Commitments and contingent liabilities arising in the ordinary course of business comprised the following principal items:

	2004	2003
Letters of guarantee	1,412,564	1,108,128
Letters of credit	706,614	749,364
Acceptance credits	252,119	208,996
Other guarantees and endorsements	124,632	182,185
	2,495,929	2,248,673

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Outstanding credit related commitments of the bank are presented based on economic sectors as follows:

	2004	2003
Construction, glass and mining	474,713	444,660
Metal and machinery	313,365	268,708
Textile and leather	234,796	278,112
Electronics and IT	201,246	264,405
Finance	183,464	139,773
Tourism and transportation	172,267	124,632
Consumer durables	167,051	218,505
Food	136,131	163,998
Chemicals	118,675	102,798
Press and other public media	51,529	101,682
Others	442,692	141,400
	2,495,929	2,248,673

26.2 Forward contracts

As of 31 December 2004, commitments for purchase and sale of foreign currencies under forward agreements, swap, option and future contracts amounted to TL 3,250,218 (31 December 2003: TL 2,571,988). The breakdown of such commitments outstanding, by types is as follows:

	2004		2003	
	Purchase	Sale	Purchase	Sale
Forward agreements for trading purposes	841,427	846,378	314,814	284,056
Currency swap contracts	268,789	317,280	-	-
Forward agreements for customer dealing activities	253,701	238,955	796,442	820,135
Options	221,863	220,361	168,562	151,795
Interest rate swap contracts	12,268	12,268	775	771
Forward agreements on gold	8,014	8,014	-	-
Currency future contracts	450	450	-	-
Interest rate future contracts	-	-	17,319	17,319
	1,606,512	1,643,706	1,297,912	1,274,076

27) Risk management disclosures

This section provides details of the Bank's exposure to risks and describes the methods used by management to control the risks. The most important types of financial risk to which the Bank is exposed are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and equity price risk.

27.1 Derivative financial instruments

The Bank enters into a variety of derivative financial instruments for trading and risk management purposes. This note describes the derivatives used by the Bank. Further details of the Bank's objectives and strategies in the use of derivatives are set out in the sections of this note on trading and non-trading activities.

Derivative financial instruments used by the Bank include swaps, futures and forwards whose value changes in response to changes in interest rates, foreign exchange rates, security prices, commodity prices or price indices. Derivatives are either standardized contracts transacted through regulated exchanges (referred to as exchange-traded products) or individually negotiated over-the-counter contracts (referred to as OTC-products). A description of the main types of derivative instruments used by the Bank is set out below.

(i) Swaps

Swaps are over-the-counter agreements between the Bank and other parties to exchange future cash flows based upon agreed notional amounts. Under interest rate swaps, the Bank agrees with other parties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed notional amount. Cross-currency interest rate swaps require an exchange of interest payment flows and capital amounts in different currencies. The Bank is subject to credit risk arising from the respective counterparties' failure to perform. Market risk arises from the possibility of unfavorable movements in interest rates relative to the contractual rates of the contract.

(ii) Futures and forwards

Futures and forward contracts are commitments to either purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Futures are standardized exchange-traded contracts whereas forwards are individually traded over-the-counter contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in the future contract values are settled daily. Therefore, credit risk is limited to the net positive change in the market value for a single day. Futures contracts have little credit risk because the counterparties are futures exchanges. Forward contracts result in credit exposure to the counterparty. Futures and forward contracts both result in exposure to market risk based on changes in market prices relative to contracted amounts.

(iii) Options

Options are derivative financial instruments that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase from (call option) or sell to (put option) the writer a specified underlying at a specified price on or before a specified date. The Bank enters into foreign exchange options. Foreign currency options provide protection against rising or falling currency rates. The Bank as a buyer of over-the-counter options is subject to market risk and credit risk since the counterparty is obliged to make payments under the terms of the contract if the Bank exercises the option. As the writer of over-the-counter options, the Bank is subject to market risk only since it is obliged to make payments if the option is exercised.

27.2 Trading activities

The Bank maintains active trading positions in a variety of derivative and non-derivative financial instruments. Most of the Bank's trading activities are customer driven. In anticipation of customer demand, the Bank carries an inventory of capital market instruments and maintains access to market liquidity by quoting bid and offer prices to and trading with other market makers. Positions are also taken in the interest rate, foreign exchange, debt, equity, and commodity markets based on expectations of future market conditions. These activities constitute the proprietary trading business and enable the Bank to provide customers with capital market products at competitive prices. As trading strategies depend on both market-making and proprietary positions, given the relationships between instruments and markets, those are managed in concert to maximize net trading income.

The Bank manages its trading activities by type of risk involved and on the basis of the categories of trading instruments held.

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(i) Credit risk

The Bank's credit exposure at the balance sheet date from financial instruments held or issued for trading purposes is represented by the fair value of instruments with a positive fair value at that date, as recorded on the balance sheet. Notional amounts disclosed in the notes to the consolidated financial statements do not represent the amounts to be exchanged by the parties to derivatives and do not measure the Bank's exposure to credit or market risks. The amounts to be exchanged are based on the terms of the derivatives. The risk that counter parties to trading instruments might default on their obligations is monitored on an ongoing basis. In monitoring credit risk exposure, consideration is given to trading instruments with a positive fair value and to the volatility of the fair value of trading instruments. To manage the level of credit risk, the Bank deals with counter parties of good credit standing, enters into master netting agreements whenever possible, and when appropriate, obtains collateral. Master netting agreements provide for the net settlement of contracts with the same counter party in the event of default.

(ii) Market risk

All trading instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. The instruments are recognized at fair value, and all changes in market conditions directly affect net trading income.

The Bank manages its use of trading instruments in response to changing market conditions. Exposure to market risk is formally managed in accordance with risk limits set by senior management by buying or selling instruments or entering into offsetting positions. The "Risk measurement and control" section at the end of this note describes the approaches used to manage market risk and provides a quantitative measure of the market risk of the Bank's position at the balance sheet date.

27.3 Non-trading activities

Below is a discussion of the various risks the Bank is exposed to as a result of its non-trading activities and the approach taken to manage those risks. Further details of the steps taken to measure and control risk are set out in the "Risk measurement and control" section.

(i) Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, other liabilities evidenced by paper and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall strategy.

In addition, the Bank holds a portfolio of liquid assets as part of its liquidity risk management strategy.

The following table provides an analysis of assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment.

Maturities of assets and liabilities

As of 31 December 2004:

	Less than one month	Between one and three months	Between three and twelve months	Between one and five years	More than five years	Unidentified maturity	Total
Assets							
Cash and balances with							
Central Bank	755,351	25,577	7,510	152	71	-	788,661
Due from banks	219,337	1,353,144	77,452	17,423	-	-	1,667,356
Trading securities	6,175	2,959	53,909	233,484	31,075	87,066	414,668
Loans and advances to							
customers	92,474	1,229,399	1,136,692	669,630	72,827	-	3,201,022
Investment securities	8,048	15,226	441,163	740,669	209,979	212,709	1,627,794
Other assets	38,991	10,737	43,240	38,900	2,698	224,502	359,068
	1,120,376	2,637,042	1,759,966	1,700,258	316,650	524,277	8,058,569
Liabilities							
Deposits from banks	475,335	95,816	34,622	6,334	4,832	-	616,939
Deposits from customers	4,087,406	508,813	483,709	57,305	-	-	5,137,233
Funds borrowed	100,197	168,540	758,984	-	-	-	1,027,721
Other liabilities	347,572	4,691	22,832	3,456	-	6,540	385,091
	5,010,510	777,860	1,300,147	67,095	4,832	6,540	7,166,984

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As of 31 December 2003:

	Less than one month	Between one and three months	Between three and twelve months	Between one and five years	More than five years	Unidentified maturity	Total
Assets							
Cash and balances with							
Central Bank	241,131	399,233	-	-	-	-	640,364
Due from banks	868,092	35,619	60,908	52,131	-	-	1,016,750
Trading securities	289	4,076	165,771	24,158	-	104,940	299,234
Loans and advances to							
customers	631,600	235,217	684,878	571,105	-	18,635	2,141,435
Investment securities	375,635	144,726	301,171	632,214	361,856	164,888	1,980,490
Other assets	43,480	39,897	15,380	119,041	-	120,543	338,341
	2,160,227	858,768	1,228,108	1,398,649	361,856	409,006	6,416,614
Liabilities							
Deposits from banks	871,138	8,954	118,916	14,098	-	-	1,013,106
Deposits from customers	2,974,578	471,498	392,675	253,013	-	-	4,091,764
Funds borrowed	68,384	41,559	295,061	-	-	-	405,004
Other liabilities	72,134	16,870	5,270	154,635	-	25,932	274,841
	3,986,234	538,881	811,922	421,746	-	25,932	5,784,715

(ii) Market risk

Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities, the Bank is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices. Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Bank's business strategies.

Asset-liability risk management activities are conducted in the context of the Bank's sensitivity to interest rate changes. In general, the Bank is liability sensitive because its interest-earning assets have a longer duration and reprice less frequently than interest-bearing liabilities. This means that in rising interest rate environments, margins earned will narrow as liabilities reprice. However, the actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contracted dates and variations in interest rate sensitivity within repricing periods and among currencies.

To achieve its risk management objectives, the Bank uses a combination of derivative financial instruments, particularly futures as well as other contracts.

Interest rate derivatives are primarily used to bridge the mismatch in the repricing of assets and liabilities. This is done in accordance with the guidelines established by the Bank's asset-liability management committee.

Some assets have indefinite maturities or interest rate sensitivities and are not readily matched with specific liabilities. Those assets are funded by liability pools based on the assets' estimated maturities and repricing characteristics. For example, domestic floating-rate loans are generally funded by short-term liabilities that reprice frequently, while fixed-rate credit card loans are funded by longer-term liabilities that reprice less frequently.

Part of the Bank's returns on financial instruments are obtained from controlled mismatching of the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or, if earlier, the dates on which the instruments mature. The table below summarizes repricing mismatches on the Bank's non-trading books at the reporting dates. The carrying amounts of interest-rate-sensitive assets and liabilities and the notional amounts of swaps and other derivative financial instruments are presented in the periods in which they next reprice to market rates or mature, and are summed to show the interest rate sensitivity gap. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the expected maturity date.

