

2005



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## DenizBank Financial Services Group

### Banking Services

- > DenizBank
- > DenizBank AG (Vienna)
- > DenizBank Moscow (Moscow)
- > EuroDeniz Off-Shore Bank (Nicosia)

### Investment Banking and Brokerage Services

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

### Leasing and Factoring Services

- > DenizLeasing
- > DenizFactoring

### Information Technology Services

- > Intertech

### Cultural Services

- > DenizKültür

# Consolidated Financial Highlights\*

	2005 YTL millions	2004 YTL millions
Government Securities (TR)**	1,347	1,489
Government Securities (US & European)**	79	333
Loans, net	6,173	3,214
Equity Participations	130	132
Fixed Assets, net	145	102
Total Assets	11,976	8,072
Customer Deposits	6,980	5,109
Time	5,422	4,045
Demand	1,558	1,064
Funds Borrowed from Banks	2,591	1,028
Shareholders' Equity	1,091	873
Paid-in Capital	316	316
L/Cs & L/Gs	3,211	2,496
Interest Income	1,028	859
Interest Expense	(501)	(458)
Net Interest Income after Provisions	459	316
Non-Interest Income	354	290
Non-Interest Expense	(587)	(469)
Net Profit	226	137
Number of DenizBank Branches	236	199
Number of DFS Group Staff	5,724	4,912
Capital Adequacy Ratio	14.7%	17.8%
Return on Investment	23.1%	18.6%

\* All financial figures included in this annual report (pages 2-79), have been extracted from audited consolidated financial statements issued in accordance with the Accounting Regulations No. 15 and 17 published by the Banking Regulation and Supervision Agency (BRSA). Independent auditor's report, consolidated financial statements and notes to consolidated financial statements presented on pages 83-132 of this report have been prepared in accordance with International Financial Reporting standards.

\*\* Securities portfolios are evaluated at market prices.

## DenizBank's Ratings by International Rating Agencies

### Moody's Investors Service

Long-Term Foreign Currency Deposits	B1
Outlook	Stable
Financial Strength Rating	D+
Outlook	Stable
Long-Term Local Currency Deposits	Baa3
Short-Term Local Currency Deposits	Prime-3
Outlook	Stable

### FitchRatings

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

## DenizBank's Revenue Trend (YTL millions)

	2005	2004
<b>Interest Income</b>	<b>1,028</b>	<b>859</b>
Loans	622	416
Securities	292	374
Banks	36	35
Factoring	26	0
Leasing	17	0
Other	35	34

## Breakdown of Non-Interest Income (YTL millions)

	2005	2004
<b>Non-Interest Income</b>	<b>354</b>	<b>290</b>
Commission Income	206	156
Cash Loans	13	11
Non-Cash Loans	34	30
Credit Card Commissions	60	37
Brokerage Service Commissions	78	59
Other Banking Fees and Commissions	21	19
Other Banking Fees and Commissions	27	0
Income from Sales of Assets	18	3
Provisions Reversed	27	50
Other Income	76	81

# DenizBank

## Financial Services Group in Brief

The roots of the DenizBank Financial Services Group (DFS Group) date 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. DenizBank soon became one of the foremost names in the Turkish banking industry thanks to its high standards and the diversity of the services it provided. In 1992, following 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. Operations commenced again in September after Zorlu Holding acquired DenizBank from the Privatization Administration under a banking license 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 joined the Group at the end of 2002. Additionally, DenizBank established and/or acquired financial companies that included banks in Austria and Russia in addition to factoring, leasing, investment and asset management companies to complement its existing banking products and services.

Encouraged by its strong capitalization and good financial standing, DenizBank was able to take advantage of rapid developments in the financial services industry and moved quickly to the forefront. In 2003, DenizBank Financial Services Group was set up along the lines of a financial supermarket able to offer a wide range of financial services.

### >> ALL CONTEMPORARY FINANCIAL SERVICES UNDER A SINGLE UMBRELLA

In addition to DenizBank, the DFS Group has seven domestic and two international financial subsidiaries, a branch in Bahrain, as well as EuroDeniz Off-Shore Bank Ltd, an off-shore banking subsidiary in the Turkish Republic of Northern Cyprus. These subsidiaries are DenizYatırım Securities, EkspresInvest, Deniz Investment Trust, Deniz Portfolio Management, DenizTürev Securities, DenizLeasing, DenizFactoring, Intertech and DenizKültür on the domestic side and DenizBank AG and DenizBank Moscow 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.

Supported by its strong shareholder base and successful financial performance, the DenizBank Financial Services Group aims to become one of the leading financial services groups in Turkey.

#### **>> A SERVICE NETWORK REACHING ALL SEGMENTS OF THE SOCIETY**

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

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, project financing and individuals. The DFS Group also serves certain niche markets such as ship financing, tourism, agricultural loans, foreign construction projects, medical care and education.

The Group continually strives for excellence in its core business areas utilizing a carefully developed branch network equipped with the latest technology and accompanied by alternative distribution channels. Drawing on the experience and vision of its management team, the DFS Group provides its customers with services that are of the highest quality.

#### **>> 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 first day of its establishment, DenizBank and its financial institutions adopted the best international business practices. The DFS Group operates in EU countries as well through DenizBank AG, its subsidiary based in Vienna, Austria.

The Group also has a subsidiary in Russia, another important trading partner for Turkey. It renders services to customers engaged in commerce in the region and is able to meet a variety of their financial requirements.

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.

# Zorlu Holding

Zorlu Holding, established as a small-scale producer of textiles in the early 1950s, 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 facilities operating in the international arena and three power plants providing employment for 30,000 people. In 2005, Zorlu Holding companies achieved a total turnover of US\$ 4.3 billion and a foreign sales of US\$ 2.5 billion.

Currently, In addition to financial services Zorlu Holding currently concentrates on three major business areas:

## >> HOME TEXTILES AND POLYESTER YARN

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

## >> 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. This group is comprised of 19 companies: nine domestic and ten overseas.

## >> ENERGY PRODUCTION

Zorlu Energy currently serves 300 industrial facilities throughout Turkey via the operation of four power plants, with an installed capacity of 387 MW. The Company has also formed partnerships with domestic firms to establish power plants with 1,140 MW power capacity in Russia and Israel; the preliminary work for this project has already been initiated. 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. Other Zorlu Holding companies operating in the energy sector are Zorlu Industrial and Power Plants, Zorlu Petrogas, Amity Oil, Zorlu Electric, Zorlu Natural Gas, Turkish Thrace Natural Gas Distribution Company and Gaziantep Natural Gas Distribution Company.



With a total of 65 companies, Zorlu Holding has 15 large-scale industrial facilities operating in the international arena and three power plants providing employment for 30,000 people.

#### Zorlu Holding's Key Financial and Operational Figures (US\$ millions)

	2005	2004	2003
<b>Home Textiles Group</b>			
Total assets	1,900	1,850	1,850
Net sales	850	850	830
Exports*	300	350	255
Imports	270	280	135
Total foreign trade volume	570	630	390
<b>Electronics, Consumer Durables and IT Group</b>			
Total assets	2,500	2,400	1,250
Net sales	3,300	3,200	1,700
Exports*	2,500	2,200	1,400
Imports	1,550	1,500	1,000
Total foreign trade volume	4,050	3,700	2,400
<b>Energy Group</b>			
Total assets	460	380	295
Net sales	170	150	110
Imports	65	15	16
Installed capacity (MW)	387	211	211
Power generated (kWh millions)	1,765	1,570	1,404
Steam generated (tons thousands)	556	476	462

#### Zorlu Holding's Foreign Trade Volume (US\$ millions)

	2005	2004	2003
Total exports*	2,800	2,550	1,655
Total imports	1,885	1,795	1,151
Total foreign trade volume	4,685	4,345	2,806

\* Includes net sales of the subsidiaries with production facilities outside Turkey.

## Message from the General Manager



DenizBank continues to sail successfully with its pre-set route.

Our bank, ranked "eighth among the fastest growing banks in the world in terms of its equity capital (Tier 1 Capital)" by the internationally respected finance magazine *The Banker* in its July 2005 issue, has further increased its successful balance sheet and profitability growth, both of which are over sector averages. As a matter of fact, by mid-2005, we had already achieved the year end profit of 2004. According to our year-end consolidated financial statements, total assets increased by 48% and

reached YTL 11,976 million (US\$ 8,925 million). Net profit for the same period increased by 66% and reached YTL 226 million (US\$ 169 million).

Our total credits increased by 92% compared to the previous year. The rate of increase of our business loans, which we consider a strategic area for DenizBank, is 215%. Corporate and commercial segment loans grew by 75% and the increase in consumer credits except for credit cards was 206%. The greatest increase in consumer credits was in home loans, which grew nine times since the beginning of the year. There was an increase of 188% in consumer loans since January, thanks to the special campaigns that targeted various occupational groups.

DenizBank's customer deposits increased to YTL 6,980 million in 2005, paralleling its expanding network of branches and a growing customer base. There was a total increase of 53% in commercial deposits as a result of our strategic focus on businesses of all sizes.

DenizBank continued with this successful performance in the international markets with five-and seven-year securitization loans totaling US\$ 300 million received in June secured by international remittances. Furthermore, through the syndicated loan agreement signed in October, a total credit of US\$ 650 million was obtained from international banks; US\$ 300 million with a term of one year and US\$ 350 million with a term of two years.

## DenizBank has further increased its successful balance sheet and profitability growth, both of which are over industrial averages.

As a result of the segmentation work carried out last year, we set different goals for each of our customer segments. In order to guarantee successful results for each segment, we created an identity for each segment and attracted the attention of the target customers. We developed new products and services for each segment within the scope of their particular identity and increased market penetration. Especially in the corporate and commercial segment, we focused on niche markets and added new customers to our portfolio. We provided loans totaling to US\$ 150 million to over one hundred projects in tourism and US\$ 550 million to 75 projects in the ship building sector. We allocated US\$ 100 million on a per project basis to the health sector and US\$ 30 million to commercial banking customers. We target a rise in the current cross-sales ratio of 5.7 to 6.5 by focusing on cash flow management products in these niche markets.

In the SME banking segment, we based our entire credit allocation and structuring decisions on credit scorecards, achieving another first in Turkey. This allowed us to harmonize with Basel II credit risk management processes and to make credit decisions in as little as 72 hours. We carried out product standardization and developed cash management tools to provide mass marketing opportunities for SMEs. We moved into new and profitable areas in this segment, currently undiscovered, through active marketing campaigns and achieved significant cost saving by using alternative distribution channels,

thereby increasing our profitability. In 2005, the Nakit Kart (Cash Card) utilizing our POS terminals was initiated; this has found wide usage especially among suppliers and distributors as an alternative to post-dated checks and promissory notes. In the retail segment, we developed specialized Product Packages addressing specific financial needs of certain occupational groups such as teachers, financial advisors and Turkish Armed Forces members and retirees.

DenizBank was the first privately owned bank to be engaged in agricultural lending in the Turkish banking sector. Within the scope of the agricultural banking services offered through our 74 branches in Turkey, we provide agricultural credits with favorable conditions to farmers within the framework of agreements signed with almost all of tractor and agricultural equipment producers. With Üretici Kart (Producer Card), we serve farmers in their purchases and payment transactions with member firms. As of the end of 2005, Üretici Kart was being used by 2,560 firms.

Our another strategic area of interest is bancassurance. As a result of cooperation with Axa Oyak, Güven Sigorta and Garanti Pension Fund Company, insurance services encompassing various areas that include workplace, agricultural, accident, fire, property and life coverage are offered at DenizBank branches.

## Message from the General Manager

The number of our credit cards totaled 1,380,869 at year-end, including Miles & More, DenizBank and Bonus Card. Purchases made with Miles & More Visa offer free miles that can be used at Lufthansa, partner airlines and hotels; customers using this credit card totaled 12,983 by the end of the year.

DenizBank serves 1,800 large national and multinational companies in the corporate segment. Long-standing collaboration based on loyalty have been built with these companies engaged in businesses in various sectors including energy, construction, telecommunications, mining, finance and food-offering them high-quality banking products and services. We plan to further increase our market share in the corporate segment. Customs duty payments through @çıkDeniz Internet Branch are a result of our endeavors to accomplish this objective.

There was a significant increase in DenizBank's project finance credits during 2005. Projects in the areas of health, energy and mass housing were prioritized and a total of US\$ 286 million was provided to those selected from among 50 projects totaling to US\$ 2 billion. Financing of oil products amounting to

US\$ 300 million and various merchandise amounting to US\$ 300 million were also realized within 2005.

With a total of YTL 43.5 billion in equity trading volume, DenizYatırım Securities, together with ExpresInvest, maintained their leading position for the last three years from among 107 brokerage houses.

In the second Corporate Governance Assessment Report issued this year by EFG İstanbul Securities, a leading investment advisory firm, DenizBank was rated at the top of the list, scoring the highest points for corporate governance. Publicly traded companies in Turkey were examined within the framework of their compliance to corporate governance principles and evaluated according to 48 criteria under six headings. With the points it scored, DenizBank was placed in the first category under five different headings. In this report, companies placed in the highest categories are listed along with their peers in terms of importance placed on investor relations, adherence to corporate ethical codes, separation of the Executive Management and the Board of Directors, principles of transparency and growth of capital efficiency. We were extremely proud that DenizBank was rated first among Turkey's largest, long-standing companies in

In the Corporate Governance Assessment Report issued this year by EFG İstanbul Securities, a leading investment advisory firm, DenizBank was rated at the top of the list, scoring the highest points for corporate governance.

terms of corporate governance. DenizBank's Board of Directors, consisting of seven members, three of whom are independent, does not include anyone from the Zorlu family, the majority shareholder. The minority shareholders are represented by an independent member on the Board. At DenizBank, all auditing and inspection activities are carried out at the Board of Directors level and risk management activities are considered to be a process integrated into the entire organization.

Other important developments that took place in 2005 were rating upgrades from Moody's and FitchRatings and an increase of the paid-in capitals of our subsidiaries CJSC DenizBank Moscow, DenizFactoring and DenizLeasing.

DenizBank continues to sail on its course under the leadership of experienced captains, overcoming all obstacles. With each passing day, new shareholders, customers, business partners and employees are brought aboard this safe and sound ship. I would like

to extend my thanks to all family members that make up the DenizBank Financial Services Group. It is with their support and high ideals that we and our shareholders sail in safe seas; our business partners who make every effort to ensure that our journey is comfortable and secure and also our customers who sail with us on our ship.

We will continue to sail together on open seas in the days to come.



**Hakan Ateş**

# *From the Captain's Logbook...*



## **February 2005**

The international credit rating agency Moody's has rated DenizBank's long-term local currency deposits 'Baa3' and raised its foreign currency deposits outlook from "Stable" to "Positive."

DenizBank was used as a case study at the Microsoft Executive Summit held in Prague, on February 2-3, marking an international accomplishment for its IT infrastructure.

Microsoft and Intertech, a DenizBank subsidiary, combined forces and made the decision to initiate a project to develop new banking software for DenizBank.



## **March 2005**

DenizBank Consumer Banking Group prepared a special loan package for teachers that enable them to receive credits in the fastest and most advantageous manner - within the framework of the special lending practice that targets various occupational groups.



## **May 2005**

FitchRatings raised DenizBank's long-term foreign currency and local currency ratings from B (+) to BB (-) and its individual rating from D to C/D. DenizBank's short-term foreign currency and local currency support and national ratings were confirmed as B, 4 and A (-), respectively. The outlook of the Bank's all long-term ratings was listed as "Stable."

DenizBank signed a cooperation agreement with the leading international airline company Lufthansa's Frequent Flyer Program Miles & More International; subsequently launching the **Miles & More Visa Card**.

DenizBank Consumer Banking Group created a special credit package for officers, NCOs and retirees of the Turkish Armed Forces.





#### June 2005

DenizBank received five-year and seven-year securitization loans worth US\$ 220 million and US\$ 80 million, respectively, from international markets, secured by customer remittances from abroad.



#### July 2005

DenizBank was declared the eighth fastest growing bank in the world, climbing 222 steps, in the ratings from **The Banker** based on changes in Tier-1 capital growth.



#### August 2005

DenizBank was placed in the lead position by scoring the highest points in the "Corporate Governance" ratings of EFG İstanbul Securities, in which it took part for the first time.



#### September 2005

DenizBank added two new loans to its advantageous home loans program called Down Payment for Housing and 100% Home Loan thus expanding the scope of its products and services in this area.

DenizBank announced that it would sponsor all İstanbul State Symphony Orchestra concerts to be held in the 2005-2006 season, through coordination with DenizKültür.



#### October 2005

DenizBank received a syndicated loan facility of US\$ 650 million, participated by 78 international banks from 28 countries.

DenizBank's subsidiary, Tarih Securities, was renamed DenizTürev Securities; the Company's capital of YTL 7.0 million was increased to YTL 8.0 million.



#### November 2005

DenizBank's subsidiary, CJSC DenizBank Moscow, increased its capital from Ruble 246,498,000 to Ruble 516,472,000.



#### December 2005

The international credit rating agency Moody's raised DenizBank's foreign currency deposits rating from B2 to B1.

FitchRatings raised DenizBank's outlook from "Stable" to "Positive" and confirmed its BB-rating. DenizBank's National rating was raised from A (-) to A.

DenizBank's SME Banking Group appointed 400 portfolio managers as members of Turuncular (The Orange Team), to sustain its support of SMEs.

Once again - full speed ahead!

Hakan Ateş

**DenizBank**   
FINANCIAL SERVICES GROUP

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## DenizBank Financial Services Group

### Banking Services



DenizBank occupies the sixth place among Turkey's private sector banks in terms of total consolidated assets.





### >> DENİZBANK AT A GLANCE

Following another year of favorable results, total assets of DenizBank reached US\$ 8,925 million by the end of 2005, an increase of 48% over US\$ 6,041 million in 2004. By the end of the year, the Bank's shareholders' equity stood at US\$ 813 million, recording an increase of 25% above the US\$ 653 million posted in 2004. The capital adequacy ratio of DenizBank was as high as 14.7%, with its free capital ratio, one of the best in the Turkish banking system, at 6.4%. By the end of 2005, DenizBank had 236 branches and a Call Center.