Interest rate gap analysis

The following table indicates the periods in which financial assets and liabilities reprice as of 31 December 2004:

	Floating rate instruments	Less than three months	Fixed rate instruments				Non-interest bearing	Total
			Between three months and one year	Between one and two years	Between two and five years	More than five years		
Financial assets								
Cash and balances with								
Central Bank	262,551	178,743	313	71	-	-	346,983	788,661
Due from banks	1,323,836	153,202	124,135	15,137	3,118	-	47,928	1,667,356
Trading securities	58,922	100,097	55,744	70,155	9,222	30,608	89,920	414,668
Loans and advances to								
customers	1,023,837	906,824	757,984	251,004	240,843	837	19,693	3,201,022
Investment securities	940,710	-	241,435	64,189	100,082	150,300	131,078	1,627,794
Financial Liabilities								
Deposits from banks								
	13,469	533,771	29,281	2,418	935	-	37,065	616,939
Deposits from customers	68,887	3,315,211	604,965	62,644	50,409	134	1,034,983	5,137,233
Funds borrowed	467,762	242,029	317,930	-	-	-	-	1,027,721

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The following table indicates the periods in which financial assets and liabilities reprice as of 31 December 2003:

			Fixed rate instruments				Non-interest bearing	Total
			Between three months and one year	Between one and two years	Between two and five years	More than five years		
	Floating rate instruments	Less than three months						
Financial assets								
Cash and balances with								
Central Bank	-	640,364	-	-	-	-	-	640,364
Due from banks	-	913,428	60,906	42,416	-	-	-	1,016,750
Trading securities	-	4,365	165,771	24,158	-	-	104,940	299,234
Loans and advances to								
customers	605,364	585,306	424,277	407,051	79,169	40,268	-	2,141,435
Investment securities	550,890	411,193	243,520	249,422	28,898	331,681	164,886	1,980,490
Financial Liabilities								
Deposits from banks	-	880,092	118,915	14,099	-	-	-	1,013,106
Deposits from customers	-	3,446,074	392,676	253,014	-	-	-	4,091,764
Funds borrowed	-	110,374	294,630	-	-	-	-	405,004

Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities, although the Bank holds certain non-trading equity investments that are subject to equity price risk.

The Bank manages its use of non-trading equity investments in response to changing market conditions and limits the risk by maintaining a diversified portfolio. Exposure to market risk is formally managed in accordance with risk limits. The "Risk measurement and control" section at the end of this note describes in detail the approaches used to manage equity price risk and provides a quantitative measure of the equity price risk of the Bank's position at the balance sheet date.

Currency risk

The Bank is exposed to currency risk since substantial volumes of business are conducted in foreign currencies. Assets denominated in foreign currencies are funded by foreign currency customer deposits and by deposits or loans taken from foreign banks. The Bank's transactional exposures give rise to foreign currency gains and losses that are recognized in the income statement. The currency exposures comprise the monetary assets and monetary liabilities of the Bank that are not denominated in the measurement currency of the Bank, i.e., any currency other than Turkish lira.

As of 31 December 2004 the Bank's foreign currency assets and liabilities may be analyzed as follows (TL equivalents):

	US\$	EUR	JPY	Others	Total
Foreign currency denominated assets					
Cash and balances with					
Central Bank	430,592	99,810	148	13,380	543,930
Due from banks	1,007,200	441,877	2,313	27,791	1,479,181
Trading securities	22,514	25,344	-	26,593	74,451
Loans and advances to					
customers	1,225,145	501,126	-	4,724	1,730,995
Investment securities	426,183	330,304	-	-	756,487
Other assets	49,146	40,486	-	2,420	92,052
	3,160,780	1,438,947	2,461	74,908	4,677,096
Foreign currency denominated liabilities					
Deposits from banks	131,035	102,402	12	3,405	236,854
Deposits from customers	2,217,243	1,253,974	2,637	37,981	3,511,835
Funds borrowed	951,884	24,624	-	3,447	979,955
Other liabilities	104,936	25,494	-	651	131,081
	3,405,098	1,406,494	2,649	45,484	4,859,725
(Short) / long position before					
forward contracts	(244,318)	32,453	(188)	29,424	(182,629)
Forward contracts hedging					
the short position	163,797	(48,873)	-	5,546	120,470
Net (short) / long position	(80,521)	(16,420)	(188)	34,970	(62,159)

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As of 31 December 2003 the Bank's foreign currency assets and liabilities may be analyzed as follows (TL equivalents):

	US\$	EUR	JPY	Others	Total
Foreign currency denominated assets					
Cash and balances with					
Central Bank	378,150	88,675	1,057	12,158	480,040
Due from banks	359,209	292,310	658	12,647	664,824
Trading securities	5,242				5,242
Loans and advances to					
customers	965,640	331,071	10,237	5,687	1,312,635
Investment securities	977,956	279,745		8,198	1,265,899
Other assets	72,745	27,625	1,816	3,412	105,598
	2,758,942	1,019,426	13,768	42,102	3,834,238
Foreign currency denominated liabilities					
Deposits from banks	662,987	133,486	10,621	8,462	815,556
Deposits from customers	1,716,069	851,295	1,678	41,723	2,610,765
Funds borrowed	346,695	18,075		848	365,618
Other liabilities	38,438	19,398	4,295	12,525	74,656
	2,764,189	1,022,254	16,594	63,558	3,866,595
(Short) / long position before					
forward contracts	(5,247)	(2,828)	(2,826)	(21,456)	(32,357)
Forward contracts hedging					
the short position	91,611	(65,188)	923	32,817	60,163
Net (short) / long position	86,364	(68,016)	(1,903)	11,361	27,806

(iii) Credit risk

The Bank is subject to credit risk through its trading, lending, hedging and investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees.

Credit risk associated with trading and investing activities is managed through the Bank's market risk management process.

The Bank's primary exposure to credit risk arises through its loans and advances. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the balance sheet. The Bank is exposed to credit risk on various other financial assets, including derivative instruments used for hedging and debt investments, the current credit exposure in respect of these instruments is equal to the carrying amount of these assets in the balance sheet. In addition, the Bank is exposed to off balance sheet credit risk through commitments to extend credit and guarantees issued.

Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Bank has no significant exposure to any individual customer or counterparty.

27.4 Hedging

Due to the Bank's overall interest rate risk position and funding structure, its risk management policies require that it should manage its exposure to changes in foreign currency rates, interest rate, credit risk and market price risk exposure within certain guidelines. The Bank uses derivative financial instruments to manage the potential earnings impact of interest rate and foreign currency movements. Several types of derivative financial instrument are used for this purpose, including interest rate swaps and currency swaps, financial futures, forward contracts and other derivatives. The purpose of the Bank's hedging activities are to protect itself from the risk that the net cash inflows will be adversely affected by changes in interest or exchange rates, credit ratings or market prices. The Bank enters into transactions to ensure that it is economically hedged in accordance with risk management policies.

The Bank's risk management activities concentrate on hedging the net exposure based on its asset and liability positions. Therefore, the Bank monitors its interest rate risk exposure by reviewing the net asset or liability gaps within repricing bands.

27.5 Risk measurement and control

Interest rate, currency, equity price, credit, liquidity, and other risks are actively managed by independent risk control groups at both corporate and subsidiary levels to ensure compliance with the Bank's risk limits. The risk limits are assessed regularly to ensure their appropriateness given the Bank's objectives and strategies and current market conditions. A variety of techniques are used by the Bank in measuring the risks inherent in its trading and non-trading positions, including both derivative and non-derivative instruments. The various risk measurements presented below offer differing views of the same risks and should not be aggregated.

(i) Interest rate sensitivity

The Bank measures its exposure to changes in interest rates by calculating the approximate changes in net interest income for changes in interest rates. Duration-gap analysis, which measures the average days-to-repricing of all assets, liabilities and off-balance sheet items on a currency basis is performed daily. By this method, interest sensitivity of the balance sheet to movements on interest rates of each currency is determined. The management uses this information to assess the major risks that may arise by the change in interest rates. The profit or loss arising from 1 percentage point movement in interest rates (basis point value) is used as the proxy of interest rate risk of the balance sheet and is limited by the management according to market expectations and the maximum loss that may be tolerated by the Bank.

Denizbank A.Ş. And Its Subsidiaries

Notes to Consolidated Financial Statements

As of and for the year ended 31 December 2004 (Continued)

In billions of Turkish lira as adjusted for the effects of inflation in TL units current at 31 December 2004 pursuant to IAS 29

(ii) Value at risk

The market risk of the Bank's financial asset and liability trading positions are closely monitored, using Value at Risk analysis and other methods. Value at Risk represents the potential losses from adverse changes in market factors for a specified time period and confidence level. The Bank estimates Value at Risk using simulations of a large number of possible market scenarios. The overall market risk that any business unit can assume is approved by a senior risk management committee through a Value at Risk limit.

The Value at Risk of the Bank's financial instruments is measured on a 99% confidence level for 10-day holding period. The methodology contains widely acknowledged limitations including assumption of normal distribution of changes in risk factors, assumption that all positions can be closed out within 20 days and assumption that historical data is satisfactory proxy for estimating future events.

Value at Risk methodology forms the basis of the Bank's risk management system. Despite its drawbacks, it still gives a very important indication of risk levels of the bank in relatively stable market conditions. By comparing Value at Risk level with the profitability of each risk category, the management is able to determine the risk-adjusted income derived from taking market risk and also the potential loss that may occur under an adverse market movement. The management imposes strict Value at Risk limits for each major risk category.

iii) Historical Stress-testing

Because of the higher volatility levels in the developing markets, Value at Risk methodology does not give very satisfactory results under severe crisis conditions. Therefore, the management relies on Historical Stress-testing analysis to calculate its economic capital and for limiting the maximum risk it carries. In this method, the market movements that occurred during the last major (and most severe) financial crises (2000-2001 crises in Turkey) are applied to the current risk positions of the Bank. The resulting loss that is calculated is considered as the economic capital needed to take the current risks. The Bank limits the economic capital to a maximum of 50% of total shareholder's equity of the Bank and takes all necessary precautions to comply with this condition. The Bank also has a requirement that the management ensures that under any market condition, the Bank will achieve at least 9% capital adequacy level without any need for fresh capital injection. Therefore, Historical Stress-testing method guarantees that the risk positions of the Bank will never result in a financial loss that will jeopardize its capital adequacy limitation. The compliance with these two criteria is checked every day by means of reporting system of Risk Management Department.

28) Subsequent events

28.1 Removal of six digits in the national currency

According to the law numbered 5083 enacted on 31 January 2004 for the currency unit of the republic of Turkey, the name of the national currency has changed from TL to YTL deleting the six digits from the TL. The circulation of YTL started on 1 January 2005.

Both TL and YTL banknotes and coins will be in physical circulation in 2005, for one year. "Old" TL banknotes will be withdrawn from circulation as of 1 January 2006 (after this date Central Bank will convert them to new banknotes for a period of 10 years).

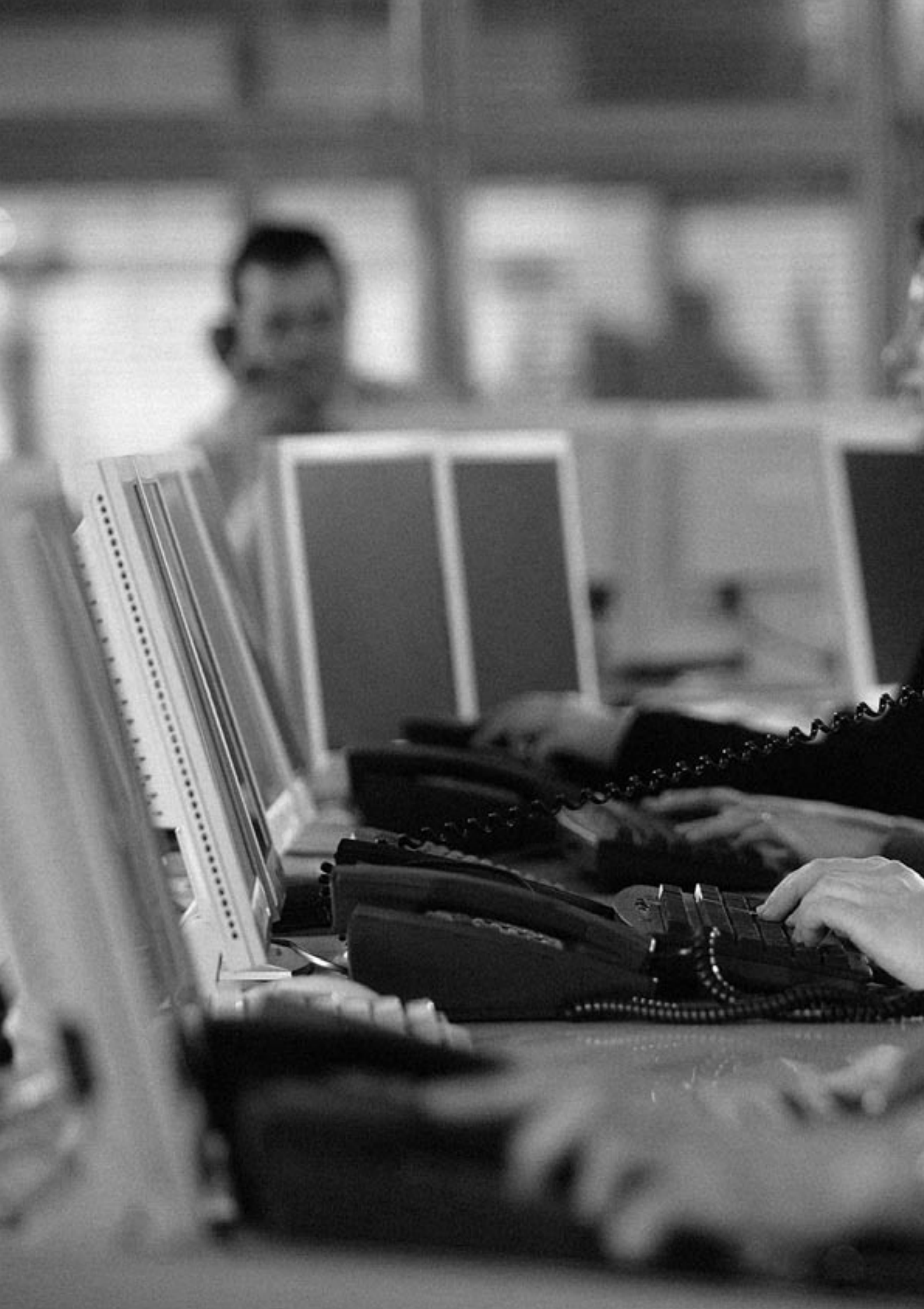
All documents have been prepared in TL and accounting records have been kept in TL until 31 December 2004. These records and documents will be kept as they are. Accounting data was converted to YTL on 1 January 2005, and from 1 January 2005 onwards, all documents and accounting data is in YTL, regardless of the fact that both TL and YTL will be in circulation during 2005.

28.2 Lawsuits against the Tax Office

Pursuant to the transitory Article 4, appended to the Banking Law numbered 4389 with the decree numbered 4743, losses incurred due to the inflation adjustment of the legal and general reserves, would be considered tax deductible according to the Clause numbered 14 / 7 of the Corporate Tax Law. However, the mentioned losses were not deducted from the tax base in 2001, 2002 and 2003, complying to the recommendation of the Ministry of Finance. There were no tax revenue base (taxable income) occurred for 2001 and 2002, while the tax losses that occurred in 2003 were reported with a reservation clause in the tax return for year 2003. Upon the refusal of the reservation clause by the local Tax Office, the Bank obtained a court ruling approving the incurred losses of TL 26,064. The Bank is expecting another ruling by the court for an additional amount of TL 467. Local Tax Office reserves the right to appeal for the earlier court decisions.

28.3 Acquisitions of Deniz Factoring and Deniz Leasing shares

The Undersecretariat of Treasury approved the acquisitions of Deniz Faktoring Hizmetleri A.Ş. and Deniz Finansal Kiralama A.Ş. shares by Denizbank.





Management, Organization and Directory

Board of Directors
Executive Management
Organizational Chart
Directory

Board of Directors



Dr. İ. Veysi Seviğ/Chairman



M. Cem Bodur/Vice Chairman



Can Taşpulat/Executive Member



Fikret Arabacı/Executive Member
Responsible for Corporate Credits



M. Tınaz Titiz/Member



Cemalettin Hasdemir/Member

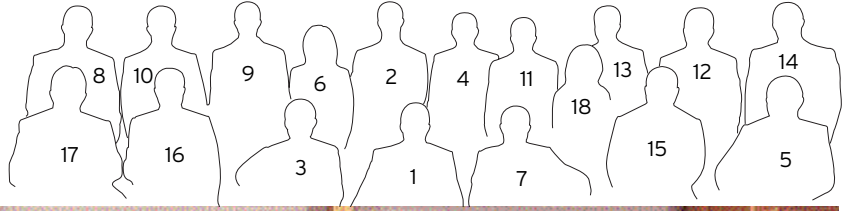


Hakan Ateş/Member and
President & CEO

Board of Directors

Member	Other Duties	Previous Occupation
Dr. İ. Veysi Seviğ (65) Chairman Term of Appointment: 3 years Independent Member Education: Doctorate Degree Years on the Board: 7	Columnist at Dünya Newspaper Professor at Royal Academy of Belgium	Turkish Republic Prime Ministry Chief Advisor
M. Cem Bodur (43) Vice Chairman Term of Appointment: 3 years Non-executive Member Education: Bachelor Degree Years on the Board: 7	Board Member at DenizYatırım Securities Board Member at EkspresInvest Securities Board Member at DenizBank AG Board Member at DenizBank Moscow Board Member at DenizBank Culture and Arts Inc.	Ekinciler Holding
Can Taşpulat (51) Executive Member Term of Appointment: 3 years Executive Member Education: Bachelor Degree Years on the Board: 7	Board Member at DenizYatırım Securities Board Member at Intertech Board Member at EkspresInvest Securities Board Member at Tarih Securities Board Member at DenizBank Moscow Board Member at DenizBank Culture and Arts Inc.	Interbank
Fikret Arabacı (51) Executive Member Responsible for Corporate Credits Term of Appointment: 2 years Executive Member Education: Bachelor Degree Years on the Board: 0	Board Member at DenizLeasing Board Member at DenizFactoring Board Member at EuroDeniz Offshore Bank Ltd. Board Member at Deniz Portfolio Management Board Member at KKB Kredi Kayıt Bürosu	Dişbank
M. Tınaz Titiz (62) Member Term of Appointment: 3 years Independent Member Education: Bachelor Degree Years on the Board: 7	Owns a Consultant Company Member of the White Point Foundation	MP at the Turkish Parliament
Cemalettin Hasdemir (69) Member Term of Appointment: 2 years Independent Member Education: Bachelor Degree Years on the Board: 0	Board Member at Sörmaş Refrakter	Toprak Off-Shore Bank
Hakan Ateş (45) Member and President & CEO Term of Appointment: 3 years Executive Member Education: Bachelor Degree Years on the Board: 7	Chairman at DenizYatırım Securities Chairman at Intertech Chairman at EkspresInvest Securities Chairman at DenizBank AG Chairman at Deniz Investment Trust Chairman at Tarih Securities Chairman at Deniz Portfolio Management Chairman at DenizBank Moscow Chairman at DenizBank Culture and Arts Inc.	Garanti Bank Moscow

Executive Management



- 1 Hakan Ateş
- 2 Can Taşpulat
- 3 Fikret Arabacı
- 4 Nihat Sevinç
- 5 Behçet Perim
- 6 Nesrin Sunğu
- 7 A. Dinçer Alpman
- 8 Bora Böcügöz
- 9 H. Hüseyin Uyar
- 10 Suavi Demircioğlu
- 11 Tanju Kaya
- 12 Mehmet Saraç
- 13 Mustafa Mert
- 14 Arif Özer İsfendiyaroğlu

- President and CEO
Board Member - Audit
Board Member - Responsible for Corporate Credits
Executive Vice President - Foreign Subsidiaries and Branches
Executive Vice President - Risk Management and Internal Control
Executive Vice President - Financial Institutions
Executive Vice President - Retail Banking
Executive Vice President - Treasury
Executive Vice President - Commercial Banking
Executive Vice President - Head Office Operations - (as from 2005)
Executive Vice President - Administrative Services
Executive Vice President - Branch Operations and Payment Cards Systems
Executive Vice President - Corporate Banking
Executive Vice President - Business Banking

- 15 Cafer Bakırhan
- 16 Fikret Özdemir
- 17 Göktuğ Demiray
- 18 Dilek Duman

- General Manager - DenizYatırım Securities & Deniz Investment Trust
General Manager - DenizFactoring
General Manager - DenizLeasing
General Manager - Intertech

The composition of the Audit Committee

Member	Position	Type of Membership	Education
Dr. İ. Veysi Seviğ	Committee Chairman	Independent Member	Doctorate Degree
Can Taşpulat	Member	Executive Member	Bachelor Degree
Cemalettin Hasdemir	Member	Independent Member	Bachelor Degree

The composition of the Corporate Governance and Nomination Committee

Member	Position	Type of Membership	Education
Tınaz Titiz	Committee Chairman	Independent Member	Bachelor Degree
Cem Bodur	Member	Non-Executive Member	Bachelor Degree
Tanju Kaya	Member	Executive Member	Bachelor Degree