DenizBank occupies the sixth place among Turkey's private sector banks in terms of total consolidated assets. In a report published in the July 2005 issue of the world-famous magazine The Banker, DenizBank was rated eighth among the top 1,000 banks in the world in terms of Tier-1 capital growth. In the August 2005 CG Universe Report by EFG İstanbul Securities, DenizBank took the first place in terms of compliance to corporate governance principles.

### DenizBank Balance Sheet Structure (%)

	2005	2004
<b>Assets</b>		
Loans	51.6	39.8
Banks	19.0	20.4
Turkish Treasury Securities	11.2	18.4
Cash and Reserves	6.4	8.6
G7 Securities	0.7	4.1
Other	11.1	8.7
<b>Liabilities</b>		
Customer Deposits	58.3	63.3
Shareholders' Equity *	9.1	10.8
Borrowings	28.2	20.5
Other	4.4	5.4
<b>Balance Sheet Total (US\$ millions)</b>	<b>8,925</b>	<b>6,041</b>

\* DenizBank's capital was raised from YTL 290 million to YTL 316.1 million on January 17, 2005 according to the Board of Directors' resolution on December 31, 2004.

## Banking Services

### DenizBank

#### Denizbank's Shareholding Structure

Shareholders	Number of shares	Total Nominal Value-YTL	Share Ratio
Zorlu Holding A.Ş.	237,063,940,440	237,063,940	74.997%
Other	11,059,560	11,060	0.003%
Publicly Held	79,025,000,000	79,025,000	25.000%
Total	316,100,000,000	316,100,000	100%

#### Share of Credit Allocations by Segments (%)

	2005	2004
Corporate Credits	37.6	33.4
Commercial Credits	30.2	42
Consumer Credits	13.6	8.5
SME Banking Credits	12.5	7.1
Credit Card Credits	6.0	9.0
Total Credits (US\$ millions)	4,601	2,405

#### >> DENIZBANK'S SHAREHOLDING STRUCTURE

DenizBank's shareholding structure is shown in the table above. DenizBank's shareholding structure does not contain any cross-shareholdings.

#### >> CUSTOMER SEGMENTATION

In 2004, following a restructuring, the Bank's commercial and corporate business activities were divided into three segments to allow for specialization and diversification of products and services catering to varying customer needs. These segments include Corporate Banking serving companies with an annual turnover of over US\$ 25 million, Commercial Banking serving companies with an annual turnover of between US\$ 5.0 million and US\$ 25 million, and SME

Banking serving companies with an annual turnover of less than US\$ 5.0 million.

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

The restructuring process entailed a separation of responsibilities among branch offices designated as retail, corporate and full service branches.

## >> RETAIL BANKING GROUP

### Retail Marketing

In 2005, sales campaigns were conducted by the CRM Department using the Automatic Sales and Sales Opportunities Screens, for the purpose of focusing the branch marketing staff on potential customers. These customers can be displayed using the Sales Opportunities Screen and diverse products and services can be offered to current customers through the Automatic Sales Screen.

With five campaigns conducted in 2005, sales were made to 35,819 of a total of 47,905 customers through the Automatic Sales Screens and to 6,546 of a total of 73,062 customers through the Sales Opportunities Screens.

### Retail Banking Products and Their Performance

#### Credit Cards

##### Performance of DenizBank Credit Cards

	Credit Cards	Market Share (%)
2004	860,108	3.22
2005	1,380,869	4.61

##### Volume of Shopping with DenizBank Credit Cards

	US\$ millions	Market Share (%)
2004	954	1.97
2005	1,458	2.29

##### Credit Volume of DenizBank Credit Cards

	US\$ millions	Market Share (%)
2004	216	2.07
2005	277	2.14

### Bonus Card

Bonus Card was the first multi-branded chip-based Visa / MasterCard credit card in Turkey offering both installments and rebate awards. There are 100,000 partner businesses as members in the Bonus program which offers installments and cash rebates to Bonus cardholders.

Bonus Card offers shopping opportunities to the Bonus cardholders at millions of business venues carrying the Visa / MasterCard emblem throughout the world. Bonus cardholders can shop from member merchants by spending the bonuses they earned from previous purchases.

#### Number of DenizBank Bonus Cards

2004	484,688
2005	718,509

### Miles & More Visa Card

Miles & More Visa Card is a credit card that evolved from the cooperation of Miles & More International and DenizBank, offering free miles for each transaction. Miles & More Visa Card holders can use their award miles by converting them into airline tickets at Lufthansa Airlines and 33 other major airline companies, by renting cars at partner car rental companies or by lodging at the partner chain hotels.

The credit card practices and campaigns conducted in 2005 are as follows:

- A series of cross-sales campaigns were organized for DenizBank's current customers. DenizBank Bonus Card was marketed to those DenizBank customers with regular loan payments, those who participated in the public offering of the Bank and to DenizYatırım

## Banking Services

### DenizBank

Securities customers; Miles & More Visa Card was marketed to customers with frequent international credit card usage.

- ŞansDenizi Award Program was launched. ŞansDenizi is a credit card award program that motivates DenizBank and Bonus Card credit card holders to use their cards to win bonuses in each transaction; this program increases the utilization rate and continuously updates the customer by sending SMS messages to their mobile phones.

- A series of campaigns were conducted with DenizBank credit cards to increase the turnover of credit cards and the number of cardholders and to decrease costs.

Campaigns aimed at increasing the turnover of DenizBank credit cards:

- Lucky Bonus Days
- ŞansDenizi
- Cinderella Bonus
- Deferred Payments, Extra Bonuses and Extra Installment Campaigns
- Prize Drawing Campaigns

Campaigns aimed at increasing the number of credit card holders:

- Referral Campaign
- Cross-sales

Campaigns aimed at cost reduction:

- E-mail Only

#### Consumer Loans

The volume of DenizBank consumer loans, which was YTL 275 million in 2004, reached YTL 840 million in 2005. DenizBank's market share increased to 2.9% in 2005, up from 2.2% in 2004.

The volume of DenizBank consumer loans registered a significant increase in 2005 mainly due to a deeper penetration provided by a segment-focused marketing approach. The campaigns that targeted occupational groups such as teachers, Turkish Armed Forces members and retirees, free-lance accountants and financial advisors, doctors and dentists played a major role in this increase. A new mortgage loan with an increased limit called Personal Financing Loan was launched; this is a brand new consumer loan practice.

The home loans provided in 2005 increased substantially as a result of the revitalized residential construction projects throughout Turkey. In addition to providing home loans to individual customers, package deals were provided to construction companies through joint projects.

The joint projects conducted with construction companies and their volume are as follows:

- KİPTAŞ 5th Phase Housing Project: Total volume of YTL 74 million for 760 houses
- KİPTAŞ Pendik Aydos: Total volume of YTL 32 million for 351 houses
- Avrupa Konutları (European Residences): Total volume of YTL 10.7 million for 105 houses

In 2005, consumers were presented with different alternatives in the area of home loans, some of which were "a first in Turkey". They include:

- 100% Home Loan with a limit equaling the appraisal value of the house
- Down Payment for Housing which aims at complementing a home loan received from another bank
- Housing Development and Renewal Loan.

The volume of DenizBank consumer loans registered a significant increase in 2005 mainly due to a deeper penetration provided by a segment-focused marketing approach.

#### Overdraft Facility

DenizBank raised the number of customers having overdraft limits to 125,000 from 72,500 in the previous year. As a consequence, the overdraft total of YTL 38.3 million at the end of 2004 was increased to YTL 60.8 million at the end of 2005. The expansion of the Bank's overdraft facility volume was further enhanced by salary and private school tuition payment agreements.

#### Salary Payment Service

Denizbank provided salary payments services to 90,339 individuals by the end of 2004, and this number increased to 100,000 by the end of 2005. Total amount of salaries paid increased from YTL 38.1 million to YTL 64.5 million in 2005.

In 2005, DenizBank delivered salary payments for 392 private companies and 565 public institutions.

#### Composition of DenizBank's Deposits

	2005	2004
Time YTL	73%	75%
Demand YTL	27%	25%

Total YTL Deposits	US\$ 2,016 million	US\$ 1,216 million
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	2005	2004
Time FX	81%	81%
Demand FX	19%	19%

Total FX Deposit	US\$ 3,390 million	US\$ 2,636 million
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Loans/Deposit Ratio	63%	88%
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#### Retail Loan Allocation and Risk Monitoring

##### Retail Loan Allocation Department

All credit card applications are evaluated on the ROTA System (application evaluation system). With this system, the Consumer Credit Bureau and the Central Bank of Turkey databases are automatically queried; applications that do not conform to the prescribed conditions are automatically rejected.

A system for personal loans that would function over the ROTA system is currently in the development stage. An agreement has been signed with Experian Scorex for the development of a personal loan scorecard. All personal loan applications, assessments and allocation transactions will be carried out over the ROTA System following the launching of the new system in the first quarter of 2006.

Thanks to the ROTA System, the current period of 24 hours for responding to credit applications delivered to the Retail Loan Allocation Department in a complete manner, will be further decreased.

##### Risk Monitoring Department

In the Risk Monitoring Department where credit risk concerning personal loans and credit cards is monitored, monitoring transactions are conducted centrally and any delays are initially notified through SMS messages. Customers that do not make payments within seven days are notified of their delays by phone. Search results are coded and stored on the system and the codes that require action are monitored.

Notices are prepared and dispatched centrally for credit card customers who fail to pay their debts for two consecutive periods, while monthly correspondence is held with branches for the initiation of administrative follow-up for personal loan customers.

## Banking Services

### DenizBank

Files of customers who fail to make correct and timely payments are transferred to the Legal Department for the initiation of legal proceedings.

#### Alternative Distribution Channels

Through DenizBank's alternative distribution channels, customers may access all services, except for cash transactions, without the need to visit a branch office. In addition to routine banking applications, these services also include investment products that DenizBank customers can buy through the Internet Branch, ATMs, Kiosks and the Call Center. Through these channels, they can buy and sell mutual funds, government bonds and Treasury bills. Customers can also change foreign currency and buy prepaid GSM cards through alternative distribution channels. Additionally, debit card

applications can also be made through all four of these channels.

In addition to applications through branches and the website, customers can now apply and register online for Internet banking services by simply calling the Call Center.

In 2005, DenizBank's newly designed, more functional and user-friendly website was launched, enabling customers to reach the information they seek more easily and rapidly. The design of the @çıkDeniz Internet Branch was renewed to create a better visual match and in more direct relation to and standardization with the main site. Together with the new design, performance improvement efforts were also carried out to increase transaction speed.

#### DenizBank's Alternative Distribution Channels' Performance

	2005	2004
<b>Internet Branch</b>		
Number of Customers	157,845	102,235
Total Number of Transactions	4,992,686	2,772,380
<b>Call Center</b>		
Number of Customers	785,046	440,046
Total Number of Transactions	4,950,000	3,105,828
<b>Number of Kiosks</b>	<b>98</b>	<b>97</b>
<b>Number of ATMs</b>	<b>301</b>	<b>217</b>
<b>Number of Transactions on ADCs/Total Number of Transactions</b>	<b>24%</b>	<b>19%</b>
<b>Cost Savings Due to ADCs</b>	<b>US\$ 5,180,000</b>	<b>US\$ 3,175,000</b>

Through DenizBank's alternative distribution channels, customers may access all services, except for cash transactions, without the need to visit a branch office.

To promote the use of alternative distribution channels, customers are awarded DenizYıldızı (Sea Star) points at @çıkDeniz, the Call Center and the Kiosks, in proportion to their usage of the channel. DenizYıldızı entitles the customer to certain privileges or benefits in their transactions with the Bank.

The constantly changing face of banking has demanded that Alternative Distribution Channel management to be conducted through technology-based, user-friendly applications that make access to banking services easier and more reachable globally. New technology is able to deliver account and market data on a real-time online basis. As an additional feature, 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 of their banking and investment transactions online. These transactions include account information, credit card, investment and foreign currency transactions, money transfers, bill payments and communication with the Call Center personnel.

Consumer credit applications can now be filed online through the @çıkDeniz Internet branch. This further facilitates elimination of paperwork while speeding up the pace of credit approvals. Additionally, customs duty payments have been added to the list of payments DenizBank customers may make via

@çıkDeniz. This option has facilitated the use of the Internet branch by companies that carry out daily transactions with customs offices.

Sales of shares are also handled by DenizBank's Internet branch within the framework of IPOs. Brokerage transactions conducted by investors remotely in the comfort of their homes make @çıkDeniz an ideal platform for trading securities.

In 2005, DenizBank customers conducted 4,870,000 transactions through the Internet branch, an increase of 176% over the 2004 figure.

#### SMS Banking

DenizBank initiated SMS banking to increase accessibility and build confidence in the ease of remotely conducted banking transactions. The message receiving capability of mobile phones provides a convenient platform for confirming certain transactions and informing the customers of bond and Treasury bill maturity endings and new products. For those customers looking for absolute security in their Internet banking transactions, personal codes are directly delivered to their mobile phones.

#### GPRS Banking

In line with its principle to offer the best solutions that match the needs and expectations of its customers, DenizBank initiated GPRS banking. Together with SMS Banking, this new service aims to make remote banking transactions faster and less expensive.

Through GPRS Banking, DenizBank offers its customers the opportunity to monitor their accounts,

## Banking Services

### DenizBank

carry out money transfers, receive credit card information, make credit card payments and receive stock portfolio information using the @çıkDeniz website via their mobile phones from any location.

#### ŞifreTek and ŞifreTek Mobile

In 2005, DenizBank launched ŞifreTek, an application that generates a new password for transactions that will be used only once, enabling @çıkDeniz Internet branch customers to carry out their banking transactions more securely. Thanks to ŞifreTek, a two-step security option is offered to users for their money transfer transactions or @çıkDeniz accesses (user name, e-password, @çıkDeniz password and ŞifreTek password).

ŞifreTek Mobile is an application downloaded to java-supported mobile phones that generates a new password for every access. This is a one-time password that can be used anywhere over mobile phones to help users feel more secure.

#### Contact Center

In addition to the rapid and simple service opportunities the Contact Center has provided to DenizBank customers via technology, as of 2005, it has assumed a new role and has initiated sales and marketing activities. The Center serves as the sole channel for credit applications through telephone (AloKredi), a first-in-Turkey. As a low-cost service channel offering efficient, rapid data processing services, the Contact Center has created significant

added value with regard to sales and marketing activities through making outgoing calls coordinated with the Marketing Department and/or the branches and Cross-Sales and Sales Opportunities campaigns.

Accordingly, successful overdraft account and credit card marketing activities were achieved in 2005; personal accident insurance policies were sold to over 1,000 customers through sales efforts undertaken during the last two months of the year.

In 2005, the number of incoming calls to the Contact Center rose to 4,200,000; the number of outgoing calls reached 850,000.

#### ATMs and Kiosks

ATMs assist customers with their petty cash needs and for the most part are instrumental in the provision of salary disbursements. In addition to the DenizBank Internet Branch, in-branch and off-site banking kiosks also allow debit or credit cardholders to sign in with their personal passwords.

Cash withdrawal, credit card transactions, balance inquiry and account statement, cash deposit, bill payments, information update, transfers and password changes can be transacted through DenizBank ATMs.

In 2005, the kiosks started issuing debit and credit card passwords. This has enabled users to obtain their passwords more easily, quickly and securely.



Adopting a customer-focused strategy, DenizBank SME Banking increased the number of products on the shelves of its financial supermarket with specially developed credit packages tailored to the needs of small companies representing numerous different business lines.

## >> BUSINESS BANKING GROUP

### Customer Relations Management (CRM) and Branch Planning

In 2005, DenizBank expanded its distribution network to 236 branches in 52 cities, primarily in micro-markets where consumers and small business customers are concentrated. The network of branches were restructured to meet the needs of diverse customer segments and to concentrate on these so-called micro-markets. With the aim of increasing market efficiency and concentration, the Bank established its fourth Regional Directorate in İstanbul, the city assuming the leading role in Turkey's economic growth.

As part of CRM activities, product penetration is rapidly increasing through the Automatic Sales Platform, an application that decreases transaction times by automating sales processes and offering centralized product sales opportunities. Customer segmentation is implemented effectively at all distribution channels of the Bank, enabling increased efficiency by defining customers and determining service levels. Product purchasing trends computed through usage ratios and data mining models can be displayed by individual customers and shared by portfolio managers through the newly developed Customer Relations Management platform.

### SME Banking

DenizBank SME Banking, developed to serve small companies with an annual sales turnover of below US\$ 5.0 million, continued its rapid growth in 2005. As of the end of 2005, the number of customers reached 121,523, credit limit US\$ 1.2 billion and outstanding loans US\$ 614 million. SME Banking customers' deposits and investment accounts reached a total of US\$ 800 million.

Adopting a customer-focused strategy, DenizBank SME Banking increased the number of products on the shelves of its financial supermarket with specially developed credit packages tailored to the needs of small companies representing numerous different business lines. By analyzing the cash cycles of sectors such as tourism, food products, white goods, furniture and stationery, credit products providing the most advantageous payment terms for these sectors were developed. In addition, credit products for workplace renovations and refurbishments and equipment and technology purchases with diverse terms were launched.

Thanks to the scorecard driven credit evaluation model responding swiftly to credit applications of SMEs, a credit decision can be reached within 72

## Banking Services

### DenizBank

hours at the latest, following completion of all paperwork. The most important feature of the credit evaluation model is the fact that it takes into consideration criteria such as the experience, reputation and background of the business owner, which demonstrate his/her commercial reputation, in addition to available financial data. Each week 1,000 credit applications are evaluated through this model.

Undertaking new endeavors in 2005, DenizBank SME Banking launched its training and consultation services under the Business Notes name. This initiative was planned to provide support and meet the information requirements of small businesses on certain issues during stages of development and growth, enabling them to continue moving ahead more easily and securely. The main topics taken up at the seminars organized are tax and financial management, labor law, foreign trade, EU harmonization processes and Basel II criteria. Following the seminars, consultation services are provided to customers by business experts on these topics, free of charge. Within the scope of this initiative, nearly 2,000 business owners participated in three seminars conducted during 2005. These seminars will continue in 2006 throughout the country.

With the aim of supporting more SMEs, DenizBank SME Banking Group launched its *Turuncular* (The Orange Team) campaign with a press conference on December 12, 2005, mobilizing the services of nearly 400 portfolio managers specialized in SME Banking transactions. These efforts, aiming at further publicizing DenizBank's SME Banking brand name, were supported by intensive advertisement campaigns on television, radio, newspapers and magazines.

#### SME Banking Customer Base

	Number of Small-size Companies	Number of Medium-size Companies	Total
2004	45,056	13,458	58,514
2005	91,143	30,380	121,523

#### SME Banking Cash Credit Allocations

	2005	2004
Number of customers that received a credit line	35,122	12,154
Total cash credits utilized by SMEs (US\$ millions)	446	132

#### Cash Management

In business life, narrowing profit margins increase the importance of operational costs and cash flow planning in financial management. DenizBank Cash Management aims to help its customers create cost advantages, decrease operational costs and reduce collection risk, by offering them state-of-the-art technological facilities for payment and collection transactions.

#### Electronic Collection Services

The E-ve-t Tahsil Et (Electronic Data Transfer-Collect) system, enabling supplier companies to automatically collect payments from their distributors-dealers, was developed for the purpose of forming a collection system between the supplier company and its regular customers. Within the scope of this system, contracts are signed with companies from various sectors, first and foremost iron and steel, petroleum products, construction materials, automotive, agriculture, food and telecommunications. The E-ve-t Havuz Hesap (Electronic Data Transfer-Pool Account) provides a

With the aim of supporting more businesses, DenizBank SME Banking Group launched its *Turuncular* (The Orange Team) campaign, mobilizing the services of nearly 400 portfolio managers specialized in SME Banking transactions.

smooth and automatic cash flow between the headquarters of the current customers and their agencies, regional offices and liaison offices.

Since 2004, collection and payment services have been delivered through the Nakit Kart (Cash Card), which can be described as a kind of electronic check book that functions in the form of a closed circuit between the wholesaler and the retailer.

In 2005, approximately 100,000 collection transactions amounting to YTL 288 million were carried out with E-ve-t Tahsil Et, Nakit Kart and E-ve-t Havuz Hesap. A credit limit of YTL 54 million was allocated to the members of this system within the scope of these applications, scoring a 343% increase in collection amounts and 350% in credit limits, compared to 2004.

With regard to the Kiptaş Başakşehir Houses collection project initiated in 2004, YTL 83 million was realized within 2005, with the addition of new Kiptaş housing projects. People who purchase houses make their down payments and installment payments through DenizBank, the only bank involved in the project.

In 2005, a contract was signed with Başkent University for the collection of tuition fee payments and other payments by students enrolled at the University. The amount collected in the fall term totaled YTL 46 million.

#### Electronic Payment Services

Within the E-ve-t-Öde (Electronic Data Transfer-Pay) electronic collection system that allows more than one EFT-transfer transaction during a single access, 217,000 electronic transactions amounting to nearly YTL 1.5 billion were realized in 2005.

Efforts to expand the use of the E-ve-t-Gümrük (Electronic Data Transfer-Customs) application, allowing more than one customs payment through the Internet Branch, are underway.

#### Institutional Collections

DenizBank is one of the banks leading the way in adopting online collection systems for the Social Insurance Institution, the Turkish Electricity Distribution Company and taxes. In 2005, the Bank achieved a volume of YTL 3.4 billion in institutional collections. DenizBank won the İstanbul Gas Distribution Company tender for a third year in a row; this project had a collection volume of YTL 255 million in 2005.

#### Western Union

In 2005, money transfers through the Western Union system achieved over 90,000 transactions for a volume of US\$ 64 million. DenizBank earned a commission income of more than US\$ 775,000.

## Banking Services

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#### Agricultural Banking

After the acquisition of Tarıřbank in 2002, DenizBank started providing support to the agricultural sector, Tarıřbank's traditional area of involvement. An Agricultural Banking Department was established within DenizBank, a unique move in the Turkish banking system. The geographical range and scope of agricultural credits were expanded in 2005 to encompass 74 branches and 19,500 producers with YTL 173 million issued credits.

Agricultural Banking provides finance and other banking services to the agricultural sector, which has an exclusive structure encompassing individuals who earn their livelihood through agriculture plus corporate bodies engaged in this sector. Thus, the products developed address farmers and correspond to the realities of the agricultural sector. The best example of this is the loan model with a single repayment per year, which suits the farmers' cash flow patterns. The special logo and brand created for the Agricultural Banking Department demonstrate the importance DenizBank gives to this area.

While a series of credits are provided for the diverse needs of farmers, there are two main types of agricultural loans granted by DenizBank:

##### 1. Short-term Agricultural Loans (Producer Card)

Short-term credits are granted to the agricultural segment through the use of a Producer Card, which carries a maximum term of 12 months. It provides farmers with agricultural working capital loans tailored to their particular requirements and cash flow patterns. Farmers can use their Producer Cards by making purchases from member vendor companies or drawing cash from ATMs. In other words, with the Producer Card, farmers are provided the opportunity to use cash credits through ATMs to purchase fertilizers, agricultural chemicals, fuel-oil, spare parts and other needs from

member vendor companies on a 24/7 basis. They are also offered installment and/or discount facilities for purchases made with these cards. In 2005, the number of vendors accepting the Producer Card increased to 2,560.

DenizBank has signed special agreements with companies that purchase produce from farmers and carries out other projects in cooperation with them. The Bank created a special version of the Producer Card, a Smart Card application, a first in Turkey and the world, with Kütahya Sugar Factory.

##### 2. Medium-term Agricultural Loans

Special products have been designed to accommodate farmers' frequent needs. The most important aspect of these products is the offer of equal installments or flexible repayment schedules, tailored to the farmers' production cycles and cash flow patterns. The products offered within this scope are as follows:

- Tractor and Equipment Loans
- Dairy Husbandry Loans
- Greenhouse Construction Loans
- Field Purchasing Loans
- Fruit Facility Loans

Agreements have been made with ten tractor manufacturers and/or importers to facilitate the granting of tractor credits to DenizBank customers, granted with buy-back guarantees.

##### Number of Agricultural Banking Customers with a Credit Line

2004	9,800
2005	19,500

##### Agricultural Credit Allocations (US\$ millions)

2004	38
2005	129

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### Bancassurance Services

In 2005, DenizBank was one of the most successful banks delivering insurance services, thanks to its rich product range serving different customer needs and efficient employment of its marketing and sales-focused policies.

Evidence of the dynamic development of DenizBank's insurance services during 2005 were the strengthening of its insurance IT infrastructure as a result of the cooperation with Axa Oyak, motivation of the branch personnel in insurance sales through training activities and the joint offering of banking and insurance products.

The Bank offers bancassurance services including workplace, agricultural, accident, fire, home and life insurance. Furthermore, existing insurance policies of the customers are followed-up and extended on renewal dates.

As a result of the increase in the activities focusing on insurance services targeting the maritime and agricultural sectors, 22 vessels were insured and long-term insurance transactions were started for farm tractors with the newly developed Long-Term Tractor Comprehensive Insurance Policy product offering favorable price advantages. In the area of agricultural insurance, product and greenhouse insurance policies were provided to farmers within the scope of an agency agreement with Güven Sigorta.

Non-life insurance premiums that totaled YTL 6.4 million in 2004 increased by 183% to reach YTL 18.1 million in 2005; life insurance premiums of YTL 1.8 million increased by 233% to reach YTL 6 million. In

2005, total insurance premiums amounted to YTL 24.1 million while insurance commission income was YTL 4 million. DenizBank branches issued a total of 137,000 policies during 2005; 90,000 of which were for life and 47,000 for non-life insurance policies.

Through the cooperation carried out with Garanti Pension Fund in the last quarter of 2005, DenizBank branches began providing private pension plans. Over 400 members of the branch staff were trained to become Private Pension Representatives. Deniz Portfolio Management now manages the Government Debt Instruments Pension Investment Fund included in the pension plans.

### DenizBank Bancassurance Performance (US\$ millions)

	2005	2004
Premium Production	18.0	5.7
Commission Income	3.0	1.1

DenizBank aims to maintain its success in bancassurance by increasing its Private Pension Plans activities, as well as insurance services in 2006.

## Banking Services

### DenizBank

#### >> CORPORATE AND COMMERCIAL BANKING GROUPS

##### DenizBank Corporate and Commercial Banking

	2005	2004
Number of Corporate Customers	1,854	1,290
Number of Commercial Customers	10,000	7,750
Corporate + Commercial Banking Market Share	4.75%	3.95%

#### >> CORPORATE BANKING GROUP

The Corporate Banking segment started 2005 with 1,290 customers; by year end the number had reached 1,854. Corporate customer services were delivered through six corporate banking centers. The large-scale and multinational companies included in this segment have more sophisticated banking requirements. The 50-member marketing team composed of trained and experienced professionals can tailor complex product packages according to customer requests.

In addition to offering dynamic solutions to the banking needs of multinational and large-scale customers in its portfolio, the Corporate Banking Group acts as an intermediary for capital movements such as privatizations, mergers and acquisitions. It assumes an active role in the marketplace within niche sectors such as health, tourism, maritime and education.

The Group creates synergy with other business segments of the Bank, contributing to its total business volume.

Total credit portfolio of the Corporate Banking Group, which was US\$ 1.8 billion at the end of 2004, reached US\$ 2.7 billion in 2005, for an increase of 50%.

The Corporate Banking Group aims at raising the Bank's market share by increasing activities with corporate customers, thereby reinforcing its image in this sector.

##### Project Finance

The Project Finance Department initiated its activities under the Corporate Banking Group in February 2005. It serves as an intermediary in the development of a business concept that creates the maximum economic value. Aiming to create value for new and expansion investments to be realized in prioritized sectors of energy, health, maritime, construction, tourism and education, the Department also offers financial restructuring and project management services.

DenizBank's Project Finance Department is equipped with the necessary means to respond swiftly to projects of all sizes. As a result of its project managers being specialized in prioritized sectors and IT support, the Department operates within a project partnership approach and a principle of "well-structured solutions".

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In 2005, the Department evaluated 50 projects totaling US\$ 2 billion; it allocated funds worth US\$ 286 million to the approved projects. It also provided project consultation services to various energy, health and education institutions and served as a consultant for tender-related issues for its customers with regard to the cement factories being sold by the Savings Deposit Insurance Fund.

Having focused primarily on determining its prioritized sectors, specializing in these sectors and forming the technical infrastructure required for project management therein in 2005, the Department aims at enlarging its project finance customer portfolio during 2006.

#### **>> COMMERCIAL BANKING GROUP**

With the focused efforts of 205 expert sales and marketing personnel working in the area of commercial banking, DenizBank is one of the most active players in this market segment. The Bank offers commercial banking services to companies with an annual turnover of between US\$ 5 to 25 million through its 62 branches. Six of these branches have been converted into Commercial Centers serving only commercial segment customers, thereby meeting customer requests as quickly as possible.

The number of commercial customers, which was 7,750 at the beginning of the year, exceeded 10,000 as a result of the intensive marketing activities carried out in this area. In addition to gaining new customers, another area of focus was further specialization in business lines the commercial segment customers operate in.

Outstanding credit volume granted to commercial segment customers reached US\$ 2.4 billion in 2005, an increase of over 30%.

In 2005, significant progress was noted in niche sectors, which constitutes an important part of the Bank's marketing approach. To date, a credit limit of US\$ 700 million was allocated to the maritime sector for 75 projects; DenizBank has become one of the leading banks in this sector. The credit limit allocated to the tourism sector was US\$ 360 million for over 100 investments. With support provided by the Project Finance Department, the commercial banking segment concentrated on healthcare, education and energy sectors, in addition to maritime and tourism. The activities in these sectors continue to increase and all sectors are closely monitored to create new marketing opportunities and avoid problem loans.

## Banking Services

### DenizBank

#### >> PRIVATE BANKING

The DenizBank Private Banking Center, which began operations in September 2004 in İstanbul under the Treasury Department, grew rapidly in 2005. Individuals with cash investments worth US\$ 150,000 and above, defined as the upper segment of individual customers, usually require more sophisticated services in addition to traditional banking transactions. DenizBank endeavors to reach a higher market share in private banking, by generating solutions tailored to a variety of requests made by high networth customers.

Customer portfolio managers tasked with meeting private banking needs are trained and experienced professionals who can assess dynamic investment trends in line with customers' risk perceptions and advise them accordingly.

The Başkent Private Banking Center in Ankara started operations in September 2005 along with preparations for establishing the Ege Private Banking Center in İzmir. The Ege Private Banking Center will start its operations within the first few months of 2006. Due to an enlarging organizational structure, in November 2005, the Private Banking Group was established under Treasury Management.

The Private Banking Centers offers customers the highest level of return with minimum risk, making use of the synergy of DenizBank's Financial Services Group. With a brand new approach different from the

practices of other banks, Private Banking Centers remain in contact with the customers directed through DenizBank branches located in their area, along with their own customers, thereby creating positive synergy.

Through Private Banking Centers, DenizBank aims at providing its customers the opportunity to reach all financial markets under a single roof. With this in mind, stock transactions initiated in the Private Banking Centers through a cooperation with DenizYatırım Securities in April 2005 proved to be very profitable in a very short time. In addition to traditional products, transactions involving derivative products which are fairly new in Turkey are also intensively carried out. Thanks to comprehensive product information available on the Bank's platforms, all potential risks and changes in taxes, in addition to information on returns, are shared with customers.

The Private Banking Group aims to reach a wider customer base through the corners set up within the current branch premises. Private Banking Corners will also be set up within the three corporate branches in İstanbul. Depending on the results of this pilot practice, corners will continue to be set up in other venues.

Having closed 2005 as the leader within the Bank in terms of Treasury bonds, foreign currency and Eurobond transaction volumes, the Private Banking Group will continue expanding in 2006, further increasing its transaction volume and offering new products.



DenizBank is gradually increasing its share in trade volume between Turkey-Austria-Russian Federation triangle, pursuing close cooperation with the subsidiaries in Austria and the Russian Federation.

## >> INTERNATIONAL SUBSIDIARIES

### **DenizBank AG**

#### Background

Established in 1996 by the former Esbank of Turkey, Esbank AG Vienna was acquired by DenizBank in August 2002 for a sum of € 25 million; DenizBank Financial Services Group attained an opportunity to offer comprehensive foreign trade finance and payment services to a large client base in Europe and Turkey through entrance into the Eurozone banking market. Subsequent to the acquisition in 2003, the name was changed to DenizBank AG.

DenizBank AG is a member of the Austrian Deposit Insurance Fund, the International Forfaiting Association, the Austrian Bankers' Association and the Austrian-Turkish Cooperation Council.

#### Widespread Presence

In July 2003, DenizBank AG opened its first branch beyond the borders of Austria in Frankfurt, the financial center of Germany. With the inauguration of the Linz Branch in August 2003, the Innsbruck branch in June 2004 and the Dortmund and Graz branches in August 2005, the number of DenizBank AG branches increased to nine. The premises of the Frankfurt branch were enlarged at the same time as the premises of the Südbahnhof branch to accommodate the increased volume of business and to serve also as a Call Center. The representative office of DenizBank AG, established in İstanbul in

2004, in an effort to follow the Turkish market developments more closely, has increased its number of personnel and improved technical makeup to establish a more active presence there.

#### Wide Range of Products and Services

DenizBank is gradually increasing its share in trade volume between Turkey-Austria-Russian Federation triangle, pursuing close cooperation with the subsidiaries in Austria and the Russian Federation. DenizBank AG plans to expand its activities in the Eurozone via new branches in Germany. The Bank will continue to act as an intermediary for the foreign trade transactions of Turkish companies in Eurozone countries, delivering forfaiting, non-cash credits and foreign currency transfer services. Other services of the Bank include consumer and small business loans, alternative savings programs, credit cards, money transfers and various insurance products. Particularly through the Internet banking service ([www.denizbank.at](http://www.denizbank.at)), initiated at the beginning of 2005, there has been a significant increase in the Bank's customers and transaction volume. DenizBank AG launched private banking services in 2004 and is expected to grow further in this segment with customer assets under management reaching € 50 million.

Moreover, DenizBank AG is involved actively in project finance facilities through the credit lines allocated to energy, education and tourism investments in Turkey.

## Banking Services

### DenizBank

#### Sound Financial Results

At the end of 2005, DenizBank AG had total assets of € 868.3 million (€ 585.5 million in 2004), shareholders' equity of € 44.3 million (€ 38.8 million in 2004) and before-tax profit of € 7 million (€ 5.1 million in 2004). In 2005, the Bank obtained a syndicated loan facility of US\$ 80 million from 23 participating international banks.

### DenizBank Moscow

#### Background

DenizBank acquired İktisat Bank Moscow at the beginning of 2003. Subsequent to the acquisition, the name of the bank was changed to DenizBank Moscow and its capital was increased from US\$ 1.7 million to US\$ 8 million; an additional increase in 2005, of US\$ 10 million, brought this total to US\$ 24.3 million. The shares of DenizBank Moscow are 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 Goals and Core Activities

DenizBank Moscow was established with a vision to create a medium-size commercial bank that would serve as a full financial service provider primarily to Turkish and Russian businesses in the Turkey-European Union-Russian Federation / CIS triangle.

As a result of the intensifying commercial and investment relations between Turkey and Russia, the trading volume between the two countries exceeded US\$ 15 billion as of the end of 2005, and there are approximately 30,000 Turkish citizens, mainly entrepreneurs and workers, living in the Russian Federation. Investments by 1,000 Turkish companies engaged in various sectors have reached US\$ 2 billion and the aggregate annual revenue is at US\$ 5 billion with tourism, manufacturing and imports in the lead, along with an ongoing construction project volume of US\$ 5 billion. They provide a unique opportunity for DenizBank Moscow to become a medium-sized commercial bank providing credit, non-credit and trade finance products to entrepreneurs doing business in the Russian Federation.