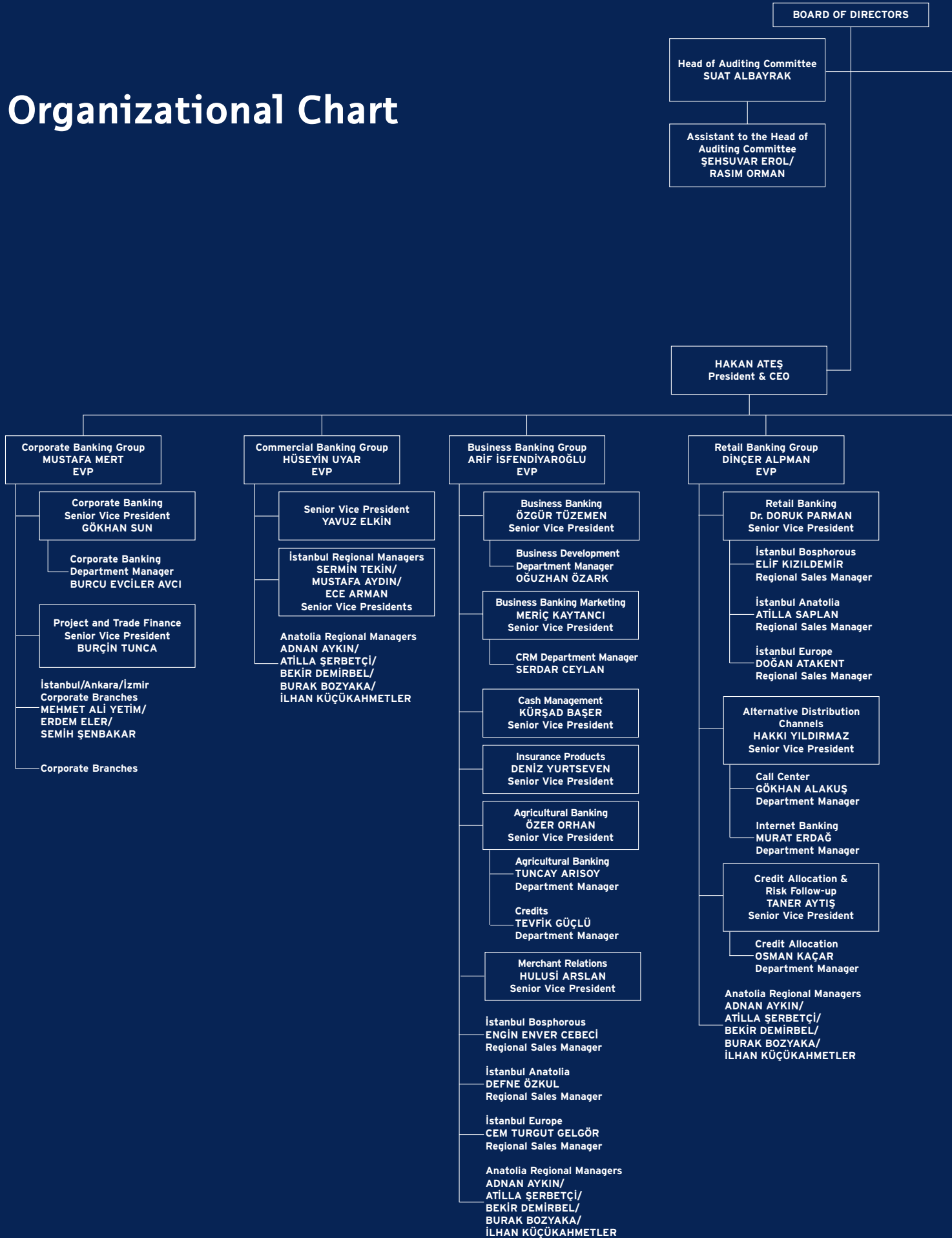
AUDIT COMMITTEE AND CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

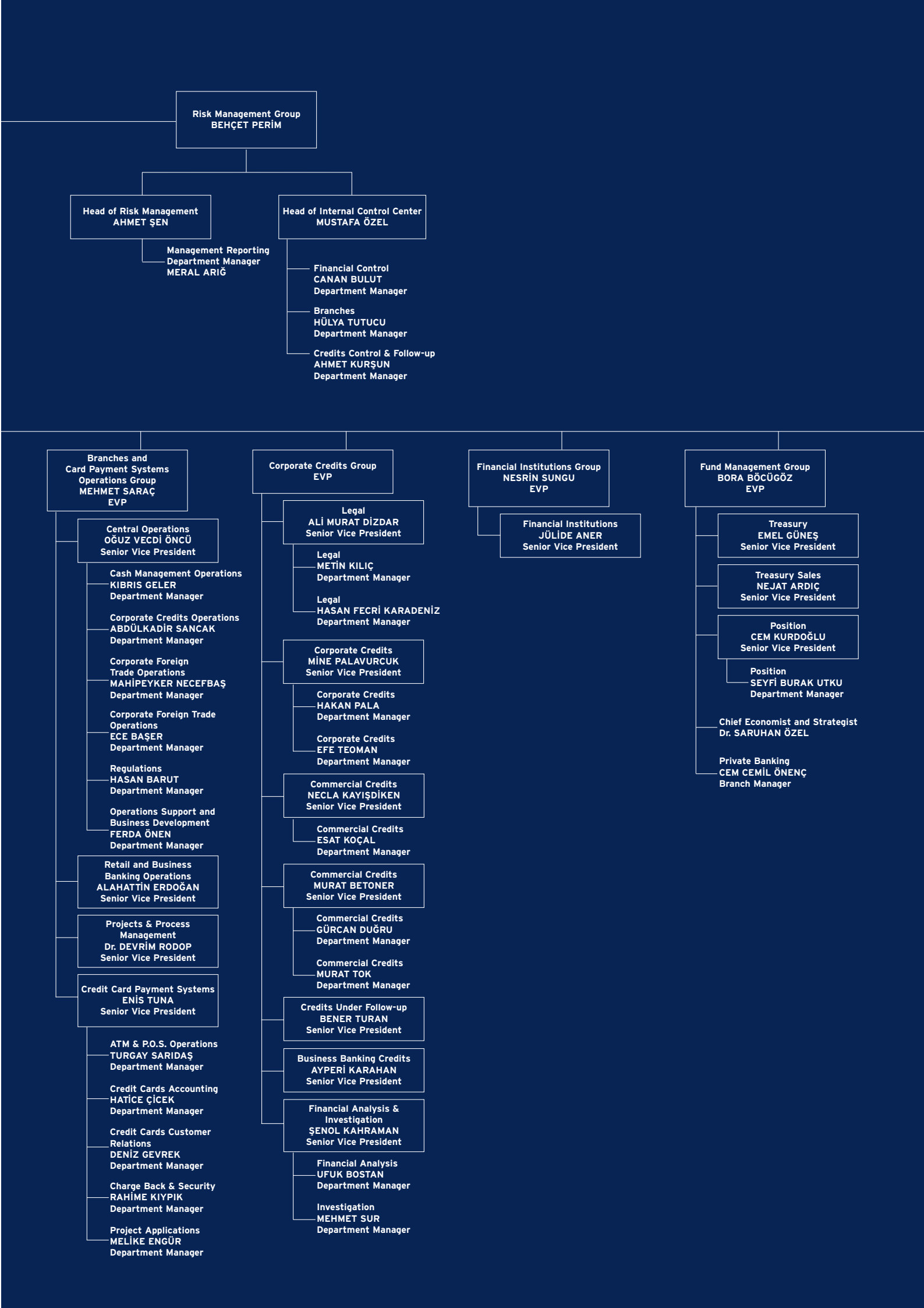
DenizBank's Board of Directors has, in its meeting on 9 September 2004, established the Audit Committee and the Corporate Governance and Nomination Committee.

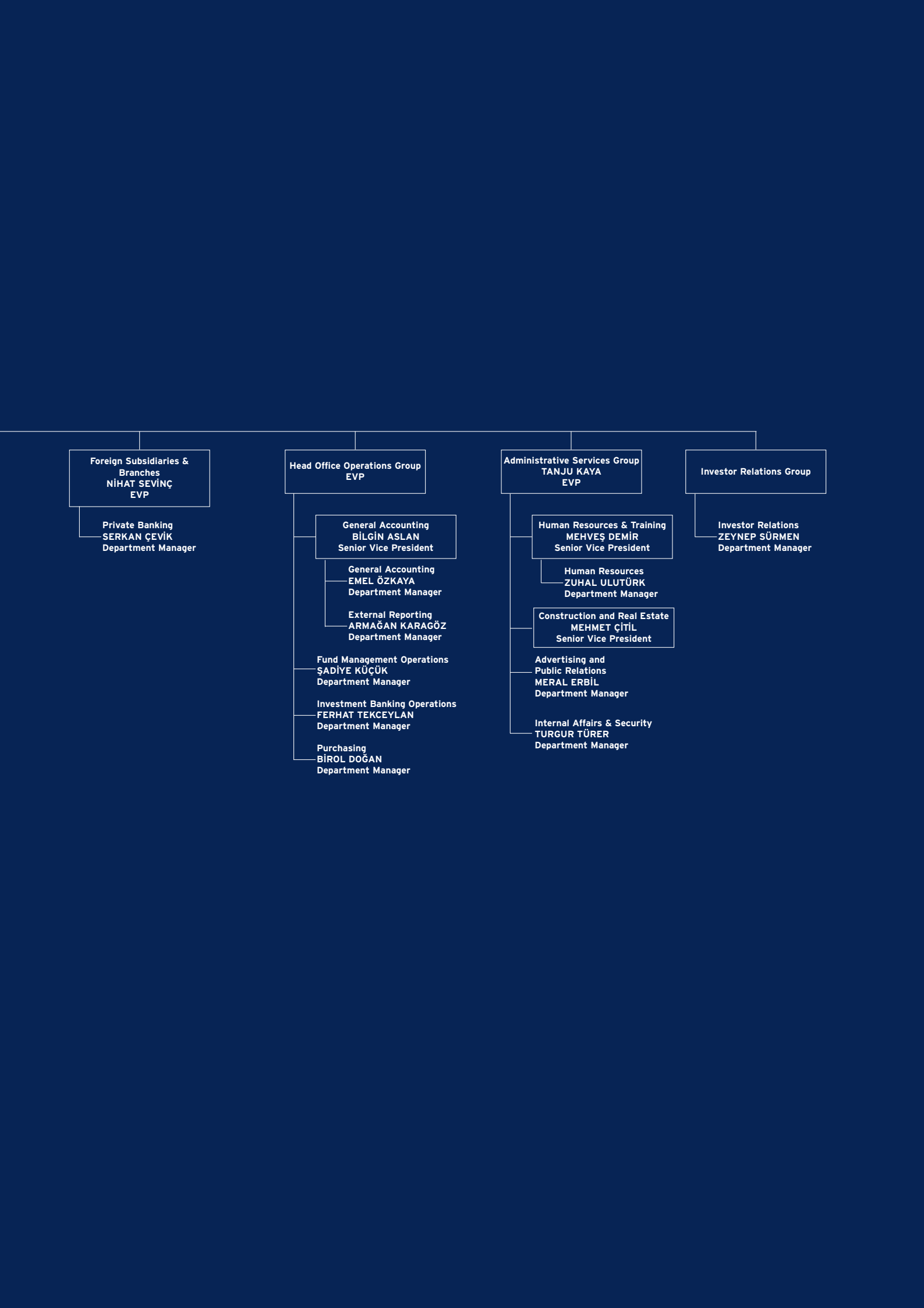
The Audit Committee is responsible for the Bank's accounting system, the inspection and public disclosure of financial information, the operations of the internal control systems and providing the effectiveness of auditing. The Committee is charged with duties and responsibilities to establish measures to ensure the effective running of these control mechanisms.