The Bank serves as a 'first stop' for DenizBank clients in Turkey currently conducting business in Russia or for those who want to pursue possible business opportunities there. The electronics division of Zorlu Holding in Russia, Vestel CIS, the textile division, Taç Textiles and the energy division, Zorlu Energy, also provide the Bank with valuable business potential and contributes to synergy building.

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

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#### Activities in 2005

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 Ruble and foreign currencies. The Bank has also obtained licenses for dealership, brokerage, depository and custody operations. Furthermore, DenizBank Moscow was admitted to the newly enacted State Deposit Insurance System and MICEX - Moscow Interbank Currency Exchange and initiated transactions in the exchange.

In 2005, the Bank increased its trade finance volume significantly and widened its international and domestic correspondent network, thereby enlarging its funding base with these banks.

The IT infrastructure of the Bank was updated with new hardware and a VPN connection was established with DenizBank in İstanbul resulting in uninterrupted information sharing and communication. In addition to the renewed and upgraded Internet website, the Bank completed its Business Continuity and Emergency Plans in 2005. Infrastructure shortcomings were eliminated in the area of risk assessment, and management systems.

In 2005, the Bank reached major Turkish companies operating in the Russian Federation mainly in the construction and tourism sectors. Major construction projects around the entire Russian Federation were supported with cash and non-cash credit lines; the

tourism sector was provided with cash management services through the opening of Remote Cash Units, in addition to cash credits.

In 2005, DenizBank Moscow's total assets increased 104% to US\$ 116.4 million from US\$ 57.1 million in 2004. Its shareholders' equity registered a 115% increase and reached US\$ 20.6 million from US\$ 9.6 million in 2004. The Bank posted a before tax profit of US\$ 2.1 million at the end of 2005.



DenizBank had 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 an off-shore bank, licensed to undertake all commercial banking transactions.

At the end of 2005, EuroDeniz Off-Shore Bank had a balance sheet total of US\$ 726.5 million (US\$ 386.2 million in 2004) and shareholders' equity of US\$ 27.3 million (US\$ 69.2 million in 2004).

## DenizBank Financial Services Group

### Investment Banking and Brokerage Services



With the largest brokerage houses in Turkey, DenizYatırım Securities ranks second among more than 100 in terms of average market shares for the last three years.

## DenizYatırım

### A Strong Presence in Turkey's Capital Markets

Targeting leadership to meet financial return and service quality expectations of its clients as well as the creation of a solid position in capital markets, DenizYatırım Securities was established in January 1998 as a DenizBank subsidiary. The company has pioneered in several areas and obtained a leading position among capital market institutions by offering all the activities within the capital markets investment banking product range in an efficient and transparent manner. Meanwhile, the company has taken into account the common denominator made up of clients, employees, shareholders and regulatory institutions, thanks to the synergy generated through its corporate structure, professional management team and 236 DenizBank branches.

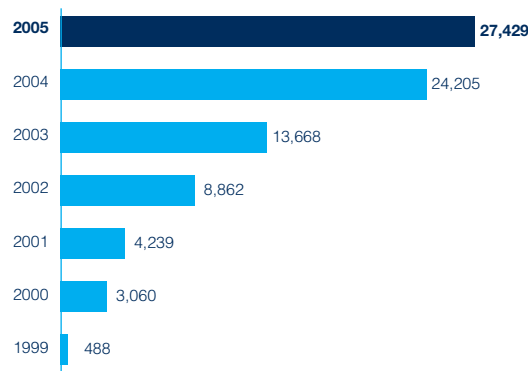
DenizYatırım Securities has pioneered in several areas within the capital markets between 1998 and 2005.

- Acquisition of Tektaş Securities - January 2000
  - The first merger of brokerage houses realized in Turkish capital markets

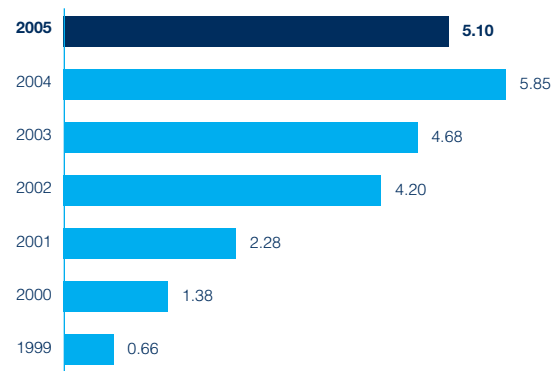
- Public Offering of Zorlu Energy - May 2000
  - Record number of investor applications: 474,274
- Public Offering of Fenerbahçe Sportif - February 2004
  - The first and only brokerage house offering full underwriting guarantee prior to the public offering
  - More than six-fold demand in small-size individual investor category
- Public Offering of DenizBank - September 2004
  - Domestic demand exceeding US\$ 200 million received by DenizYatırım Securities alone
- Public Offering of Trabzonspor Sportif - April 2005
  - 8.1-fold demand from small-size individual investor category

With the largest brokerage houses in Turkey, DenizYatırım Securities ranks second among more than 100 in terms of average market shares for the last three years. The success achieved by the company is a result of the efficient use of the trading rooms, Internet sites and call centers located in 236 DenizBank branches all over Turkey. DenizYatırım Securities has 156 VIP and 78 regular trading rooms in 122 DenizBank branches.

Equity Trading Volume in Domestic Markets (YTL millions)



DenizYatırım Market Share (%)



## Investment Banking and Brokerage Services

Results for 2005 placed DenizYatırım Securities among the top players in the market again. With 320 employees working throughout Turkey, DenizYatırım Securities has maintained its leading position in Turkey's capital markets.

### Domestic Markets

DenizYatırım Securities achieved an equity trading volume of YTL 27.4 billion (US\$ 20.4 billion) and a market share of 5.1%. As of the end of 2005, the company reached a customer asset size of US\$ 1.2 billion with 78,477 active account holders.

### Corporate Finance

Although a relatively new company, DenizYatırım Securities has become one of the most important brands in Turkey with regard to investment banking, making major achievements with the projects it has realized. Several public offerings under DenizYatırım Securities' leadership are anticipated in 2006. Additionally, the

company provides financial consultation to the Privatization Administration for Türk Telekom's block sale and public offering. With the block sale tender of Türk Telekom held in July 2005, Turkish Treasury's Türk Telekom shares of 55% were sold to Oger Telecom for a sum of US\$ 6.55 billion; the shares were transferred to Oger Telecom when an agreement was signed in November 2005. This amount is the largest privatization and strategic block sale value in the history of the Turkish Republic. DenizYatırım Securities will act as Privatization Administration's financial consultant and domestic consortium leader for the Türk Telekom public offering planned to be held in 2006.

DenizYatırım Securities acted as the consortium leader for the Trabzonspor Sportif IPO held in April 2005 for a total sales volume of US\$ 24.3 million; purchase orders were 8.1 times the shares on offer and were collected in the small-size individual investor category while US\$ 109 million worth of orders were received in total for the IPO.

## Public Offering Projects in 2005

Brokerage House	Total Demand (US\$)	%
1 DenizYatırım	169,146,257	18
2 Vakıf Yatırım	134,392,525	14
3 Finans Yatırım	110,990,145	12
4 İş Yatırım	97,900,114	11
5 Bizim Menkul	32,897,859	4
6 Ak Yatırım	31,832,591	3
7 Garanti Yatırım	28,222,690	3
8 Oyak Yatırım	24,880,289	3
9 Dış Yatırım	24,000,679	3
10 Koç Yatırım	19,362,685	2
Total	930,153,985	

Increasing its market share to 3% in 2005, the company ranked tenth by equity trading volume among all brokerage houses in the ISE.

The Company was the consortium member for the Petkim SPO held in April 2005 and collected purchase orders amounting to US\$ 7.2 million. Meanwhile, acting as the consortium co-leader of the Vakıfbank IPO held in November 2005, DenizYatırım collected the highest level of purchase orders amounting to US\$ 61 million in the domestic individual investor category.

During the public offerings with a total sales volume of US\$ 20 million and above conducted in 2005, DenizYatırım collected 18% (US\$ 169 million) of the total order amount of US\$ 930 million placed domestically through DenizBank branches. With this figure, DenizYatırım Securities maintained its position for collecting the highest amount of domestic purchase orders in 2005 as well. In 2005, 10,620 (15%) of a total of 70,237 domestic individual investors participated in the above mentioned public offerings through DenizYatırım Securities.

#### Quality Assurance

For the purpose of offering its clients high quality services and increasing efficiency, decreasing costs and reaching an internationally accepted quality assurance level, DenizYatırım Securities obtained the ISO 9001 Quality Assurance Certificate in 2001. Having adopted this system as a management model, the company completed the transition to ISO 9001:2000 revision over the following three years, always targeting sustained improvement. On November 20, 2003, DenizYatırım Securities was certified by AOQC Moody International for compliance to the ISO 9001:2000 Quality Management System conditions; it has passed the audits held three times since 2001 with zero errors.

## EkspresInvest

#### Target Audience: Foreign Institutional Investors

Having joined DenizBank Financial Services Group at the end of 2002 and focusing on offering investment services for foreign institutional investors, EkspresInvest continues to expand rapidly within the framework of its mission. Increasing its market share to 3% in 2005, the company ranked tenth by equity trading volume among all brokerage houses in the ISE. EkspresInvest also ranks in the top tier of brokerage houses serving foreign institutional investors.

In 2005, the number of EkspresInvest' foreign institutional clients reached 100, paralleling a significant increase in its foreign mutual fund and hedge fund clients. EkspresInvest owes this success to its commitment to offering timely, high-quality and value-added services to its customers, its experienced staff and especially its research base capable of generating innovative investment ideas distinct from competitors. The sales and marketing team pays regular visits to institutional investors abroad to maintain close contact with current clients and to continuously expand the customer portfolio.

#### Comprehensive Research Reports

Providing its target clientele, foreign institutional investors, with the opportunity to make the correct investment decisions in Turkey, EkspresInvest publishes periodic macro and micro-level analyses on publicly traded companies as well as on the economic and political environment. In 2005, the research team increased its coverage of publicly traded companies from 51 to 64, corresponding to 86% of ISE market capitalization.

## Investment Banking and Brokerage Services

EkspresInvest' research reports are published by international research providers such as Bloomberg and Thomson One Analytics. EkspresInvest prides itself on its excellent track record for identifying and responding rapidly to trends in the Turkish capital markets.

### Boutique Brokerage Services

EkspresInvest, capitalizing on the strength of its research services, provides boutique brokerage services to domestic institutional investors of high caliber in addition to foreign institutional investors.

### Corporate Finance

Together with DenizYatırım Securities, EkspresInvest took part in the consortium that acted as consultant to the Privatization Administration for the block sale of 55% of Turkish Telecom's shares. The Company also served as the international co-leader for the Trabzonspor IPO with a sales volume of US\$ 24.3 million; this resulted in the sale of 15% of the shares on offer to foreign institutional investors.

## DenizTürev

Established as a Tarihbank subsidiary in 1997, Tarih Securities joined the DenizBank Financial Services Group following DenizBank's acquisition of Tarihbank in 2002. The name of the Company was changed subsequently to DenizTürev Securities in 2005.

### New Strategies in Effect

DenizTürev Securities' prioritized target is to become the leader of the Turkish Derivatives Exchange (TurkDEX) established in 2005 in Izmir. It maintains a synergistic cooperation with DenizBank. The company offers its services through DenizBank's countrywide network of branches within the framework of an agency agreement signed with the Bank. DenizTürev Securities aims to maintain its market share of 8.3% in terms of sales volume it achieved at the end of 2005.

### A First in Turkey

By establishing international strategic partnerships, DenizTürev Securities included international derivatives markets in its service range, thereby opening doors to Turkish investors for futures exchanges all over the world. The authorization certificate received from the Capital Markets Board is a first in Turkey in this respect. As of the end of 2005, DenizTürev Securities was the only brokerage house to possess this authorization.

### Service

Individual investors in search of diversity of investment opportunities are offered investment alternatives from derivatives market tools, varying according to their risk preferences. In addition to the brokerage services offered in derivatives markets, institutions are also offered risk management consultation services.



### A Door to Capital Markets for Household Savings

Established as an A-type investment trust company in 1995, Demir Investment Trust, a Demirbank subsidiary, became a DenizBank Financial Services Group subsidiary in 2001. Its title was changed to Deniz Investment Trust in 2002.

Deniz Investment Trust serves to pool the stocks offered to the public through the İstanbul Stock Exchange and the household savings within the framework of the principles and rules determined according to the capital markets legislation. The Company then invests them in a portfolio consisting of various securities and distributes the earnings obtained to the shareholders according to their share ratios.

Thanks to the team of experts managing the investment trust portfolio, investment risk has been reduced and resources have been used effectively by investments in



All DenizBank mutual funds were among the top performers within their respective categories each designed to address the various risk-taking and income expectation attitudes of the investors.

securities. Establishment and development of investment trusts are supported by tax incentives in Turkey, thus making them as equally advantageous as in other countries.

Deniz Investment Trust has the highest free float rate (99.74%) among the current 26 investment trusts listed on the İstanbul Stock Exchange and have increased net profits from YTL 989,129 at the end of 2004 to YTL 5,553,064 at the end of 2005.

In 2005, the company increased its paid-in capital from YTL 4,995,000 to YTL 9,990,000 and its portfolio size to YTL 25,200,472, thus rating among the top five in its sector in terms of portfolio size.



#### Background

With the intention of pursuing its mutual fund and asset management activities under separate roofs, DenizYatırım Securities took the first step in this direction by acquiring Ege Asset Management from the Savings Deposit Insurance Fund in May 2003. Subsequently, the name of the Company was changed to Deniz Portfolio Management on June 1, 2003.

#### Managing a High-Performance Mutual Funds Portfolio

All DenizBank mutual funds were among the top performers within their respective categories each designed to address the various risk-taking and income expectation attitudes of the investors. The B-type liquid fund with the highest asset size among mutual funds ranked eighth among 44 funds within its category. The DenizBank B-type liquid fund has become the leader of the Turkish capital markets by performing better than many instruments bearing higher risks, even though it offers the shortest term option with instant trading opportunity and invests in non-risk bearing instruments.

In 2005, DenizBank B-type Mutual Fund was rated in first place among 31 funds in terms of yield. It was placed significantly above the market average in terms of asset size with a 356% growth rate in 2005. Deniz Portfolio Management began managing the Garanti Pension Fund and Life Company Government Debt Instruments Pension Investment Fund in 2005.

#### Excellent Research Products

The Research Department within Deniz Portfolio Management primarily serves investors by issuing regular and general research reports that incorporate recommendations for assistance in making investment decisions. The department directs investors through recommendations included in BUY-SELL-KEEP bulletins that look at overall developments in domestic and international markets. These bulletins reflect current investment developments that are important issues for investors who buy and sell instruments on a daily basis.

In 2005, the Research Department drafted 70 company and six industry reports using alternative company evaluation methods, while at the same time offering investors firsthand objective valuation services through numerous company visits. The number of clients utilizing these research reports increased to 40,000 in 2005.

#### Quality Assurance

Deniz Portfolio Management initiated the implementation of ISO 9000 Quality Management System and received its ISO 9001-2000 Certificate on March 24, 2005.

## DenizBank Financial Services Group

### Leasing and Factoring Services



Notwithstanding the industry or equipment leased, DenizLeasing offers attractive financing schemes that meet the most stringent requirements of its customers.

## DenizLeasing

### A Powerful Synergy

Since the commencement of operations in December 1997 as a member of DenizBank Financial Services Group, DenizLeasing's operating strategy has been to pursue controlled growth and highlight customer service while offering competitive rates. Conforming to the strategic plan of DenizBank Financial Services Group, DenizLeasing has focused on its core business of financial leasing that is built 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 making up more than 8%. Independent of the industry or equipment leased, DenizLeasing offers attractive financing schemes that meet the most stringent requirements of its customers. DenizLeasing also finances new and expansion investment projects of large-scale companies.

The success of DenizLeasing is based on its continuous ability to provide specialist knowledge, demonstrate a clear understanding of client requirements and focus on financial performance in consideration of 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 the fiscal, legal and regulatory environment.

### Leasing Products

DenizLeasing provides short to medium-term financing denominated in both FX and Turkish lira to avoid foreign currency open positions and maturity mismatches. To raise FX funding facilities, DenizLeasing has built strong relationships 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	16.5
2003	50
2004	102.3
2005	202.8

### Favorable Operational and Financial Results

DenizLeasing achieved a leasing volume of over US\$ 200 million in 2005, increasing the 2004 figure of US\$ 102 million by 98%. Total assets stood at US\$ 238 million and net profit was US\$ 5.1 million at the end of the year.

### Plans for 2006

In 2006, with 2,600 new contracts and a total leasing volume of US\$ 400 million, DenizLeasing plans to be ranked among the top five leasing companies in Turkey.

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

## Leasing and Factoring Services

the upcoming year. Special financial leasing packages will be developed to reduce the time required to process applications.

Currently, DenizBank branches have a 70% 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 as a 100% DenizBank subsidiary and a member of DenizBank Financial Services Group. In May 2000, it became a member of the Turkish Factoring Association and in September 2001 was accepted as a member of FCI, the largest factoring chain in the world. In addition to its successful domestic and export factoring businesses, DenizFactoring began import factoring in 2004. Meeting the criteria to become a full member in October 2004, the Company was appointed the fifth full member company from Turkey within the FCI organization and 64th globally.

#### Business Strategy

DenizFactoring has preferred a sustainable growth strategy rather than taking advantage of the occasional developments occurring in the markets. Following risk-averse and prudent lending policies while emphasizing risk management principles, the company has maintained high quality assets in its balance sheet. As a result, non-performing loans are only 0.1%, a negligible amount.

#### International Operations

Utilizing the export synergy provided by companies within the Zorlu Group, the company's export factoring volume reached US\$ 290 million. This has placed the company third place among Turkish factoring companies in terms of export business achieved. DenizFactoring handles 13% of Turkey's export factoring volume. Expanding international business volume has helped the company access alternative funding sources and a larger correspondent base worldwide.

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#### Key Operational and Financial Indicators (US\$ millions)

	2006	Targeted Change(%)	2005	Change (%)	2004
Domestic Turnover	710	63	435	61	270
International Turnover	390	34	290	9	265
Total Turnover	1,100	52	725	36	535
Total Assets	233	38	169	74	97
Shareholders' Equity	35	46	24	85	13
Factoring Receivables	212	44	147	88	78

#### Domestic Operations

Continued optimism in the economy and improved indicators fostered growth in the domestic factoring business in 2005. Being part of a large financial services group has also contributed positively to DenizFactoring's expansion of its business volume. As of the end of 2005, the company achieved a total domestic factoring turnover of US\$ 435 million. When total factoring turnover (domestic plus international) is considered, DenizFactoring's total turnover of US\$ 725 million was the fourth largest in Turkey's factoring sector in 2005.

#### Objectives for 2006

DenizFactoring expects the favorable economic environment to continue into 2006, helping it achieve an even larger business volume. It is envisaged that the total factoring turnover will reach US\$ 1.1 billion, US\$ 390 million of which will be derived from international factoring and US\$ 710 million from domestic turnover. With this projected business volume, DenizFactoring will rank third among all factoring companies in Turkey in terms of total turnover in 2006.

## DenizBank Financial Services Group Information Technology Services



With its flexible structure where planning, reporting and analysis activities are managed on the same media, Intertech offers business intelligence solutions to DenizBank, giving it a competitive advantage in the dynamic markets of the future.



#### Intertech's Business Intelligence Solutions Add Value to DenizBank

With its flexible structure where planning, reporting and analysis activities are managed on the same media, Intertech offers business intelligence solutions to DenizBank, giving it a competitive advantage in the dynamic markets of the future. DenizBank's Decision Warehouse incorporates a solution architecture, the infrastructure of which has rapid development and scalability qualities, meeting the Bank's growing requirements.

In line with DenizBank's Customer Relations Management (CRM) vision, a single and centralized customer database has been maintained in the Bank since its foundation. This single customer database is used for the entire operational systems of the Bank. DenizBank Data Warehouse is developed with real-time data flowing in from all operational systems. DenizBank's consolidated and centralized institutional data are converted into information through the use of DenizBank business intelligence tools in the Decision Warehouse environment.

#### Better and Faster Reporting Environment

The entire reporting system works on the DenizBank Decision Warehouse infrastructure comprised of consolidated and centralized institutional data. The DenizBank Decision Warehouse facilitates in-house users' access to analyzed data, thereby increasing the efficiencies of all project teams of the Bank. DenizBank staff is able to draft their own reports and personalize them according to their needs. This feature relieves the reporting workload of IT teams to a considerable extent and provides the users with the opportunity to act more rapidly. Since users can draft their own reports, they do not need to wait for the IT to design reports, thus saving a significant amount of time. Furthermore, as users themselves are able to define their own business requirements, they can ensure report accuracy in the first draft.

#### User-friendly Analytical Environment

A user-friendly analytical reporting environment and data mining opportunities provide for an integrated management environment for all organizational levels. The Decision Warehouse infrastructure provides data to the DenizBank Decision Warehouse portal through the Data Warehouse formed in line with the notion "there is only one correct way". A clear advantage of this portal is the users' ability to design new reports and analyses for top management without requiring a new application software. The portal is used by the CRM team, the marketing staff and the entire management team. Members of the project teams are able to reach all information concerning the customers, portfolio managers, branches, regional directorates, business sectors and the Bank in general. Users are able to analyze current or historical data, including the following, at all detail levels and make future analyses using forecasting methods.

- Customer analyses
- Cross-sales opportunities
- Profitability

#### Operational Systems Supported by Real-Time Analyses

Information obtained from the DenizBank Decision Warehouse through the data mining method provides data to operational systems. These operational systems are utilized by the DenizBank sales team, Call Center personnel and tellers. The information provided comprises the following:

- Customer information that can help determine sales opportunities
- Customer segments
- Customers' product usage data
- Customer profitability
- Product trends
- Campaign information.

This solution is one of the initial business intelligence projects that function on Microsoft SQL Server 2005 Analysis Services. Thanks to this infrastructure, institutional data are converted into information. The DenizBank Decision Warehouse infrastructure and DenizBank business intelligence applications permit rapid decision making that carries DenizBank into the future and ensures excellent management of the Bank's performance.

## Cultural Services

### DenizKültür

DenizBank Culture, Arts & Publication Inc. (DenizKültür) was established in 2004 for the purpose of organizing and supporting cultural activities, particularly scholarly research, arts and literature. The Company is responsible for representing the DenizBank Financial Services Group as well as the corporate and social mission of the Group in projects and cultural activities that they undertake.

DenizKültür will be organizing original art projects and cultural events that conform to Atatürk's principles, protecting national values, foster the development of a cultural repository at the national level, aiming at being an integral part of today's world with its endeavors in cultural activities.

The Company publishes books related to fields of science and arts and literature; it produces audio-visual cultural material, conducts performing arts activities, holds exhibitions of visual arts and handicrafts as well as social mission campaigns and other cultural activities designed with new ideas.

#### Activities in 2005

DenizKültür identified its general principles and activity areas in 2005 and initiated its endeavors accordingly.

DenizBank became a sponsor of the İstanbul State Symphony Orchestra and coordination activities have been carried out for a series of concerts that will be held in the 2005-2006 season as DenizBank Concerts.

The book titled "Global Financial Crises" by DenizBank's Chief Economist, Dr. Saruhan Özel, was prepared for print, its promotional distribution activities were completed and the book was offered for sale in line with the distribution agreement made with Remzi Publishing House.

Promotional distribution activities were conducted for the book titled "İstanbul... A Long Long Dream" made up of Selim Seval's photographs supported by Nalan Barbarosoğlu's texts. This book was also offered for sale through Remzi Publishing House.

The book titled Abdülhamid the Second and His Era from Administrative Reforms to Constitutional Monarchy through the Objective History Prism by Alpay Kabacalı was printed; 4,000 copies were delivered to DenizBank for promotional distribution and the organization of sales for 1,000 copies was assigned to DenizKültür.

The books published by DenizKültür were exhibited at the Frankfurt Book Fair held between October 19-23, 2005 and transferred to the Turkish stand at the Frankfurt Applied Arts Museum following the Fair; they will be exhibited at this museum for a period of six months.



# Human Resources and Training

In 2005, DenizBank pursued its strategic objective of becoming one of the leading banks of Turkey by increasing the number of its branches to 236 and the number of its employees to 5,059, as of year-end.

In 2005, the Bank pioneered in its sector by initiating the PUPA Premium System that supports target achievement and product sales with the aim of creating sales-focused branch personnel. Through this system, exceptional performance by portfolio managers and branch operations personnel working in the branches are rewarded with premiums.

The Service Quality Premium scheme, which is intended to motivate the tellers who are always first to welcome the customers in a branch office to increase their service quality, and having the human resources data infrastructure integrated with all other technological infrastructures are the firsts among the practices in these fields.

Through the career maps designed to meet growing and developing organizational requirements, employees' career paths are documented right at the start of their employment. The career maps reveal the time it takes an employee to get promoted to a higher position or title, show the vertical and horizontal career paths, indicate the years of experience and technical knowledge and management skills required for each position and identify the positions to which each employee can be promoted. Employees can use this information to take systematic steps in developing their careers.

DenizBank's personnel requirements that arise as a result of its growth strategy are met through appraisal of experienced candidates for their suitability to the

corporate culture of the Bank as well as through the training groups created for new graduates. Thus, new graduates who are recruited receive intensive training to meet staffing needs and at the same time, to create future executives from within the corporate structure.

Workload and timing analyses are conducted for all positions in order to determine norms with regard to numerical indicators.

Fulfilling its responsibility to bring in trained staff to the banking sector, DenizBank organized 1,400 training programs in 2005, aimed at increasing the staff's technical knowledge and skills and contributing to their personal development. These programs also help the employees adapt to the Bank's corporate culture and procedures. DenizBank's Training Department offered training to 21,969 participants through training sessions that lasted 167,095 hours. The average training period per person was 38.72 hours and each member of staff received 5.53 days of training on average.

## Board of Directors



**Dr. İ. Veysi Seviğ**  
Chairman



**M. Cem Bodur**  
Vice Chairman



**Can Taşpulat**  
Executive Member



**Fikret Arabacı**  
Member



**M. Tınaz Titiz**  
Member



**Cemalettin Hasdemir**  
Member

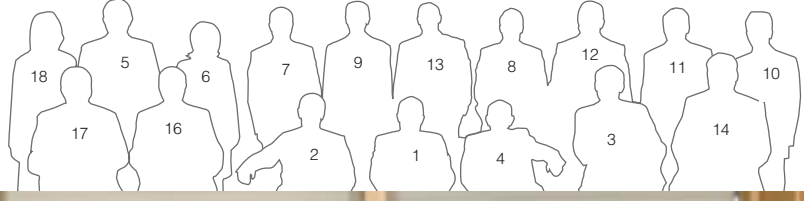


**Hakan Ateş**  
Member and President & CEO

## Members of the Board of Directors

Member	Other Duties	Previous Occupation
Dr. İ. Veysi Seviğ (66) Chairman Term of Appointment: Two years Independent Member Education: Doctorate Years on the Board: Eight	Columnist for Dünya Newspaper Professor at Royal Academy of Belgium Yapı Merkez A.Ş. Board Member	Turkish Ministry of Finance Prime Ministry Chief Advisor OECD
M. Cem Bodur (44) Vice Chairman Term of Appointment: Two years Member Education: BA Years on the Board: Eight	Board Member at DenizYatırım Securities Board Member at EkspresInvest Board Member at DenizBank AG Board Member at DenizBank Moscow Board Member at DenizBank Culture and Arts Inc. Board Member at DenizLeasing Chairman at DenizFactoring	Ekinciler Holding Marmarabank Körfezbank Interbank
Can Taşpulat (52) Executive Member Term of Appointment: Two years Executive Member Education: BA Years on the Board: Eight	Board Member at DenizYatırım Securities Board Member at Intertech Board Member at EkspresInvest Board Member at DenizTürev Securities Board Member at DenizBank Moscow Board Member at DenizBank Culture and Arts Inc.	Interbank Ziraat Bank İstanbul Bank
Fikret Arabacı (52) Executive Member Responsible for Corporate Credits Term of Appointment: Two years Member Education: BA Years on the Board: One	Board Member at DenizLeasing Board Member at DenizFactoring Board Member at EuroDeniz Offshore Bank Ltd. Board Member at Deniz Portfolio Management Board Member at Credit Bureau	Dışbank Interbank İş Bank Ziraat Bank
M. Tınaz Titiz (63) Member Term of Appointment: Two years Independent Member Education: BA Years on the Board: Eight	Owns a consulting company Member of the White Point Foundation	MP at the Turkish Parliament Elektro-Akustik A.Ş. Ereğli Coal Mines
Cemalettin Hasdemir (70) Member Term of Appointment: Two years Independent Member Education: BA Years on the Board: One	Board Member at Sörmaş Refrakter	Toprak Off-Shore Bank Tarişbank Toprakbank Etibank İnterbank Yaşarbank İş Bankası
Hakan Ateş (46) Member and President & CEO Term of Appointment: Two years Member Education: BA Years on the Board: Eight	Chairman at DenizYatırım Securities Chairman at DenizLeasing Board Member at DenizFactoring Chairman at EkspresInvest Chairman at Deniz Investment Trust Chairman at DenizTürev Securities Chairman at Deniz Portfolio Management Chairman at Intertech Chairman at DenizBank AG Chairman at DenizBank Moscow Chairman at DenizBank Culture and Arts Inc.	Garanti Bank Moscow Bank Ekspres Interbank İş Bank

## Executive Management



- |    |                               |   |
|----|-------------------------------|---|
| 1  | <b>Hakan Ateş</b>             | President & CEO and Board Member  |
| 2  | <b>Can Taşpulat</b>           | Board Member - Internal Control and Audit                                   |
| 3  | <b>Fikret Arabacı</b>         | Board Member - Corporate Credits  |
| 4  | <b>Nihat Sevinç</b>           | Executive Vice President - Foreign Subsidiaries and Branches Group          |
| 5  | <b>Behçet Perim</b>           | Executive Vice President - Risk Management Group                            |
| 6  | <b>Nesrin Sungu</b>           | Executive Vice President - Financial Institutions Group                     |
| 7  | <b>A. Dinçer Alman</b>        | Executive Vice President - Retail Banking Group                             |
| 8  | <b>Bora Böcügöz</b>           | Executive Vice President - Treasury Group                                   |
| 9  | <b>H. Hüseyin Uyar</b>        | Executive Vice President - Commercial Banking Group                         |
| 10 | <b>Suavi Demircioğlu</b>      | Executive Vice President - Head Office Operations Group                     |
| 11 | <b>Tanju Kaya</b>             | Executive Vice President - Administrative Services Group                    |
| 12 | <b>Mehmet Saraç</b>           | Executive Vice President - Branch Operations and Payment Card Systems Group |
| 13 | <b>Arif Özer İsfendiyoğlu</b> | Executive Vice President - Business Banking Group                           |
| 14 | <b>Cafer Bakırhan</b>         | Executive Board Member - DFS Group Investment Companies                     |
| 15 | <b>Hüseyin Sami Çelik</b>     | General Manager - DenizYatırım Securities                                   |
| 16 | <b>Fikret Özdemir</b>         | General Manager - DenizFactoring  |
| 17 | <b>Göktuğ Demiray</b>         | General Manager - DenizLeasing  |
| 18 | <b>Dilek Duman</b>            | General Manager - Intertech   |
| 19 | <b>İsmail H. Ergener</b>      | General Manager - DenizBank AG  |
| 20 | <b>Derya Kumru</b>            | General Manager - DenizBank Moscow  |
| 21 | <b>Fatih Arabacıoğlu</b>      | General Manager - Deniz Portfolio Management                                |
| 22 | <b>Orhun Şemin</b>            | General Manager - DenizKültür   |
| 23 | <b>Mehmet Metin Aytekin</b>   | General Manager - DenizTürev Securities                                     |
| 24 | <b>Haluk Alperat</b>          | General Manager - EkspresInvest   |

## HAKAN ATEŞ

### Board Member, President & CEO

Hakan Ateş graduated from the Middle East Technical University, Faculty of Business Administration in 1980 and started his banking career in 1981 as an Internal Auditor at İş Bank. Following various positions at different Interbank departments from 1985 to 1994, he worked as Branch Manager at the Bakırköy, İzmir and Main Branches. He established Interbank's cash management system and was promoted to Executive Vice President in 1993 responsible for Central Operations. Ateş worked as Executive Vice President for Financial Affairs and Operations at Bank Ekspres between December 1994 and July 1996. He led the bank's restructuring project with Bank of America and established Garanti Bank Moscow in Russia, with 80% of the shares owned by Garanti Bank and 20% by IFC. In addition, Ateş served as President there for a period of one year starting in June 1996. He continues his duties as President & CEO at DenizBank, where he started in June 1997 as the Founder President.

## CAN TAŞPULAT

### Executive Board Member, Audit Committee Member

Can Taşpulat graduated from İstanbul University, Faculty of Economics in 1979 and started his banking career in 1982 as Assistant Internal Auditor at İstanbul Bank. He began working as an Internal Auditor at Ziraat Bank in 1983 and then at Interbank in 1984 where he subsequently worked in the Operations Department and various branches of the same bank between 1988 and 1991. From 1991 to 1996, Taşpulat worked as assistant manager and then manager at the Centralized Operations Department of the same bank. He was promoted to Executive Vice President of Operations in July 1996 and continued in this position until he took up duties as Executive Vice President at DenizBank in June 1997, where he continues as Executive Board Member.

## FİKRET ARABACI

### Board Member - Corporate Credits

Fikret Arabacı graduated from İstanbul University, Faculty of Economics in 1973, from Institute of Journalism and Marmara University, School of

Commercial Sciences in 1979. He began his banking career in 1975 at Ziraat Bank then transferred to İş Bank in 1977. Between 1980 and 1985, he worked as an internal auditor at the bank's Board of Internal Auditors, during which time he was awarded the Financial Analyst Certificate and was transferred to Interbank in 1985. Until 1992, he worked at this bank's Head Office, Credit Control and Credit Marketing Departments and various branches in managerial positions. In 1992, Arabacı was transferred to Dışbank and served in various positions at this bank, finally serving as the İstanbul Branch Manager. He joined DenizBank in July 1997 as Executive Vice President of Corporate Credits. He was promoted to Board Member Responsible for Corporate Credits at the beginning of 2005.

## NİHAT SEVİNÇ

### Executive Vice President - Foreign Subsidiaries and Branches

Nihat Sevinç graduated from İstanbul University, Department of English Language and Literature in 1981. He began his banking career at Interbank's Head Office and served in the Operations Department at its various branches. He transferred to Bank Ekspres in 1994 where he served in the Head Office and as Manager Responsible for Branch Operations until July 1996. Later, Sevinç established Garanti Bank Moscow's Operations Department where he served as Executive Vice President for a period of one year. In 1997, he transferred to DenizBank as Executive Vice President and was one of its founding members. Sevinç has been working as Executive Vice President for Foreign Subsidiaries and Branches since 2002.

## BEHÇET PERİM

### Executive Vice President - Risk Management

After graduating from Boğaziçi University Department of Electronics Engineering in 1989, Behçet Perim went on to receive his MBA at the same University. Perim served as a research assistant at the Mathematics Department of the university until starting his banking



## Executive Management

career at Interbank as a Management Trainee in 1991. Following various positions in the Financial Control and Planning and Treasury Departments, he transferred to Bank Eksam in 1994. He joined the Bank Eksam - Bank of America Project Team and was Chief of the Research Department until 1997. He joined DenizBank in June 1997 to serve as Senior Vice President in the Financial Control and Planning Department. Since November 2000, Perim has served as Executive Vice President at DenizBank.