The Corporate Governance and Nomination Committee is responsible for following up the Bank's compliance to Corporate Governance Principles, determining the methods of appointing candidates for Board membership in a way to provide utmost transparency and advises the General Manager on candidates considered for the Bank's upper managerial positions.

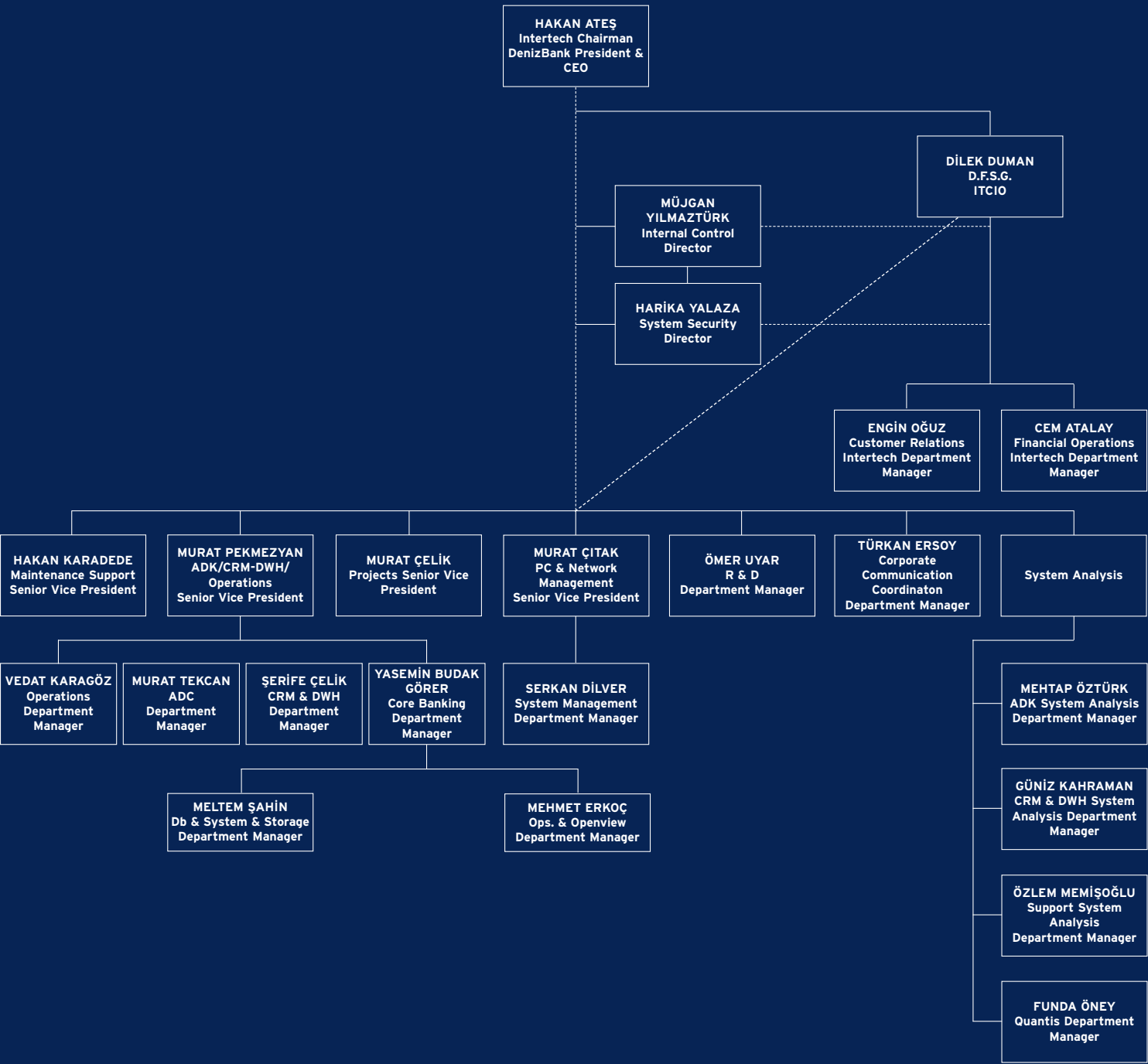
Organizational Chart







Information Technology Organizational Chart



HEAD OFFICE

Büyükdere Cad. No:106
34394 Esentepe/İstanbul
Tel : (+90) 212 355 08 00
Fax : (+90) 212 274 79 93
e-mail : info@denizbank.com

BRANCHES**ADANA**

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Cemal Paşa Mah. Cevat Yurdakul
Sok. No:65 01120 Adana
Tel : (+90) 322 458 70 72
Fax : (+90) 322 458 67 20

Çarşı Adana Branch

Saydam Cad. No:30
01020 Seyhan/Adana
Tel : (+90) 322 352 60 97
Fax : (+90) 322 352 19 14

AFYON

Afyon Branch
Dumlupınar Mah.
Ordu Bulvarı No:12 Afyon
Tel : (+90) 272 213 16 14
Fax : (+90) 272 215 14 15

ANKARA

Ankara Branch
Atatürk Bulvarı No:103/A
06610 Kızılay/Ankara
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Fax : (+90) 312 418 40 20

Bahçelievler Ankara Branch

Aşkabat Cad. No:7/B
06500 Bahçelievler/Ankara
Tel : (+90) 312 212 50 78
Fax : (+90) 312 221 32 07

Başkent Kurumsal Branch

Cinnah Cad No:84/B
06690 Çankaya/Ankara
Tel : (+90) 312 440 75 15
Fax : (+90) 312 440 75 43

Cebeci Branch

Cemal Gürsel Cad. No:63/A
06590 Cebeci/Ankara
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Fax : (+90) 312 362 20 58

Gaziosmanpaşa Branch

Uğur Mumcu Cad. Kemer Sok. 6/5
06700 Gaziosmanpaşa/Ankara
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Fax : (+90) 312 447 74 66

Gimat Branch

Anadolu Bulvarı No.27 Gimat
Han 06370 Macunköy/Ankara
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Fax : (+90) 312 397 20 75

Mithatpaşa Branch

Mithatpaşa Cad. No:31/B
06441 Yenışehir/Ankara
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Fax : (+90) 312 433 25 44

Ostim Branch

100. Yıl Bulvarı Kosova İş Merkezi
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Fax : (+90) 312 354 99 72

Ulus Branch

Sanayi Cad. No:13/A
06050 Ulus/Ankara
Tel : (+90) 312 309 79 29
Fax : (+90) 312 309 79 30

Yıldız Ankara Branch

Yıldızevler Mah.
Turan Güneş Bulvarı No:34
06550 Yıldız/Ankara
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Fax : (+90) 312 442 24 23

ANTALYA**Alanya Branch**

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07400 Alanya/Antalya
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Fax : (+90) 242 513 60 47

Alanya Çarşı Branch

Şekerhane Mah. Müftüler Cad.
Kalgıdım Sok. No:16/C
Alanya/Antalya
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Fax : (+90) 242 512 41 56

Antalya Branch

Ali Çetinkaya Cad. No:7/B
Yüksekalın Mah. 07040 Antalya
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Fax : (+90) 242 247 43 13

Antalya Çarşı Branch

Belediye Cad. Çakırağa İşhanı
No:5 07040 Antalya
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Fax : (+90) 242 241 34 41

Antalya Havalimanı Branch

Antalya Hava Limanı Dış Hatlar
Terminali Zemin Kat No:AZO-Z
64 07000 Antalya
Tel : (+90) 242 330 35 80
Fax : (+90) 242 330 35 94

Antalya Yeni Hal Branch

Sütçüler Mah. Yeni Toptancı Hali
Büyükşehir Belediyesi Hal Daire
Başkanlığı Binası No:3-4-5-6-7
Antalya
Tel : (+90) 242 338 40 40
Fax : (+90) 242 338 31 00

Antalya-100. Yıl Branch

Ulusoy Bulvarı No:11/C Antalya
Tel : (+90) 242 243 33 10
Fax : (+90) 242 243 68 66

Derme Branch

Gökyazı Mah. Alakent Cad. No:9
07750 Demre/Antalya
Tel : (+90) 242 871 66 35
Fax : (+90) 242 871 66 14

Gazipaşa Branch

İstiklal Mah. Rasih Kaplan Cad.
İhsan Oğuz İş Merkezi Altı 07900
Gazipaşa/Antalya
Tel : (+90) 242 572 21 25
Fax : (+90) 242 572 19 82

Kalkan Branch

Mustafa Kocakaya Cad. Kalkan
Belediyesi Altı 07960
Kalkan-Kaş/Antalya
Tel : (+90) 242 844 13 80
Fax : (+90) 242 844 13 50

Kemer Branch

Gökyazı Mah. Yalı Cad. No:2
Kemer/Antalya
Tel : (+90) 242 814 28 58
Fax : (+90) 242 814 40 28

Kumluca Branch

Bağlık Mah. Gürbüzler Sok.
Cumhuriyet Apt. No:6
07350 Antalya
Tel : (+90) 242 887 85 76
Fax : (+90) 242 887 85 74

Manavgat Branch

Aşağı Pazarıcı Mah.
Fevzi Paşa Cad. No:16
07600 Manavgat/Antalya
Tel : (+90) 242 743 14 54
Fax : (+90) 242 743 14 67

Side Branch

Turgut Reis Cad. No:29
Köymeydanı 07330 Side/Antalya
Tel : (+90) 242 753 24 20
Fax : (+90) 242 753 32 96

AYDIN

Aydın Branch

Hasanefendi Mah. Kazım
Karabekir Cad. No:5 Aydın
Tel : (+90) 256 212 25 10
Fax : (+90) 256 225 42 55

Çine Branch

Hamitabad Mahallesi
Mehmet Yavaş Caddesi No:109
Çine/Aydın
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Fax : (+90) 256 711 76 86

Germencik Branch

Camikebir Mah. Aydoğdu Sok.
No:48 Germencik/Aydın
Tel : (+90) 256 563 41 01
Fax : (+90) 256 563 45 97

İncirliova Branch

Gazipaşa Cad. No:85
09600 İncirliova/Aydın
Tel : (+90) 256 585 18 15
Fax : (+90) 256 585 56 78

Kuşadası Branch

Sağlık Cad. Paşahan İş Merkezi
No:71-A 09400 Kuşadası/Aydın
Tel : (+90) 256 612 71 71
Fax : (+90) 256 614 87 80

Kuşadası Çarşı Branch

Dağ Mahallesi Şimşek Sok. No:16/A
09400 Kuşadası/Aydın
Tel : (+90) 256 614 29 60
Fax : (+90) 256 614 29 60

Nazilli Branch

Türkocağı Cad. No:47
09800 Nazilli/Aydın
Tel : (+90) 256 313 16 15
Fax : (+90) 256 312 66 29

Söke Branch

Konak Mah. İstasyon Cad. No:81
09200 Söke/Aydın
Tel : (+90) 256 513 15 05
Fax : (+90) 256 513 15 04