### NESRİN SUNGU

#### Executive Vice President - Financial Institutions

Nesrin Sungu graduated from Ankara University, Faculty of Political Sciences in 1979 and received her MBA from the University of Minnesota. She began her banking career in 1985 and served as a Foreign Affairs Management Trainee at Dışbank; she also worked as an assistant manager in the Main Branch of the bank from 1987 to 1989. Sungu was the manager of the Correspondent Relations Department in the bank's Head Office until 1992, when she transferred to Bank Eksam to serve as Manager and established the bank's Financial Institutions Department where she served until June 1997. She joined DenizBank in July 1997 as Executive Vice President for Financial Institutions.

### A. DİNÇER ALPMAN

#### Executive Vice President - Retail Banking

Following graduation from İstanbul Technical University, Department of Management Engineering in 1980, A. Dinçer Alpmann began his banking career in 1987 as a Management Trainee at Irving Trust. He worked in the Credit Marketing and Retail Banking Departments of Pamukbank from 1988 to 1993. Then, for a period of one year, Alpmann was manager of the Retail Banking Department at Marmara Bank and, from 1994 to 1995 served as Financial Manager at Tekfen Construction Company. He transferred to Alternatifbank in 1995 where he was Retail Banking Manager until June 1997. He joined DenizBank in July 1997 as Executive Vice President responsible for Retail Banking.

### BORA BÖCÜGÖZ

#### Executive Vice President - Treasury

Bora Bökügöz graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences in 1989. Bökügöz started his banking career in 1989 as a Management Trainee at Garanti Bank. From 1990 to 1994, he worked in Esbank. In 1994 he joined Bank Eksam and until he transferred to Toprakbank as Securities Manager where he worked until 1997. Bökügöz worked as a Treasury Coordinator and Executive Vice President at Kentbank from 1997 to 2002 when he joined DenizBank in February as Executive Vice President responsible for Treasury Management.

### H. HÜSEYİN UYAR

#### Executive Vice President - Commercial Banking

H. Hüseyin Uyar graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences in 1983; he then received his Master's degree in Economics from İstanbul University Institute of Social Sciences. Uyar started his banking career in 1985 at Interbank and transferred to Garanti Bank the same year to serve as an Internal Auditor. From 1990 to 1993, he worked on the Internal Audit Committee, Branch Operations and Marketing Departments of Demirbank until he transferred to Bank Eksam where he was Credit Manager from 1993 to 1997. He joined DenizBank in 1997 as Credit Senior Vice President and was promoted to Executive Vice President of Corporate Banking in November 2002. Currently, he is Executive Vice President of Commercial Banking.

### SUAVİ DEMİRCİOĞLU

#### Executive Vice President - Head Office Operations

Following graduation from Middle East Technical University, Faculty of Economics and Administrative Sciences in 1990, Suavi Demircioğlu began his banking career at Finansbank. He worked there in various positions; in the Financial Control and Planning Group for eight years as an ALCO member, Core Banking Software Project as Co-lead Manager and finally as Group Manager. He joined Alternatifbank in 1998 as Executive Vice President

for Financial Control, Planning and Accounting and also served as the Turkish Industrialists' and Businessmen's Association Risk Management Sub-Committee member. In 2000, he worked for Ottoman Bank as Executive Vice President and as a Board Member and Auditor of the General Shareholders' Assembly at the bank's subsidiaries for a period of one year. He was Executive Vice President at Halkbank and Finance Director at Marmara Hotels in 2002. In January 2005, he joined DenizBank where he currently serves as Executive Vice President responsible for Head Office Operations.

#### **TANJU KAYA**

##### **Executive Vice President - Administrative Services**

After graduating from the Department of Public Administration, Faculty of Economics and Administrative Sciences at Gazi University in 1985, Tanju Kaya began his banking career in 1986 at Pamukbank's Financial Analysis Department. He then worked at Türk Ekonomi Bankası, Marmara Bank and Alternatifbank as Marketing Director and as Branch Manager for Bank Ekpres from 1994 to 1997. Kaya joined DenizBank in 1997 as Ankara Branch Manager and was subsequently promoted to Central Anatolia Regional Office Director at the beginning of 2002. He has been serving as Executive Vice President responsible for Administrative Services since July 2003.

#### **MEHMET SARAÇ**

##### **Executive Vice President - Branch Operations and Payment Card Systems**

Mehmet Saraç graduated from the Department of French Language and Literature, School of Literature at Atatürk University in 1975. He taught French from 1975 to 1980 and began his banking career in 1980 at Akbank and then worked for Pamukbank and then Interbank where he was Operations Unit Manager and Branch Manager. Saraç served as Executive Vice President at Körfezbank from 1999 to 2000 and

at Abacus (a Doğuş Service Management Company) from 2000 to 2002. He returned to Akbank as Operations Department Director in 2002. Since September 2003, he has been working at DenizBank as Executive Vice President responsible for Branch Operations and Payment Card Systems.

#### **ARİF ÖZER İSFENDİYAROĞLU**

##### **Executive Vice President - Business Banking**

After graduating from İstanbul Technical University, Department of Textile Engineering in 1990 he received his Master's degrees from Manchester Business School and İstanbul Bilgi University in 2000. Arif Özer İsfendiyoğlu began his banking career at Garanti Bank's Securities Department, in 1990. He was assigned to the Treasury as a specialist in 1991 and was promoted to Director of this department in 1995. İsfendiyoğlu was a Retail Banking Manager at Garanti Bank from 1996 to 1999; he then served as SME Banking Manager and Marketing / CRM Manager. He joined DenizBank as Executive Vice President in charge of Business Banking in April 2004.

#### **CAFER BAKIRHAN**

##### **Executive Board Member - DFS Group Investment Companies**

Cafer Bakırhan graduated from the Department of Economics, Faculty of Political Sciences from Ankara University and received his Master's degree in Business Administration at the same university. Bakırhan started his career at the Capital Markets Board in 1985 and then worked as Kentbank's Investment Banking Coordinator and an Executive Vice President and consultant for Kent Investment and Securities Company. He joined DenizYatırım Securities in 1999 as General Manager and has been serving on the Board of Directors of DenizYatırım Securities, Deniz Portfolio Management, EkpresInvest and DenizTürev Securities since June 2005.

## Executive Management

### FİKRET ÖZDEMİR

#### General Manager - DenizFactoring

After graduating from Atatürk University, Faculty of Business Administration in 1980, Fikret Özdemir started his banking career in 1981 at Pamukbank's Board of Internal Auditors and continued to serve in managerial positions at the Head Office and at branches of this bank. He joined DenizBank as İzmir Branch Manager in 1997. During the restructuring of the bank, he established the Aegean Regional Office and assumed the duties of Executive Vice President for Corporate Marketing (responsible for the Aegean, Mediterranean, İstanbul III Region and Head Office Corporate Marketing) in December 2002. He successfully established the Corporate Banking Group within the scope of Yeni Rota 2004. He has been working as General Manager of DenizFactoring since May 2004.

### GÖKTUĞ DEMİRAY

#### General Manager - DenizLeasing

After graduating from Ankara University's Faculty of Political Sciences, Gökтуğ Demiray started his banking career in 1981 as an Internal Auditor at İş Bank's Board of Internal Auditors; he worked for this bank for ten years in various managerial positions. Demiray served as Finance Manager at the Evyap Group and Milliyet Newspaper; following his 6.5 years of private sector experience, he joined DenizBank during its establishment. He successfully served as Branch Manager as the Bakırköy Branch was established and developed. In December 2002, he was assigned to the position of Manager at İstanbul 1. European Regional Office and then as General Manager of DenizLeasing in May 2004.

### DİLEK DUMAN

#### General Manager - Intertech

Following her graduation from Boğaziçi University's Department of Computer Engineering, Dilek Duman began her career as a software analyst at Promaks

Inc. in 1989. She then transferred to Intertech as Technical Consultant and joined DenizBank's IT Department in 1997. She has been serving as General Manager of Intertech since May 2004.

### Dr. İSMAİL H. ERGENER

#### General Manager - DenizBank AG

After graduating from Ankara University's Faculty of Political Sciences in 1978 and receiving his doctorate in Social Sciences and Economics in 1982, Dr. İsmail H. Ergener started his banking career in 1984 at Interbank; he later transferred to İktisat Bank. Dr. Ergener went to Germany as a representative of Turkish Development Bank in 1989 and began working for Deutsch Türkische Bank in 1991. He transferred to Express Trade Bank serving as General Manager in 1995. He joined DenizBank AG (formerly Esbank AG) as general manager in January 1997 and currently serves in this capacity.

### DERYA KUMRU

#### General Manager - DenizBank Moscow

Derya Kumru graduated from Ankara University, Faculty of Political Sciences in 1986 and received his Master's degree from İstanbul University. Kumru started his career at Esbank as an Internal Auditor and then worked at the Bank's İzmir, Mecidiyeköy, Kartal, Yenibosna and Merter branches in various managerial positions. In 1997, he was assigned to serve as Executive Vice President in Credits and Marketing. He also served as General Manager and Board Member at financial subsidiaries of the bank. He joined DenizBank at the end of 1999 and served as Executive Vice President for Marketing, Cash Management and New Projects and General Manager and Board Member at DenizFactoring and DenizLeasing. He has been General Manager of DenizBank Moscow since 2004.



# Auditors

## ŞERİF ARI

### Auditor of the Board of Directors

Şerif Ari graduated from İstanbul Economics and Commercial Sciences Academy in 1972. He began his career in 1974 and worked as Financial Advisor until 1990. Ari has been independently working as a Certified Public Accountant since 1990. In addition to auditing several companies in accordance with the Turkish Commercial Code, he has audited publicly-traded companies in the capacity of Partner and Auditor-in-Chief of Arılar Independent Auditors Inc. He has been an auditor of the Board of Directors at DenizBank since January 2001.

## CEM KADIRGAN

### Auditor of the Board of Directors

Following graduation from İstanbul University, Department of Economics in 1986, Cem Kadirgan began his career at Mensucat Santral Inc's Export Department; he then worked as research specialist at the same company and worked for Denet Touch Ross Independent Audit Inc. from 1989 to 1992. He transferred to Hürriyet Newspaper and Printing Company in 1992 and worked there as Audit Group Manager until December 1996. The following year, he began working at Vestel Electronics as Budget Audit Group Manager and was promoted to Finance Director of this company in 2002. He continues at this job in addition to his duties as Auditor of the Board of Directors at DenizBank where he has been serving since 1998.

## DenizBank

### Management Report On Corporate Governance



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

## **DENİZBANK MANAGEMENT REPORT ON CORPORATE GOVERNANCE**

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- 1.2. Shareholders' Right to Obtain Information
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- 4.10. Financial Benefits Granted to the Board of Directors

# DenizBank

## Management Report on Corporate Governance

### DENİZBANK'S CORPORATE GOVERNANCE STATEMENT

DenizBank's Corporate Governance Principles have been developed on the basis of the Corporate Governance Principles disseminated by the Capital Markets Board (CMB), 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 within the framework of 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 a part of its dynamic growth. In this framework, Risk Management Principles known as Basel II have been guiding the Bank's understanding of Corporate Governance.

The attitude of the founders and the professional management which underscored participation and equality as well as being transparent enabled rapid progress in the adoption and execution of the Corporate Governance Principles.

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

- Developing a management philosophy aimed at creating 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, Executive Committee and the employees,
- Maintaining high levels of employee motivation that will provide services to 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 creation of information platforms enabling stakeholders to be informed about the Bank's standing,
- Taking the utmost care to enable stakeholders to use and protect their contractual and statutory rights.

On September 23-24, 2004, DenizBank shares were offered to the public. From that date on, the Bank has been subject to the İstanbul Stock Exchange (ISE) quotation rules and Capital Markets Board (CMB) regulations. Prior to IPO-related changes in its Articles of Association, the Bank voluntarily adopted the CMB's Corporate Governance Principles by taking into consideration international practices and sector-specific applications. Its Corporate Governance Report, which was discussed and voted on during the Board of Directors meeting held on September 16, 2004, was also adopted.

DenizBank has continued its Corporate Governance Harmonization following the IPO and republished an updated Corporate Governance Report incorporating post IPO changes on February 23, 2005. The DenizBank Corporate Governance Report relating to the activities and developments within 2005 was prepared and included in the 2005 Annual Report and on the Bank's updated Internet website. This report includes information about the recent implementation of the Corporate Governance Principles within the Bank, as well as the rationale behind the differences between the Bank and the principles.

DenizBank considers the 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. The follow up and improvement of practices in the Corporate Governance Principles is carried out by the Corporate

Governance and Nomination Committee, headed by an independent member of the Board of Directors.

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

Article 19 of DenizBank Articles of Association includes "decisions regarding the purchase, acquisition, sale or lease of real estate for the Bank as permitted by the Banking Law" among the duties of the Board of Directors.

1- With reference to Part 1, Article 3.6 of the Corporate Governance Principles and also the Corporate Governance Principles Compliance Report, Article 4 under the heading General Shareholders' Meeting information, which requires a General Shareholders' Assembly decision for important transactions such as company split-offs and sale, purchase and lease of a substantial amount of assets: Article 19 of DenizBank's Articles of Association states that the Board of Directors shall be authorized to make decisions in cases where securities or property are to be purchased or acquired and sold or leased on behalf of the Bank and in compliance with the Banking Law.

The reason for the said decision regarding the duties of the Board of Directors is based on the need to make rapid decisions. In order to inform shareholders of such decisions and provide their input, they are publicized through the Bank's website. Moreover, as per Article 20 of the Articles of Association, shareholders and beneficiaries have the right to make suggestions and demand discussion of certain subjects by the Board of Directors. Also, since Article 11 of the Articles of Association provides the minority shareholders with the right to have a topic added to the agenda and the holders of 1% shares to demand investigation of specific cases, any potential issues may be ruled out.

2- Although the two members of the Board of Directors appointed as independent members meet many of the independent member criteria stipulated by the CMB and international principles, it differs

from the principle that states: "Individuals who have served on the company's Board of Directors for a total of seven years may not be appointed independent members" as recorded in the CMB Corporate Governance Principles - Part IV - Article 3.3.4.

Regarding the practices in other countries where the stipulation concerning length of service on the Board is not regarded as a criterion for independence and regarding other practices where the said duration may be between 9-12 years, the Bank has not yet considered the restriction on the duration of service on the Board as a factor hindering independence.

## PART 1: SHAREHOLDERS

### 1.1. INVESTOR RELATIONS GROUP

On September 9, 2004, DenizBank Board of Directors set up an Investor Relations Department to comply with existing legislation, the Articles of Association and other in-house regulations and arrangements to ensure the necessary measures that would enable exercise of these rights. This department facilitates communication between top management and shareholders and reports to the Board of Directors within this framework. It also carries out internal and external disclosure efforts and assumes strategic marketing functions. The structure of the department, its responsibilities and duties and the names and contact information of its staff are published on DenizBank's web page.

#### Activities in the Current Term

- Investor and analyst meetings (one-on-one and collective)
- Participating in international conferences
- Tele-conferences
- Investor announcements
- Publishing the financial statements on the Internet
- Updating the website
- Contributing to the preparation of the Annual Report
- Organization of the Ordinary Shareholders Meeting
- Answering questions received by mail and telephone
- Examining and evaluating analysts' reports
- Examining and making comparative analyses of reports on other banks
- Examining industry-specific information and preparing market share reports
- Presenting analysis and survey reports and relevant recommendations to top management.

## DenizBank

### Management Report on Corporate Governance

#### Number of Inquiries Made within the Term

In 2005, over 200 verbal and written applications were made to the Group. The information regarding these inquiries is below in section 1.2 -The Shareholders' Right to Obtain Information.

#### 1.2. SHAREHOLDERS' RIGHT TO OBTAIN INFORMATION

In 2005, over 200 oral and written applications were made to the Investor Relations Group. All queries, other than those that are considered trade secrets, were addressed verbally and/or in writing.

The requests for information received within the term by the Investor Relations Group are as follows:

- Information on specific items of the announced financial statements,
- Information on capital increases,
- Information on lines of business,
- Forecasts on the economy, the banking sector and the Bank,
- Information on the General Shareholders' Meeting,
- Information on finance sector developments,
- Information and views on mergers, strategic partnerships and acquisitions of banks.

All information disclosed to the public concerning the Bank is announced to the shareholders as rapidly as possible. DenizBank considers its website the most efficient means of communication and all announced information is simultaneously posted on its web page. Other information submitted to investors through the website is provided in detail under Part II / 2.3 Internet Page and its contents.

#### Request for Appointing a Special Auditor

The request by shareholders to appoint a special auditor has been stipulated as an individual right in Article 14 of the Articles of Association and is stated as follows:

"Shareholders holding a minimum of 1% of the Bank's shares may request the General Shareholders' Assembly to appoint a special auditor to investigate and resolve a certain financial issue. If this request is rejected, the minority shareholders may demand, through a legal court, the appointment of a special auditor to investigate and resolve the issue in question."

No request from the shareholders was received during the specified term for the appointment of a special auditor.

#### 1.3. INFORMATION ON GENERAL SHAREHOLDERS MEETINGS

There is no specified time limitation for recording of the shares in the stock ledger. Stocks of shareholders who deposit a minimum share with the Bank are registered in the stock ledger.

#### Invitation to the General Shareholders Meeting

Invitations to the General Shareholders Meetings are made by an announcement in the Trade Registry Gazette, Hürriyet and Sabah newspapers as well as on the Bank's website.

#### Information on the General Shareholders Meetings

DenizBank's website is used as an active communications platform to facilitate shareholder participation at shareholder meetings and to avoid difficulties in obtaining the required information.

As per Articles 11 and 36 of the Articles of Association, the announcements related to the General Shareholders Meeting shall be made at least three weeks prior to the meeting date, exclusive of the announcement and meeting days. Within this framework, agenda items and proxy forms are announced in the Trade Registry Gazette, the dailies Hürriyet and Sabah and on the DenizBank website. Furthermore, the agenda of the general shareholders'

### General Shareholders Meetings of the Period

Date	Shareholders' Meeting	Participants	Participation Ratio	Invitation Method
March 28, 2005	Ordinary	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Stakeholders</li> <li>• Press</li> </ul>	78.28%	Trade Registry Gazette Hürriyet and Sabah Newspapers Announcement on the website

meeting, Annual Reports, the Articles of Association, financial statements and reports, proxy forms and other documents relevant to the agenda are available to shareholders at the Bank's Head Office as of the date of announcement.

To facilitate participation in General Shareholder Meetings, all information about the agenda plus proxy forms can be found on DenizBank's website. To vote by proxy, there is no obligation for the representative to be a shareholder. Shareholders' Meeting minutes and the list of participants are always made available on the website for the Bank's shareholders.

#### Shareholders' Right to Ask Questions

The provision in the Articles of Association regarding the shareholders' right to ask questions at General Shareholder Meetings states: "Each and every shareholder participating in the General Shareholders Meeting shall have the opportunity to speak freely and ask questions on the agenda on equal grounds and within the procedural framework of the meeting. Questions directed to the Board of Directors shall be answered promptly and verbally, if possible. Otherwise, questions will be answered in writing within fifteen days following the General Shareholders Meeting."

Questions and suggestions received during the meeting are noted and responded to by the Investor Relations Group. At the 2004 Ordinary Shareholders Meeting held in 2005, one person took the floor and thanked the executives for the results achieved during 2004.

#### The Difference between Corporate Governance Principles and DenizBank's Practices

The statement, mentioned in Article 3.6 Part 1 of the Corporate Governance Principles and also mentioned in Article 4 of the Corporate Governance Principles Compliance Report under Information on the General Shareholders Meetings, which stipulates for the "addition of a provision to the articles of association to authorize the general shareholders assembly in matters concerning important decisions such as dividing, selling, purchasing and leasing of substantial amounts of assets and property" is settled in Article 19 of DenizBank's Articles of Association as follows: "In matters concerning decisions for buying, acquiring, selling and leasing of substantial amounts

of assets and property, the authority rests with the Board of Directors in compliance with the framework of the Banking Law."

The reason for the said decision giving authority to the Board of Directors is to accelerate the decision making process. Relevant decisions taken are then announced via the Internet in order to offer the shareholders the opportunity to be informed about the subject matter and make any suggestions. Moreover, shareholders and beneficiaries are entitled to request from the Board of Directors the discussion of certain topics as per Article 20 of the Articles of Association. Furthermore, as Article 11 of the Articles of Association provides minority shareholders with 1% of the shares with the right to have a topic added to the agenda and request investigation of certain issue, it is considered that this practice is in harmony with the rules and regulations.

#### 1.4. VOTING RIGHTS AND MINORITY RIGHTS

- Stocks do not have any preferential rights. As per Article 12 of the Articles of Association, each share has one vote.
- The Bank does not have any subsidiaries with cross-shareholdings.
- The fact that minority rights shall be used by shareholders representing at least 1/20 of the paid-in capital in accordance with Article 11 of the Law on Capital Markets, amended by law no. 4487, is also confirmed with Article 11 of the Bank's Articles of Association.
- By a decision of the Board of Directors, M. Tinaz Titiz, an independent member of the Corporate Governance and Nomination Committee was appointed as the Board Member representing small shareholders. Therefore, the cumulative voting method is not applied.

#### Other Rights Granted in Relation to Shareholders' Participation in Management

##### Articles of Association Article 11

- Should the minority shareholders inquire in writing to the Board of Directors to make additions to the agenda of the General Shareholders Meeting before its finalization, the Board of Directors may take these into consideration.
- Upon written inquiry by the minority shareholders with due reasoning, the Board of Directors shall

## DenizBank

# Management Report on Corporate Governance

invite the General Shareholders Assembly to an extraordinary meeting where the concerned issues are put on the agenda.

### Articles of Association Article 13

- The decision to make amendments to the Articles of Association is made in the General Shareholders Meeting. Shareholders who possess at least 50% of the shares, or their representatives, must participate in the General Shareholders Meeting and decisions are reached by ratification of the majority of the participants, whereby the equal voting right for each share is protected.

### Articles of Association Article 14

- Shareholders holding at least 1% of the Bank's shares may request the General Shareholders Assembly to appoint a special auditor to investigate and resolve a certain financial issue. If this request is rejected, the minority shareholders may demand, through a legal court, the appointment of a special auditor to investigate and resolve the issue in question.

### Articles of Association Article 20

- The minority shareholders and beneficiaries may request in writing the Chairman of the Board to include a certain subject on the agenda of the Board of Directors meeting. Upon such request, the Chairman may have the topic added to the agenda of the subsequent Board of Directors meeting.

### 1.5. DIVIDEND DISTRIBUTION POLICY AND TIMING

The Bank's profit distribution policy has been laid down in the Articles of Association (Article 33) and this information is made available to shareholders on the Bank's website following the General Shareholders Meeting. There are no privileges concerning the sharing of profits. The profits of 2004 were distributed to the shareholders within 2005 through the delivery of bonus shares.

### 1.6. TRANSFER OF SHARES

There is no provision restricting the transfer of shares in the Bank's Articles of Association. In accordance with Article 8 of the Articles of Association, transfer of shares is permitted on the condition that the provisions of the Turkish Commercial Law, the Banking Law, Capital Markets Law and the Articles of Association are reserved. Provided that the provisions of the related legislation are reserved, transfer of shares is matured through endorsement and delivery of the shares to the person who is to take them over.

However, as the Bank's stocks are registered, the said transfer is to be recorded into the stock ledger following a decision by the Board of Directors to make the transaction valid within the Bank.

For the part of the stocks that are offered to public, transfer with blank endorsements is allowed pursuant to the Decision No: 2004/29 of the Board of Directors, dated May 11, 2004.

## PART 2: DISCLOSURE TO THE PUBLIC AND TRANSPARENCY

### 2.1. DISCLOSURE POLICY

In addition to the issues mandated for disclosure to the public by the related legislation, the Bank displays sensitivity about the disclosure of all information excluding those considered trade secrets. The issues to be announced to the public, the means of announcement and the anticipated timing are defined under the Disclosure Policy, approved by the Board of Directors and published on the website of the Bank. The Groups/Departments that are responsible for the implementation of the Disclosure Policy are listed below and the details regarding the duties of the departments are posted on the Internet. Furthermore, the managers of all the related departments are responsible for the implementation of the disclosure policy, in relation to the issues falling under the scope of investor announcements.

- Board of Directors
- Corporate Governance and Nomination Committee
- Investor Relations Department
- Risk Management and Financial Affairs Group
- Centralized Operations Group

### 2.2. INVESTOR ANNOUNCEMENTS (SPECIAL CIRCUMSTANCES)

Based on the CMB Notification Series: VIII, No. 39, a total of 95 investor announcements were made during the period in question within the framework of the relevant legislation and prescribed time limits, and all announcements were posted on the Bank's web page. The CMB requested additional explanation regarding a news item that appeared in the media and this request was met. As the Bank's shares are not quoted on foreign stock exchanges, no special circumstances disclosure was made in any stock exchange other than the ISE.



### 2.3. THE INTERNET SITE AND ITS CONTENTS

In line with its principles of corporate governance, DenizBank has created a website that provides periodically updated information that is timely, accurate, complete, easy-to-understand and analyze and user-friendly. The website is located at [www.denizbank.com](http://www.denizbank.com) and contains all the information stated in Part II, Article 1.11.5 of the CMB Corporate Governance Principles. Some of the information provided via the Internet is as follows:

- Trade registry information
- Up-to-date shareholder and organizational structure
- Information that there are no privileged shares
- Numbers and dates of the Turkish Trade Registry Gazettes whereby amendments on the Articles of Association were published
- The latest version of the Bank's Articles of Association
- Special investor announcements
- Annual reports
- Periodical financial statements, independent audit reports and notes (consolidated / bank-only)
- General Shareholders' Meeting agenda, minutes and list of participants

- Proxy voting form
- Information on the Bank's internal control systems and risk management
- Information on the Bank's subsidiaries and affiliates
- Curriculum vitae of the members of the Board of Directors
- Curriculum vitae of the CEO and the executive management team
- Human resources policy
- Dividend distribution policy
- Disclosure policy
- Risk management policy
- Ethical standards
- Information on the Bank's stocks
- Board of Directors meeting minutes
- Corporate Governance Compliance Report

### 2.4. DENIZBANK SHAREHOLDING STRUCTURE [REAL PERSON ULTIMATE CONTROLLING SHAREHOLDER(S)]

The ultimate controlling shareholders of the Bank are as stated on the tables to follow. There are no cross-shareholdings in the shareholder structure of DenizBank.

#### Denizbank's Shareholding Structure

Shareholders	Number of Shares	Total	Share Ratio
		Nominal Value - YTL	
Zorlu Holding A.Ş.	237,063,940,440	237,063,940	74.997%
Other	11,059,560	11,060	0.003%
Publicly held	79,025,000,000	79,025,000	25.000%
TOTAL	316,100,000,000	316,100,000	100%

#### Zorlu Holding's Shareholding Structure

Shareholders	Number of Shares	Total	Share Ratio
		Nominal Value - YTL	
Ahmet Nazif ZORLU	12,000,000	12,000,000	15%
Züla ZORLU	800,000	800,000	1%
Zeki ZORLU	8,000,000	8,000,000	10%
Türkan ZORLU	800,000	800,000	1%
Olgun ZORLU	58,400,000	58,400,000	73%
TOTAL	80,000,000	80,000,000	100%

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#### 2.5. DISCLOSURE OF PERSONS WHO HAVE ACCESS TO INSIDER INFORMATION

DenizBank is committed to taking all required measures to ensure full compliance with legal regulations with respect to insider trading and to developing policies concerning this issue, parallel to the Bank's culture. Accordingly, the Disciplinary Code and the Ethical Rules of the Bank forbid the Chairman and the members of the Board of Directors, auditors and related personnel and persons who can access insider information while executing their duties, as well as the ones who can access information directly or indirectly through their contact with such persons, from using this information for the benefit of themselves or third parties.

Persons assuming the following titles and duties are authorized to access information that is important to the Bank and which would be considered trade secrets. The list of names of these persons is published on the Bank's website.

- Members of the Board of Directors
- Executive Secretaries
- Executive Vice Presidents of the Bank
- General Managers of Subsidiaries
- Assistant General Managers of Subsidiaries
- General Accounting Department
- Credits Group
- IT Department
- Corporate Governance and Nomination Committee
- Investor Relations Department
- Internal Audit and Risk Management Groups
- Administrative Services Group
- Corporate Governance and Organization Department
- Group, Department and Branch Managers

### PART 3: STAKEHOLDERS

#### 3.1. INFORMING THE STAKEHOLDERS

Stakeholders, made up of shareholders, employees, customers, correspondent banks, corporations who participate in syndications, public institutions, credit institutions, suppliers, other sectors in which the Bank is in contact, are regularly kept informed through General Shareholders Meeting minutes, investor announcements, press releases, Deniz News bulletins, in-house announcements and annual reports. Moreover, information can be received

through the information meetings organized and written statements that are issued upon demand. The said information is also included on the Bank's web page and provides easy access to updated information.

Within the framework of the growing organizational structure, the Corporate Governance and Organization Department was created in February 2005, to organize and coordinate communications and relationships between the Bank and its stakeholders. This department has established the infrastructure and systems required within the scope of the Bank's Corporate Governance Principles.

#### 3.2. STAKEHOLDERS' PARTICIPATION IN MANAGEMENT

To ensure optimum satisfaction by paying attention to the balance between customers, employees, shareholders and other stakeholders, the Bank anticipates improving its product and service quality while fulfilling the expectations of domestic and foreign customers. To this end, DenizBank acts in compliance with the principle of 'collective wisdom' and designs its systems to offer constant improvement.

Stakeholders can participate in the management of the Bank by attending various committee meetings and General Shareholders' Meetings, through the suggestion system and by exercising their right to call the Board of Directors for a meeting. Below is a list of systems that facilitate participation in management by employees, customers and shareholders. The output of these systems is presented to the Executive Management Committee after being analyzed by the Corporate Governance and Organization Department.

##### Employees

- Committees
- Suggestions System
- Executive Management

##### Customers

- Customer Satisfaction System
- Suggestions System
- General Shareholders Assembly

##### Shareholders

- General Shareholders Assembly
- Board of Directors
- Executive Meetings

### 3.3. HUMAN RESOURCES POLICY

DenizBank has a human resources policy firmly in place. This policy and the related procedures have been posted on the Bank's Intranet portal, DenizPortal, accessible by all members of staff. The human resource policies practiced by the Bank and its subsidiaries enable it to carry out its responsibilities in the best possible way. They are based on principles summarized below:

- Recognition of the fact that the foremost prerequisite for success is to respect people, their dignity and to consider human resources and their improvement the most valuable asset of an organization.
- Provision of all employees, without discrimination, with the professional environment and opportunity to make use of and improve their abilities.
- Offering sufficient remuneration and other appropriate benefits in line with current market conditions.
- Offering employees training and internship opportunities to facilitate their professional improvement and success.
- Introduction of new ideas and finding solutions to problems within the framework of mutual trust, understanding and clear communication.
- Establishment of a system that promotes and rewards success and excellence.

Announcements that are of interest to DenizBank employees are communicated over the Intranet (DenizPortal) and by e-mail. The Suggestions System through which employees can convey ideas and comments is coordinated by the Corporate Governance and Organization Department. Any concerns and problems expressed by the employees are taken up by their respective unit managers and, if necessary, brought to the attention of the Executive Management Committee. No complaints have been forthcoming from the staff dealing particularly with the issue of discrimination.

### 3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS

#### Customers

Instructions concerning standardization processes for the services offered to customers that ensure customer satisfaction were prepared and presented to the Bank's personnel via DenizPortal (Intranet). All products and services offered by DenizBank are presented to the customer accompanied with a

framework agreement and relevant enclosures that define the special conditions (if any).

In August 2005, the Internal Guarantee System was established as a service exchange between departments. The goal of this system is to elevate the quality of services offered to DenizBank customers while creating a better working environment. The system's contribution to internal communication and the respective performances of departments in this area have been followed up through quarterly surveys.

In August 2005, the PUPA performance system was enacted, aimed to ensure customer satisfaction; it resulted in strengthening employee satisfaction by sharing additional revenue with the employees.

DenizBank customers can request information about the Bank's products and services as well as replacements, or report any problems encountered at the Bank's branches, the web page or the Call Center. Tracking and follow up of complaints submitted by the customers are carried out by the Customer Satisfaction Department. The complaints and suggestions received by the department are submitted to the relevant business units to resolve and evaluate customer suggestions. The outcome of these submissions is always delivered to the customer.

Covert customer surveys are carried out at the branches to gauge customer satisfaction. The findings are shared with Executive Management Committee and a proper course of action is determined. The personnel are always informed of the general results of the surveys.

#### Suppliers

All procurements by DenizBank are conducted centrally via the Purchasing Committee and the suppliers are selected from the list of approved suppliers. The following factors are taken into consideration when selecting a supplier:

- Banking sector references
- Sample deliveries related to the area of business
- Confirmation of references
- Technical capability
- Specific knowledge on the subject
- Optimum cost

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### 3.5. SOCIAL RESPONSIBILITY

In addition to its endeavors in economic and financial areas, DenizBank aims to contribute toward protection of the environment and to enhance social, cultural and arts activities within the framework of its social responsibility policy. Donations and sponsorships, cultural activities and publications are carried out within the limits of current laws that fall within the scope of social responsibility. Social activities realized within the period and before are detailed on the website.

- Sponsoring New Year Concerts by the Presidential Symphony Orchestra,
- Publishing a book prepared by Alpay Kabacalı titled Abdülhamid the Second and His Era from Administrative Reforms to Constitutional Monarchy through the Objective History Prism,
- Sponsoring a movie theater at Cevahir Shopping Mall,
- Sponsoring the 30th Economists' Week activities at Lütfi Kırdar,
- Primary sponsor of SMEs and Efficiency Congress,
- Sponsoring third Finance Summit held at Lütfi Kırdar,
- Donation to Göztepe Cultural Association,
- Sponsoring Community Volunteers Foundation's Entrepreneurship for the Youth in the Anatolia Project,
- Supporting the tenth anniversary banquet for the Turkish Community Volunteers Foundation,
- Primary sponsor of the Atlantic Girls - the only Turkish team participating in the ARC Race to cross the Atlantic
- Seminar for Şirinevler Branch customers,
- Business Notes Seminar held at the Ceylan Intercontinental Hotel for DenizBank's SME banking customers,
- Seminar and fast-breaking dinner for commercial banking customers,
- Seminar for Moda Maritime Club members organized through the Kadıköy Branch,
- Main sponsor for the İzmir Equestrian Club's Republic Cup Horse Races,

- Sponsorship of the 2005-2006 Concerts by the İstanbul State Symphony Orchestra,
- Sponsoring Samsun Sailing Club, and
- Sponsoring Ankara Laila.

## PART 4: BOARD OF DIRECTORS

### 4.1. COMPOSITION AND FORMATION OF THE BOARD OF DIRECTORS AND INDEPENDENT MEMBERS

Within the framework of an efficient and viable management system, special care is taken in the selection of the Independent Members of the Board of Directors from among people who can make contributions that increase DenizBank's value, monitoring the implementation of the decisions made by the Board of Directors in compliance with the objectives without seeking any personal gain in doing so.

The Bank's Board of Directors is made up of seven members. Three of four members, who have no executive duties, serve as Independent Members of the Board. The Chairman of the Board is an Independent Member. The duties of Chairman of the Board of Directors and the CEO of the Bank are assumed by separate persons. 'Statements of independence' were issued by the Independent Members of the Board. During the term in question, no incidence that affected the independence of the Board Members in question occurred.