BALIKESİR

Ayvalık Branch

Atatürk Bulvarı No:6
10400 Ayvalık/Balıkesir
Tel : (+90) 266 312 50 34
Fax : (+90) 266 312 46 20

Balıkesir Branch

Atalar Cad. No:25
10100 Balıkesir
Tel : (+90) 266 245 01 50
Fax : (+90) 266 245 01 48

Bandırma Branch

Hacı Yusuf Mah.
Kaşif Acar Cad. No:1
10200 Bandırma/Balıkesir
Tel : (+90) 266 715 05 01
Fax : (+90) 266 715 15 03

Edremit Branch

Soğanyemez Mah. Cumhuriyet
Meydanı No:1
10300 Edremit/Balıkesir
Tel : (+90) 266 373 15 89
Fax : (+90) 266 373 64 76

BATMAN

Batman Branch

Akyürek Mah.
Cumhuriyet Cad. No:30
72050 Batman
Tel : (+90) 488 215 29 00
Fax : (+90) 488 215 29 05

BOLU

Bolu Branch

İzzet Baysal Cad. No:97
14100 Bolu
Tel : (+90) 374 215 36 01
Fax : (+90) 374 215 10 82

BURSA

Bursa Branch

Fevzi Çakmak Cad.
Beyhan İş Merkezi No:69
16050 Fomara/ Bursa
Tel : (+90) 224 272 18 00
Fax : (+90) 224 272 09 66

Çekirge Branch

Çekirge Cad. No:54
16070 Bursa
Tel : (+90) 224 234 96 00
Fax : (+90) 224 234 96 15

Heykel Branch

Atatürk Cad. No:85
16010 Bursa
Tel : (+90) 224 223 10 01
Fax : (+90) 224 223 10 06

Yıldırım Branch

Ankara Cad. No:143
Yıldırım/Bursa
Tel : (+90) 224 362 01 84
Fax : (+90) 224 362 87 04

ÇANAKKALE

Çanakkale Branch

Kemalpaşa Mah.
Apaydınlar İş Hanı No:40/A
17100 Çanakkale
Tel : (+90) 286 213 93 00
Fax : (+90) 286 213 93 06

ÇORUM

Çorum Branch

Çepni Mah. İnönü Cad. No:61
Çorum
Tel : (+90) 364 224 85 61
Fax : (+90) 364 212 77 51

DENİZLİ

Denizli Branch

Saraylar Mah. 2. Ticari Yol
No:60 Denizli
Tel : (+90) 258 242 42 10
Fax : (+90) 258 263 73 95

Halk Caddesi

Halk Cad. No:28 Denizli
Tel : (+90) 258 265 94 96
Fax : (+90) 258 265 87 57

DİYARBAKIR

Diyarbakır Branch

Ofis Ekinciler Cad.
Evrar Apt. No:38 B-42
21100 Diyarbakır
Tel : (+90) 412 229 61 00
Fax : (+90) 412 229 61 19

EDİRNE

Edirne Branch

Çilingirler Çarşısı No:8
22100 Edirne
Tel : (+90) 284 213 14 07
Fax : (+90) 284 225 26 30

ELAZIĞ

Elazığ Branch

Belediye Cad.
Ardıçoğlu Sok. No:2/A
23100 Elazığ
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Fax : (+90) 424 238 97 67

ERZURUM

Erzurum Branch

Ayazpaşa Cad. No:47 Erzurum
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Fax : (+90) 442 214 16 17

ESKİŞEHİR

Eskişehir Branch

Cumhuriyet Mah.
Cengiz Topel Cad. No:6
26130 Eskişehir
Tel : (+90) 222 220 26 06
Fax : (+90) 222 230 03 35

GAZİANTEP

Gaziantep Branch

İncilipınar Mah.
Kıbrıs Cad. No:10 F-G
27090 Gaziantep
Tel : (+90) 342 231 39 00
Fax : (+90) 342 221 10 58

HATAY

Antakya Branch

Yavuz Selim Cad. Zühtiye Ökten
İşhanı Zemin Kat B Blok
31050 Antakya/Hatay
Tel : (+90) 326 225 29 90
Fax : (+90) 326 225 29 89

İskenderun Branch

Maraşal Çakmak Cad.
Modern Çarşı İş Hanı No:10
31200 İskenderun
Tel : (+90) 326 613 62 83
Fax : (+90) 326 614 62 48

INTERNET

www.denizbank.com

ISPARTA

Isparta Branch

Cumhuriyet Cad.
Vahdet Pasajı No:13
32100 Isparta
Tel : (+90) 246 233 01 25
Fax : (+90) 246 218 40 13

İÇEL

Anamur Branch

Saray Mah. Bankalar Cad. No:38
Anamur/Mersin
Tel : (+90) 324 816 69 80
Fax : (+90) 324 816 69 86

Mersin Branch

Kuvai Milliye Cad. No:1
33060 Mersin
Tel : (+90) 324 238 65 32
Fax : (+90) 324 238 65 43

Mersin Serbest Bölge

Alaybeyoğlu Cad. Parkur İş
Merkezi Zemin Kat F Adası 1/1
33020 Mersin
Tel : (+90) 324 237 27 00
Fax : (+90) 324 237 01 25

Tarsus Branch

Kızıl Murat Mah. Eski Hal Cad.
2704 Sok. Okuyaz İş Hanı No:4/A
Tarsus/İçel
Tel : (+90) 324 614 68 80
Fax : (+90) 324 614 68 98

İSTANBUL

Aksaray Branch

Ordu Cad. No:300
34093 Aksaray/İstanbul
Tel : (+90) 212 513 66 60
Fax : (+90) 212 513 90 10

Altın Borsası Branch

Rıhtım Cad. No:231
Karaköy/İstanbul
Tel : (+90) 212 244 17 01
Fax : (+90) 212 244 17 32

Altıyol Branch

Söğütlüçeşme Cad. No:29
34714 Kadıköy/İstanbul
Tel : (+90) 216 347 61 13
Fax : (+90) 216 348 34 19

Altunizade Branch

Nuh Kuyusu Cad. No:92/1
34662 Altunizade
Üsküdar/İstanbul
Tel : (+90) 216 651 15 11
Fax : (+90) 216 310 58 18

Ataköy Branch

5.Kısım Güney Çarşısı No:4
34158 Ataköy/İstanbul
Tel : (+90) 212 560 71 70 Pbx
Fax : (+90) 212 560 72 16

Atatürk Havalimanı

Serbest Bölgesi Branch

Atatürk Havalimanı Serbest
Bölgesi No:81/81
34149 Bakırköy/İstanbul
Tel : (+90) 212 465 01 08
Fax : (+90) 212 465 01 51

Atrium Branch

Ataköy 9. 10. Kısım Atrium
Çarşısı Bodrum Kat No:35
34156 Ataköy/İstanbul
Tel : (+90) 212 661 64 84
Fax : (+90) 212 661 66 04

Avcılar Branch

Cihangir Mah. Gülistan Sok. No:1
34310 Avcılar/İstanbul
Tel : (+90) 212 591 00 63
Fax : (+90) 212 593 90 45

Ayazağa Branch

Ayazağa Yolu No:3 B Blok
34396 Ayazağa-Şişli/İstanbul
Tel : (+90) 212 289 90 40
Fax : (+90) 212 289 90 47

Bağcılar Branch

İstanbul Cad. No:21
34200 Bağcılar/İstanbul
Tel : (+90) 212 634 50 53
Fax : (+90) 212 634 50 70

Bahçelievler Branch

Eski Londra Asfaltı
Ömür Sitesi A Blok No:2
34196 Bahçelievler/İstanbul
Tel : (+90) 212 556 41 80
Fax : (+90) 212 556 35 67

Bakırköy Branch

İncirli Cad. No:90
34740 Bakırköy/İstanbul
Tel : (+90) 212 660 30 00
Fax : (+90) 212 660 30 13

Bayrampaşa Branch

Abdi İpekçi Cad. No:100
34030 Bayrampaşa/İstanbul
Tel : (+90) 212 674 54 20
Fax : (+90) 212 567 70 22

Bebek Branch

Cevdet Paşa Cad. No:3/A
34342 Bebek/İstanbul
Tel : (+90) 212 287 88 40
Fax : (+90) 212 287 88 35

Beşiktaş Branch

Barbaros Bulvarı No:13/A
Beşiktaş/İstanbul
Tel : (+90) 212 327 40 77
Fax : (+90) 212 327 36 48

Beşyüzevler Branch

Cevatpaşa Mah.
Eski Edirne Asfaltı No:345
34045 Bayrampaşa/İstanbul
Tel : (+90) 212 535 73 54
Fax : (+90) 212 535 73 56

Beylikdüzü Branch

Beylikdüzü Sanayi Sitesi No:363
34520 Büyükçekmece/İstanbul
Tel : (+90) 212 872 47 00
Fax : (+90) 212 872 47 08

Beyoğlu Branch

İstiklal Cad. No:91
34433 Beyoğlu/İstanbul
Tel : (+90) 212 245 04 08
Fax : (+90) 212 243 59 59

Çağlayan Branch

Vatan Cad. No:10
34403 Kağıthane/İstanbul
Tel : (+90) 212 225 67 63
Fax : (+90) 212 296 13 84

Çarşı Bakırköy Branch

Zeytinlik Mah. Yakut Sok. No:8
34140 Bakırköy/İstanbul
Tel : (+90) 212 660 09 83
Fax : (+90) 212 543 72 42

Çarşı İkitelli Branch

Atatürk Mah. İkitelli Cad. No:37
34303 İkitelli/İstanbul
Tel : (+90) 212 471 23 72
Fax : (+90) 212 698 61 80

Çarşı Kartal Branch

Ankara Cad. No:62
34860 Kartal/İstanbul
Tel : (+90) 216 488 90 90
Fax : (+90) 216 353 30 61

Demirciler Sitesi Branch

Merkezefendi Mah.
Demirciler Sitesi 3. Cad. No:76
34010 Zeytinburnu/İstanbul
Tel : (+90) 212 679 36 11
Fax : (+90) 212 679 31 84

Dudulu Branch

İdos Organize Sanayi Bölgesi
1. Cadde No:54
34775 Yukarıdudullu
Ümraniye/İstanbul
Tel : (+90) 216 499 66 77
Fax : (+90) 216 499 66 87

Elmadağ Branch

Cumhuriyet Cad. No:20
34367 Elmadağ/İstanbul
Tel : (+90) 212 230 52 33
Fax : (+90) 212 296 41 51

Etiler Branch

Nispetiye Cad. No:4
34337 Etiler/İstanbul
Tel : (+90) 212 263 58 31
Fax : (+90) 212 263 59 41

Fatih Branch

Hocaüveys Mah. Akdeniz Cad.
No:6 Fatih/İstanbul
Tel : (+90) 212 534 90 65
Fax : (+90) 212 531 59 50

Fındıkzade Branch

Kızılelma Cad. No:6
34096 Fatih/İstanbul
Tel : (+90) 212 588 08 51
Fax : (+90) 212 588 06 91

Göztepe İstasyon Branch

İstasyon Cad. No:98
34730 Kadıköy/İstanbul
Tel : (+90) 216 386 19 70
Fax : (+90) 216 386 07 68

Güneşli Branch

Koçman Cad. No:11
34212 Güneşli/İstanbul
Tel : (+90) 212 630 93 10 Pbx
Fax : (+90) 212 630 97 24-08

Güngören Branch

Sanayi Mah. Samsun Sok.
Onursal İşhanı No:2/1
34165 Güngören/İstanbul
Tel : (+90) 212 637 75 00
Fax : (+90) 212 637 70 42

Hadımköy Branch

Hadımköy Sanayi Bulvarı
Alkent 2000 karşı 5. Bölge
Hadımköy Gişeler Mevkii
34555 Büyükçekmece/İst.
Tel : (+90) 212 886 15 40
Fax : (+90) 212 886 15 39

Harbiye Branch

Halaskargazi Cad. No:54
34371 Harbiye/İstanbul
Tel : (+90) 212 232 35 15
Fax : (+90) 212 240 83 89

İstanbul Gaziosmanpaşa Branch

Ordu Cad. No:25
34240 Gaziosmanpaşa/İstanbul
Tel : (+90) 212 616 90 23
Fax : (+90) 212 616 95 60

İstanbul Kurumsal Branch

Büyükdere Cad. No:108/B
Esentepe/İstanbul
Tel : (+90) 212 354 87 00
Fax : (+90) 212 354 87 30

İkitelli Branch

İkitelli Organize Sanayi Bölgesi
Haseyat Koop. 1. Kısım No:135
34306 İkitelli/İstanbul
Tel : (+90) 212 671 32 02
Fax : (+90) 212 671 32 15

Kadıköy Branch

Caferağa Mah. Damga Sok.
No:17/A-B Kadıköy/İstanbul
Tel : (+90) 216 414 52 70
Fax : (+90) 216 345 13 43

Karaköy Branch

Rıhtım Cad. No:26
34425 Karaköy/İstanbul
Tel : (+90) 212 292 25 00
Fax : (+90) 212 292 23 95

Kartal Branch

E 5 Yan Yol Kartal İş Merkezi
B Blok No:65
34861 Kartal/İstanbul
Tel : (+90) 216 452 44 00
Fax : (+90) 216 452 44 27

Kavacık Branch

TEM Otoyolu Kavşağı
Rüzgarlıbahçe Sok. No:6
34810 Kavacık-Beykoz/İstanbul
Tel : (+90) 216 425 20 42
Fax : (+90) 216 425 20 52

Kazasker Branch

Şemsettin Günaltay Cad. No:121/2
34714 Kazasker/İstanbul
Tel : (+90) 216 464 41 50
Fax : (+90) 216 384 06 75

Kızıltoprak Branch

Kalamış Cad. Oğul Apt. No:10/1
34725 Kızıltoprak/İstanbul
Tel : (+90) 216 330 81 25
Fax : (+90) 216 336 56 20

Kozyatağı Branch

Halk Sok. Golden Plaza
C Blok No:29
34742 Kozyatağı/İstanbul
Tel : (+90) 216 467 17 80
Fax : (+90) 216 467 17 87

Küçükyalı Branch

Bağdat Cad. No:119/2
Küçükyalı/İstanbul
Tel : (+90) 216 367 26 60
Fax : (+90) 216 489 05 84

Levent Branch

Büyükdere Cad.
Büyükdere Plaza No:195 Kat:4
34330 Levent/İstanbul
Tel : (+90) 212 324 19 30
Fax : (+90) 212 324 19 49

1. Levent Branch

Levent Cad. No:17
Levent/İstanbul
Tel : (+90) 212 325 45 55
Fax : (+90) 212 325 45 50

4. Levent Branch

Eski Büyükdere Cad. No:21/1
34416 4.Levent/İstanbul
Tel : (+90) 212 325 90 44
Fax : (+90) 212 325 90 43

Maltepe Branch

Bağdat Cad.
Güney İş Merkezi No:187
Maltepe/İstanbul
Tel : (+90) 216 459 46 70
Fax : (+90) 216 459 46 81

Maslak Branch

Beybi Giz Plaza
Meydan Sok. No:28
34279 Maslak/İstanbul
Tel : (+90) 212 290 35 10
Fax : (+90) 212 290 35 33

Mega Center Branch

Megacenter Kocatepe Mah.
12. Sok. C Blok No:430
34045 Bayrampaşa/İstanbul
Tel : (+90) 212 640 72 27
Fax : (+90) 212 640 67 65

Mercan Branch

Mercanağa Mah.
Uzunçarşı Cad. No:97
Mercan/İstanbul
Tel : (+90) 212 514 85 30
Fax : (+90) 212 514 85 47

Merter Branch

Keresteciler Sitesi Fatih Cad.
Ceviz Sok. No:22/1
34169 Merter/İstanbul
Tel : (+90) 212 637 23 62
Fax : (+90) 212 637 27 55

Moda Branch

Moda Cad. Ağabey Sok. No:1
Kadıköy/İstanbul
Tel : (+90) 216 346 54 42
Fax : (+90) 216 346 69 88

Nişantaşı Branch

Vali Konağı Cad. No:115
34363 Nişantaşı/İstanbul
Tel : (+90) 212 291 94 85
Fax : (+90) 212 247 94 00

Nuruosmaniye Branch

Nuruosmaniye Cad. No:90/92
34110 Cağaloğlu
Eminönü/İstanbul
Tel : (+90) 212 519 11 65
Fax : (+90) 212 514 05 49

Pendik Branch

Batı Mah. Ankara Cad. No:82
34890 Pendik/İstanbul
Tel : (+90) 216 390 55 22
Fax : (+90) 216 354 49 06

Perpa Branch

Perpa Ticaret Merkezi
B Blok K.5 No:389
Okmeydanı/İstanbul
Tel : (+90) 212 210 94 00
Fax : (+90) 212 210 95 20

Rami Branch

Toptan Gıda Merkezi
Ö Blok No:13-14
34056 Rami/İstanbul
Tel : (+90) 212 616 86 21
Fax : (+90) 212 615 02 84

Sultanbeyli Branch

Abdurrahmangazi Mah.
Fatih Cad. No:108
Sultanbeyli/İstanbul
Tel : (+90) 216 496 68 00
Fax : (+90) 216 496 67 85

Sefaköy Branch

Halkalı Cad. No:122
34620 Sefaköy/İstanbul
Tel : (+90) 212 624 06 52
Fax : (+90) 212 541 04 15

Suadiye Branch

Bağdat Cad. Maraş Apt. No:398
34740 Suadiye/İstanbul
Tel : (+90) 216 302 40 20
Fax : (+90) 216 386 44 96

Sultançiftliği Branch

Sultançiftliği İsmetpaşa Mah.
Eski Edirne Asfaltı No:279
Gaziosmanpaşa/İstanbul
Tel : (+90) 212 667 80 50
Fax : (+90) 212 667 81 15

Sultanhamam Branch

Hobyar Mah.
Yeni Camii Cad. No:25
34112 Sultanhamam/İstanbul
Tel : (+90) 212 513 26 00
Fax : (+90) 212 513 16 45

Şirinevler Branch

Mahmut Bey Yolu
Meriç Sok. No:23
34188 Şirinevler/İstanbul
Tel : (+90) 212 451 32 77
Fax : (+90) 212 451 32 17

Şişli Branch

Halaskargazi Cad. No:330
Şişli/İstanbul
Tel : (+90) 212 343 26 81
Fax : (+90) 212 343 26 95

Topçular Branch

Topçular Kışla Cad. No:39/11
34055 Eyüp/İstanbul
Tel : (+90) 212 612 58 95
Fax : (+90) 212 612 57 99

Topkapı Sanayi Branch

Topkapı Davutpaşa Cad. No:12/126
Zeytinburnu/İstanbul
Tel : (+90) 212 567 34 43
Fax : (+90) 212 612 64 15

Tuzla Tersane Branch

Aydıntepe Mah.
Irmak Sok. No:1
34947 Tuzla/İstanbul
Tel : (+90) 216 493 50 00
Fax : (+90) 216 493 58 49

Ümraniye Branch

Atatürk Mah.
Alemdağ Cad. No:38/A
34764 Ümraniye/İstanbul
Tel : (+90) 216 523 12 10
Fax : (+90) 216 523 12 08

Üsküdar Branch

Eski Toptaşı Caddesi No:1
34672 Üsküdar/İstanbul
Tel : (+90) 216 492 49 10
Fax : (+90) 216 492 49 14

Yeşilköy Branch

Ümraniye Mah.
İstasyon Cad. No:36
34149 Yeşilköy/İstanbul
Tel : (+90) 212 663 34 00
Fax : (+90) 212 573 77 51

Yeşilyurt Branch

Sipahioğlu Cad. No:16/1
34149 Yeşilyurt/İstanbul
Tel : (+90) 212 663 50 53
Fax : (+90) 212 573 65 95

Zeytinburnu Branch

58. Bulvar Cad. No:55
34020 Zeytinburnu/İstanbul
Tel : (+90) 212 510 66 50
Fax : (+90) 212 510 69 72

Zincirlikuyu Branch

Büyükdere Cad. No:106
34394 Esentepe/İstanbul
Tel : (+90) 212 336 59 00
Fax : (+90) 212 212 10 86

İZMİR

Alsancak Branch

Ali Çetinkaya Bulvarı No:13/A
35220 Alsancak/İzmir
Tel : (+90) 232 464 64 15
Fax : (+90) 232 422 02 61

Bergama Branch

Ertuğrul Mah.
Cumhuriyet Cad. No:37
Bergama/İzmir
Tel : (+90) 232 632 95 67
Fax : (+90) 232 633 39 93

Bornova Branch

Mustafa Kemal Cad.
553 Sok. No:2/A
35040 Bornova/İzmir
Tel : (+90) 232 374 62 60
Fax : (+90) 232 374 38 69

Bornova Tahsilat Ofisi Branch

Fevzi Çakmak Cad. No:24/A
35040 Bornova/İzmir
Tel : (+90) 232 374 14 52
Fax : (+90) 232 374 13 98

Buca Branch

108 Sok. No:1
Buca/İzmir
Tel : (+90) 232 440 47 47
Fax : (+90) 232 440 49 19

Ege Kurumsal Şube Branch

Şehit Fethibey Cad.
No:116 Kat:1-2
35210 Pasaport/İzmir
Tel : (+90) 232 446 79 44
Fax : (+90) 232 446 73 65

Ege Serbest Bölge Branch

Akçay Cad. No:144/1
35410 Gaziemir/İzmir
Tel : (+90) 232 252 29 06
Fax : (+90) 232 252 28 96

Hatay İzmir Branch

İnönü cad. No:250/A-1
35280 Hatay/İzmir
Tel : (+90) 232 255 20 04
Fax : (+90) 232 250 56 05

Işıkkent Branch

Ayakbacılar Sitesi
123. Sok. No:8
Işıkkent/İzmir
Tel : (+90) 232 436 33 86
Fax : (+90) 232 436 12 45

İzmir Branch

Gaziosmanpaşa Bulvarı No:12
35210 Pasaport/İzmir
Tel : (+90) 232 445 12 50
Fax : (+90) 232 446 50 51

İzmir Gıda Çarşısı Branch

1202/2 Sok. No:60
35110 Yenişehir/İzmir
Tel : (+90) 232 469 75 85
Fax : (+90) 232 449 64 85

Karabağlar İzmir Branch

Yeşillik Cad. No:391/B
35400 Karabağlar/İzmir
Tel : (+90) 232 237 90 90
Fax : (+90) 232 264 71 37

Karşıyaka Branch

1690 Sok. No:48/A
35600 Karşıyaka/İzmir
Tel : (+90) 232 368 69 29
Fax : (+90) 232 368 88 67

Liman Alsancak Branch

Atatürk Cad. Afa İşhanı No:402
Alsancak/İzmir
Tel : (+90) 232 421 41 24
Fax : (+90) 232 464 27 82

Menemen Branch

Ertuğrul Cad. No:7
35660 Menemen/İzmir
Tel : (+90) 232 832 58 32
Fax : (+90) 232 832 58 34

Mimar Kemalettin Branch

Mimar Kemalettin Cad. No:87
Çankaya/İzmir
Tel : (+90) 232 425 44 74
Fax : (+90) 232 425 52 15

Ödemiş Branch

Akıncılar Mah. Gazi Cad. No:32
35750 Ödemiş/İzmir
Tel : (+90) 232 544 51 17
Fax : (+90) 232 544 51 16

Şair Eşref Branch

Şair Eşref Bulvarı
Karaahmetoğlu İş Merkezi 22/H
35210 Çankaya/İzmir
Tel : (+90) 232 483 37 67
Fax : (+90) 232 425 84 93

Tire Branch

Yeni Mah. Atatürk Cad. No:12
35900 Tire/İzmir
Tel : (+90) 232 512 83 88
Fax : (+90) 232 512 36 20

Torbalı Branch

Tepeköy Mah. Ağalar Cad. No:12
Torbalı/İzmir
Tel : (+90) 232 85613 14
Fax : (+90) 232 856 13 10

KAHRAMANMARAŞ

Kahramanmaraş Branch

Trabzon Cad.
Seçkin Apt. Altı No:68/A
46100 Kahramanmaraş
Tel : (+90) 344 225 32 42
Fax : (+90) 344 225 48 63

KARABÜK

Karabük Branch

Bayır Mah. Hürriyet Cad.
No:114 Karabük
Tel : (+90) 370 424 25 88
Fax : (+90) 370 412 43 86

KAYSERİ

Kayseri Branch

Millet Cad. No:22
Melikgazi/Kayseri
Tel : (+90) 352 222 88 30
Fax : (+90) 352 222 85 42

KIRKLARELİ

Lüleburgaz Branch

Emrullah Efendi Cad. No:10
Lüleburgaz/Kırklareli
Tel : (+90) 288 412 22 20
Fax : (+90) 288 412 43 48

Lüleburgaz Sanayi Branch

Zorlu Linen Fabrikası Yanı
Büyükkarıştıran Kasabası
Tayyare Meydanı Mevkii
Lüleburgaz/Kırklareli
Tel : (+90) 288 436 25 55
Fax : (+90) 288 436 25 58

KOCAELİ

Gebze Branch

İsmetpaşa Cad. Hacı Halil Mah.
No:24 41400 Gebze/Kocaeli
Tel : (+90) 262 644 40 90
Fax : (+90) 262 644 41 01

İzmit Branch

Ömer Ağa Mah.
Demiryolu Cad. No:130/A
41000 İzmit
Tel : (+90) 262 323 40 40
Fax : (+90) 262 331 39 46

KONYA

Konya Branch

Musalla Bağları Mah.
Belh Cad. No:10
42060 Selçuklu/Konya
Tel : (+90) 332 238 80 20
Fax : (+90) 332 238 80 37

Konya Yeni Töptancılar Branch

Fevzi Çakmak Mah. Toptan
Gıdacılar Sitesi No:2 42050
Karatay/Konya
Tel : (+90) 332 342 44 10
Fax : (+90) 332 342 44 18

Mevlana Branch

Badesten İçi Ahibaba Sok. No:13
Meram/Konya
Tel : (+90) 332 351 44 14
Fax : (+90) 332 351 04 05

KÜTAHYA

Kütahya Branch

Cumhuriyet Bulvarı
Akdemirler İş Hanı No:74
43020 Kütahya
Tel : (+90) 274 226 36 50
Fax : (+90) 274 226 36 57

MALATYA

Malatya Branch

İnönü Cad. No:58
44100 Malatya
Tel : (+90) 422 323 22 85
Fax : (+90) 422 324 36 96

MANİSA

Akhisar Branch

Tahir Ün Cad. No:47
45200 Akhisar/Manisa
Tel : (+90) 236 412 29 49
Fax : (+90) 236 412 29 51

Alaşehir Branch

Sakine Evren Cad. No:29/1
Alaşehir/Manisa
Tel : (+90) 236 653 96 55
Fax : (+90) 236 653 16 59

Manisa Branch

Mustafa Kemal Paşa Cad. No:12
45020 Manisa
Tel : (+90) 236 239 42 70
Fax : (+90) 236 239 21 15

Manisa Tahsilat Ofisi

Cumhuriyet Bulvarı No:33
45030 Manisa
Tel : (+90) 236 231 19 00
Fax : (+90) 236 231 19 15

Salihli Branch

Mithatpaşa Cad. No:101
45300 Salihli/Manisa
Tel : (+90) 236 712 47 10
Fax : (+90) 236 712 33 00

Sarıgöl Branch

Ayan Mah. Sevgi Cad. No:13
Sarıgöl/Manisa
Tel : (+90) 236 867 44 90
Fax : (+90) 236 867 39 89

MUĞLA

Bodrum Branch

Kıbrıs Şehitleri Cad. No:325
48400 Bodrum/Muğla
Tel : (+90) 252 313 16 36
Fax : (+90) 252 313 49 93

Çarşı Bodrum Branch

Atatürk Cad. No:4
48400 Bodrum/Muğla
Tel : (+90) 252 316 73 98
Fax : (+90) 252 316 65 46

Fethiye Branch

Atatürk Cad. Çavdar İşhanı No:1
48300 Fethiye/Muğla
Tel : (+90) 252 614 23 07
Fax : (+90) 252 614 23 06

Marmaris Branch

Tepe Mah. Ulusal Egemenlik Cad.
61. Sok. No:19/A
48700 Marmaris/Muğla
Tel : (+90) 252 412 09 69
Fax : (+90) 252 412 06 11

Milas Branch

Hacıilyas Mah. Kadiağa Cad.
No:41 Milas/Muğla
Tel : (+90) 252 512 23 48
Fax : (+90) 252 512 16 10

Ortaca Branch

Terzialiler Mah.
Mehmet Abay Sok. No:4/A
Ortaca/Muğla
Tel : (+90) 252 282 66 00
Fax : (+90) 252 282 51 78

NEVŞEHİR

Nevşehir Branch

Atatürk Bulvarı No:98
50100 Nevşehir
Tel : (+90) 384 212 02 61
Fax : (+90) 384 213 84 30

Ürgüp Branch

Kayseri Cad. No:31
50400 Ürgüp/Nevşehir
Tel : (+90) 384 341 20 70
Fax : (+90) 384 341 20 70

ORDU

Ordu Branch

19 Eylül Meydanı No:8
52000 Ordu
Tel : (+90) 452 223 15 57
Fax : (+90) 452 223 15 60

SAKARYA

Adapazarı Branch
Soğanpazarı No:52
54040 Adapazarı/Sakarya
Tel : (+90) 264 274 41 30
Fax : (+90) 264 274 41 33

SAMSUN

Samsun Branch
Gazi Cad. Göncü İşhanı No:1
55070 Samsun
Tel : (+90) 362 435 30 85
Fax : (+90) 362 432 43 46

SİVAS

Sivas Branch
İstasyon Cad.
Kongre Binası Karşısı No:3
58000 Sivas
Tel : (+90) 346 225 50 92
Fax : (+90) 346 221 14 24

ŞANLIURFA

Şanlıurfa Branch
Kanberiyeh Mah. Kadri Erogan
Cad. No:22
63000 Şanlıurfa
Tel : (+90) 414 316 53 38
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Şanlıurfa Tahsilat Ofisi

Akçakale Yolu Üzeri
Zahireciler Borsası 2.kat No:301
Şanlıurfa
Tel : (+90) 414 247 36 52
Fax : (+90) 414 247 35 92

ŞIRNAK

Silopi Branch
İpekyolu Üzeri No:30
73400 Silopi-Şırnak
Tel : (+90) 486 518 76 00
Fax : (+90) 486 518 76 13

TEKİRDAĞ

Çorlu Orion Branch
Omurtak Cad. Orion Alışveriş
Merkezi No:22
59860 Çorlu/Tekirdağ
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Fax : (+90) 282 673 25 57

TRABZON

Trabzon Branch
Maraş Cad.
Zorlu Grand Otel Yanı No:9
61000 Trabzon
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Fax : (+90) 462 326 98 22

UŞAK

Uşak Branch
İsmet Paşa Cad. No:31/B
64100 Uşak
Tel : (+90) 276 224 38 02
Fax : (+90) 276 224 38 10

VAN

Van Branch
Cumhuriyet Cad. No:50-52
65100 Van
Tel : (+90) 432 214 59 00
Fax : (+90) 432 214 48 47

ZONGULDAK

Karadeniz Ereğli Branch
Müftü Mah. Yukarı Sok. No:16
67300 Ereğli/Zonguldak
Tel : (+90) 372 322 20 05
Fax : (+90) 372 322 20 96

Zonguldak Branch

Gazipaşa Cad. No:20
67020 Zonguldak
Tel : (+90) 372 252 03 55
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Branch**

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REGIONAL OFFICES

Mediterranean Regional Office
Elmalı Mah. 2. Sok. No:29
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Çukurova Regional Office

Atatürk Cad. Sular Plaza İş
Merkezi K. 1 Sularyolu Kavşağı
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Fax : (+90) 322 458 67 20

Aegean Regional Office

Şehit Fethibey Cad. No:116 K.3
35210 Pasaport/İzmir
Tel : (+90) 232 446 22 92
Fax : (+90) 232 483 42 30

**Central Anatolia
Regional Office**

Cinnah Cad. No:84
Çankaya/Ankara
Tel : (+90) 312 441 92 41
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Marmara Regional Office

Çekirge Cad. No:54 Kat:4-5
Bursa
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Büyükdere Cad. No:106 Kat: 16
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