Members of the Board of Directors may assume other duties outside the Bank. Members of the Board of Directors serve as Board Members on the Boards of Directors of subsidiaries under DenizBank Financial Services Group with a view toward creating sound cooperation between the financial institutions of the Bank and following up existing and potential risk on a consolidated basis. There is no restriction as to the number of such duties to which the Board Members can be assigned. However, Board Members have been informed that in principle, the number of such duties to be assumed outside the Bank's subsidiaries

Member	Title	Type of Membership	No. of Years	Assignment Period (Years)	Age	Education	Previous Occupation	Other Duties
Dr. İ. Veysi SEVİĞ	Chairman	Non-Executive (Independent)	8	3	66	Doctorate	Prime Ministry Chief Advisor	Columnist at Dünya Newspaper Professor at Royal Academy of Belgium Yapı Merkez İnşaat Board Member
M. Cem BODUR	Vice-Chairman	Non-Executive	8	3	44	Bachelor	Ekinciler Holding	DenizYatırım Securities Board Member DenizLeasing Board Member DenizFactoring Chairman EkspresInvest Board Member DenizBank Wien AG. Board Member CJSC DenizBank Moscow Board Member DenizBank Culture and Arts Inc. Board Member
M. Tınaz TİTİZ	Member	Non-Executive (Independent)	8	3	63	Bachelor	MP at the Turkish Parliament	Owens a Consulting Company Member of the White Point Foundation
Can TAŞPULAT	Executive Member	Executive	8	3	52	Bachelor	Interbank	DenizYatırım Securities Board Member Intertech Board Member EkspresInvest Board Member DenizTürev Securities Board Member CJSC DenizBank Moscow Board Member DenizBank Culture and Arts Inc. Board Member
Hakan ATEŞ	Member	Executive (CEO)	8	3	46	Bachelor	Garanti Bank Moscow	DenizYatırım Securities Chairman Intertech Chairman EkspresInvest Securities Chairman DenizLeasing Chairman DenizBank Wien AG Chairman Deniz Investment Trust Chairman DenizTürev Securities Chairman Deniz Portfolio Management Chairman CJSC DenizBank Moscow Chairman DenizBank Culture and Arts Inc. Chairman DenizFactoring Board Member
Fikret ARABACI	Member	Executive	1	2	52	Bachelor	Dışbank	DenizLeasing Board Member DenizFactoring Board Member EuroDeniz Offshore Bank Ltd. Board Member Deniz Portfolio Management Board Member Credit Bureau
Cemalettin HASDEMİR	Member	Non-Executive (Independent)	1	2	70	Bachelor	Toprak Off-Shore	Sörmaş Refrakter Board Member

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should not exceed three so as not to compromise effective management.

#### Independence Criteria

As per the independence criteria formed in compliance with international practices and CMB principles, M. Tinaz Titiz and Dr. İ. Veysi Seviğ were appointed Independent Members to the Board of Directors on September 9, 2004. Cemalettin Hasdemir was also appointed at the Extraordinary General Shareholders Meeting held on December 30, 2004.

DenizBank firmly believes in the contributions made by the Independent Members to strategic decision making, implementation and monitoring functions of the Bank which thereby increases the Bank's value. The Board of Directors continuously reviews developments that affect independence and conduct annual independence analyses at the end of each year within the framework of the Board of Directors Analysis in line with the Corporate Governance and Nomination Committee report. The Corporate Governance and Nomination Committee may seek the services of outside experts for independence analyses.

For someone to be selected as an independent board member

- Applicant must not have been on active duty or worked in an executive position in the Bank for the last two years,
- Must not have been appointed to the Board of Directors to represent a specific interest/share group,
- Applicant or close kin must not have had a relationship, direct or indirect, in terms of employment, ownership and/or business dealings with the Bank, its subsidiaries and the group companies during the last two years,
- Must not have any kinship with the current executives or members of the Board of Directors,
- Must not have been employed by the auditing or consulting companies working with the Bank in the last two years,
- Must not have been employed by the companies that undertake the whole or part of the Bank's operations in the last two years,

- Must not have been employed by any of the firms that supply services and/or products to the Bank for the last two years.

In order for the members who do not qualify for independence to become eligible to be an independent member, they and their families must fulfill the above prerequisites for a period of two years following elimination of the condition(s) constituting an obstacle on the way of independence.

#### The Differences between the Corporate Governance Principles and DenizBank's Practices

Two members of the Board of Directors, appointed as independent members, bear most of the independence criteria determined by the CMB and international practices; they do not comply with the principle cited in CMB Corporate Governance Principles - Part IV-Article 3.3.4, i.e. "a person who has been a member of the Board of Directors for a period of seven years in total cannot be reappointed as an independent member."

On the other hand, there are certain international applications that do not consider term of office as a criterion for determining independence and there are some examples which accept a term of 9-12 years instead of seven years. Considering the current situation in Turkey's finance sector, where expertise and knowledge regarding this post is extremely limited, the DenizBank has not chosen to implement the term limitation as a factor hindering independence.

#### 4.2. QUALIFICATIONS OF THE BOARD MEMBERS

The minimum qualifications sought in selecting members for the Board of Directors overlap 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 CEO, are selected by the General Shareholders Assembly from among candidates nominated by shareholders with the qualifications stipulated by Banking Law. Provisions concerning the qualifications, terms of duty, selection process and dismissal of Board Members are included in the Bank's Articles of Association.

Since Board Members are selected from among candidates who have been screened by the Corporate Governance and Nomination Committee, they are deemed suitable for these duties and have not received any special training and orientation.

The Corporate Governance and Nomination Committee evaluates the performance, independence, suitability and competence of the Board Members in line with the Corporate Governance Principles of the Bank at least once a year.

#### 4.3. THE MISSION, VISION AND STRATEGIC GOALS OF THE BANK

DenizBank's mission and vision have been developed by the Board of Directors and posted on the Internet.

**DenizBank's Vision** is to become one of the top five banks in Turkey ensuring sustained and profitable growth, and the most powerful player in the global financial environment for countries in the Middle East, Caucasus, Balkans and the CIS region.

**DenizBank's Mission** is to be known as a bank that maximizes employee, customer and shareholder satisfaction with its position, image and corporate qualities.

The strategic goals of the Bank set down by Executive Management Committee have been approved by the Board of Directors. The CEO submits a monthly report to the members of the Board of Directors on the status of strategic goals and the Bank's overall financial and non-financial position.

#### 4.4. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Board of Directors has put in place risk management and internal control mechanisms and detailed information about this mechanism's operation, management, duties, responsibilities and efficiency on the Bank's Internet web page. The Internal Control mechanism of DenizBank is jointly run and supervised by the head of the Internal Control Center and the head of the Board of Internal Auditors.

#### Internal Control Center

The function of the Internal Control Center is to ensure compliance to internal and external obligations through daily audits, to restrict areas that would create operational risk, take appropriate measures to ensure customer satisfaction, increase efficiency by developing relevant systems and to ensure protection of the Bank's assets. These functions are fulfilled by the following departments of the Bank:

- Internal Control - IT
- Internal Control - Financial Control Unit
- Internal Control - Branches Unit
- Internal Control - Treasury Unit
- Internal Control - Retail Banking, Credit Control and Monitoring Unit
- Internal Control - Corporate Credit Monitoring and Control Unit
- Internal Control - Central Operations Unit
- Internal Control - Settlements Unit

In 2005, the Internal Control Center pursued its activities for decreasing operational risk, developing tools to be employed in credit risk management and improving the processes of the Head Office and at the branches. The number of staff increased from 55 in 2004 to 75 in 2005.

#### Board of Internal Auditors

The function of the Board of Internal Auditors, independent from the daily operations of the Bank, is to execute the systematic audit process consisting of such functions as the internal control systems, risk management systems, financial operations and compliance audits upon management's request and according to the Bank's structure.

The Board of Internal Auditors conducts its activities under the Board Member Responsible for Internal Audit and Risk Management, in line with the requirements of the Bank, on the basis of international audit standards and the relevant local legislation.

Internal auditing activities are carried out by internal auditors. The number of internal auditors was 64 at the end of 2005. The principle of employing internal auditors that correspond to 1% of the personnel



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employed in units to be audited is adhered to in determining the number of internal auditors. In 2005, 100% of the planned audits were realized and legal and administrative inquiries were held through flexible and special audits in the areas requiring such action.

#### Risk Management Group

The function of the Risk Management Group is to ensure that the Bank has adequate financial means for its operations under any market and crisis conditions. Its principal objective is implementation and improvement of risk management standards, models and parameters in line with local and international risk management practices.

The Risk Management Group conducts risk analyses of all new products, business processes and significant performance indicators, in cooperation with the risk management committees.

#### Management Reporting Unit

Responsible for the establishment and improvement of the risk management reporting system of the Bank, this unit prepares daily, weekly, monthly, quarterly and yearly reports and conducts special studies and analyses necessitated by the changing economic trends.

#### Branch Reporting Unit

Making daily cost and return analyses for each branch and region while monitoring daily actions, this unit plays an important role through the reports it drafts in assessing the performance of the various branches.

#### Risk Management Unit

The risk management strategy of DenizBank is to achieve minimum risk levels at the target profitability level. This unit conducts VaR (Value at Risk) analyses to measure market risk and RAROC (Risk Adjusted Return on Capital) analyses to determine the products' risk/return relationships. This unit also performs the required work for the Basel II criteria harmonization process announced by BIS.

Risk analysis reports generated by this unit are presented to the Board of Directors and Executive Management Committee to determine risk limits and to develop risk management strategies. The Board

Member Responsible for Internal Audit and Risk Management receives daily reports from the Risk Management Unit on issues related to risk factors confronting the Bank.

#### 4.5. DUTIES AND RESPONSIBILITIES OF THE BOARD MEMBERS AND EXECUTIVES

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

#### 4.6. WORKING PRINCIPLES OF THE BOARD OF DIRECTORS

The principles governing Board of Directors meetings have been determined in the Articles of Association. In addition to the agenda items stemming from the duties and responsibilities of Board Members stated in Article 19 of the Articles of Association, as well as the requests of the Board Members, issues discussed at the weekly Executive Management meetings and Committee decisions constitute the source for meeting agendas. In line with the shareholders' right to add agenda items to these meetings, shareholders may request additional agenda items. Moreover, the auditors of the Bank may also set an agenda and call for a Board of Directors meeting. Board of Directors convenes at least once a month. In 2005, a total of 60 Board Meetings were held.

It is essential that Board Members attend meetings in person. Attendance can also be achieved by technological remote conferencing devices or methods. 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 veto power.

The Chairman is responsible for ensuring that Board meeting invitations and discussions are carried out appropriately and that decisions taken are recorded in the meeting minutes. This task was assigned to the Board Secretariat by a Board decision. Information on other duties and responsibilities of the Board Secretariat are posted on the DenizBank website.

During Board of Directors meetings, members with dissenting votes on issues concerned must sign the



minutes along with a statement explaining the rationale of their voting. Minutes of the meetings and relevant documents as well as correspondence related thereto are regularly archived. Compliance of Bank's meeting records to current legislation is ensured by the Board Secretariat; a report is presented to that effect to the parties concerned upon request. Important Board Meeting decisions, of which stakeholders must be informed, are published on the web page.

#### 4.7. PROHIBITION OF TRANSACTION AND COMPETITION WITH THE COMPANY

Provided that they remain outside issues prohibited by Banking Law No. 4389, permissions contained in Articles 334 and 335 of the Turkish Commercial Code on prohibition of transactions with companies and prohibition of competition have been granted to the Board Members by the General Shareholders Assembly. Transactions undertaken by the Board of Directors and executives are inspected at least once a year by the Board of Internal Auditors. Furthermore, in 2005, the Internal Audit Committee conducted the required controls within the framework of the two general audits and informed the Board of Directors in this respect. No situation contrary to what is stipulated by the current legislation has arisen.

#### 4.8. ETHICS

DenizBank has adopted Banking Ethics Principles; the Executive Board is responsible for ensuring that personnel and executives comply with the Bank's ethical principles, that these rules are adopted by all employees and that the DenizBank carries out its activities within the framework of such rules. These principles are as follows:

##### DenizBank

- Ensures that all documents issued, disclosed to public and submitted to the regulatory authorities are correct, complete and clear,
- Complies with laws, legislations and rules of the relevant regulatory authorities,
- Diligently monitors compliance with Corporate Governance Principles,

- Takes every measure to prevent conflict of interests,
- Creates a fair and safe working environment,
- Emphasizes transparency in the information disclosed to the public, and
- Respects fair competition conditions in its relationship with competitors.

##### All DenizBank employees

- Are selected from among honest and trustworthy persons who respect ethical and moral values,
- Act in compliance with the law and the Bank's in-house regulations,
- Work diligently in an orderly, disciplined and dedicated manner,
- Possess customer satisfaction awareness,
- Strive to improve their occupational skills and advance their professional experiences,
- Act with the awareness of the liability to keep trade secrets,
- Work toward preventing any disputes or conflicts of interest,
- Comply with the internal regulations of the Bank regarding insider trading.
- Do not accept any gifts that may be considered bribery,
- Aim at utilizing DenizBank's assets in the most efficient way,
- Do not engage in an additional occupational activity outside the Bank,
- Exercise diligent care for maintaining their personal fiscal discipline,
- Conduct customer relations with utmost care and make an effort to render the best service,
- Are prudent and careful in their relationship with each other, and
- Assist the audit staff and the inspectors in their inquiries, whenever needed.

All employees and executives have signed the Bank's Ethical Principles document as of November 2001 and apply these rules in their daily transactions. The said rules are available at DenizPortal and the Bank's website for review by stakeholders.

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#### 4.9. NUMBER, STRUCTURE AND INDEPENDENCE OF COMMITTEES CREATED BY THE BOARD OF DIRECTORS

An Audit Committee and a Corporate Governance and Nomination Committee were created, headed by Independent Members. The operating principles of the committees are posted on the website. Information about the committees subordinate to the Board of Directors and on the executive committees providing input to the management is as follows:

##### Committees Subordinate to the Board of Directors

##### Corporate Governance and Nomination Committee

The Committee is responsible for monitoring the compliance of the Bank with the Corporate Governance Principles. The Committee consists of three members; the qualifications of the chairman and the members of the committee are given below;

Member	: M. Tinaz Titiz
Function	: Committee Chairman
Member Definition	: Independent
Education	: BA

Member	: Cem Bodur
Function	: Member
Member Definition	: Non-executive Member
Education	: BA

Member	: Tanju Kaya
Function	: Member
Member Definition	: Executive Member
Education	: BA

The Corporate Governance and Nomination Committee convenes at least three times a year and when required to perform its duties. The procedures related to the structure, duties and responsibilities of the Corporate Governance and Nomination Committee have been defined and its main activities have been posted on the Internet.

The Corporate Governance and Nomination Committee performed the following activities within 2005:

- Assessed the Bank's Corporate Governance Principles,
- Made recommendations to the Board of Directors on the assignment of executives,
- Held six meetings to propose suggestions for improving the Bank's organizational structure.

In line with the suggestions presented to the Board of Directors, the nominated executives were assigned, the Corporate Governance and Organization Department was established and the number of regional head offices was increased to accommodate the expanding organizational structure. Through suggestions to the Board, the Committee made an effort to improve its operating principles which were reviewed during the meetings.

##### Audit Committee

The Audit Committee is responsible for overseeing the Bank's accounting system, financial information and its disclosure to the public, as well as taking all required measures to provide for the supervision of operation and efficiency of the internal control system. The Committee consists of three members. The qualifications of the Chairman and Members of the committee are provided below.

Member	: Dr. İ. Veysi Seviğ
Function	: Committee Chairman
Member Definition	: Independent Member
Education	: Doctorate

Member	: Can Taşpulat
Function	: Executive Member
Member Definition	: Executive Member
Education	: BA

Member	: Cemalettin Hasdemir
Function	: Member
Member Definition	: Independent Member
Education	: BA

The Audit Committee meets upon invitation of the Chairman at least four times a year. Moreover, the Audit Committee meets with the independent auditors of the Bank, aside from the executive units, at least twice a year to discuss the issues regarding internal control, financial statements, internal audit and some other important agenda items that need to be discussed. The procedures related to the structure, duties and responsibilities of the Audit Committee have been defined and its main activities have been posted on the Internet.

The Audit Committee performed the following activities in 2005:

- Inspection of the Bank's financial statements for the 2004 year-end and 2005 interim period and the

notes thereof for their compliance with the Bank's accounting principles and international accounting standards and for accuracy. Reporting of this information to the Board of Directors in terms of accuracy and truthfulness, including the opinions of the DenizBank's respective executives and the independent auditor and the Committee's own evaluation of the situation.

- Monitoring the operations of the internal audit system of the Bank and presenting the Board of Directors with the schemes developed to improve the efficiency of the system and with other recommendations.
- Nine meetings to examine the transactions between the Bank and its stakeholders with an end to monitoring compliance of employees to legal and in-house regulations and informing the Board of Directors in this respect.

In line with the decisions taken at these meetings, various procedures and regulations to improve the internal audit system, procedures to ensure customer satisfaction, confidentiality covenant with regard to insider trading and procedures for identifying costs more accurately were prepared and enacted upon following presentation to the Board of Directors.

## Executive Committees

### Assets and Liabilities Committee

The Assets and Liabilities Committee meets every week under the chairmanship of the CEO, with the participation of executive vice presidents and the Chief Economist, in order to supervise activities that affect the balance sheet of the Bank. The meeting agenda includes the balance sheet of the Bank, activities of the business units, general economic data and evaluation of the current political and economic situation, along with the establishment of the weekly strategy.

### Credit Committee

The Credit Committee evaluates commercial, corporate and SME credit applications made to DenizBank. Meeting every week, the Committee assesses and either approves or rejects the credit applications falling within its limits of authority. It submits the requests that exceed its authorization limits to the Board of Directors for approval.

### Disciplinary Committee

The Disciplinary Committee verifies and identifies the perpetrators and the degree of fault and probable damage of operations and activities that require disciplinary action according to the internal legislation and disciplinary regulations of the Bank. The Disciplinary Committee meets when needed and decides on its agenda items.

### Risk Committee

There are two different risk committees operating within DenizBank; the Senior Level Risk Committee and the Bank Risk Committee.

- The Senior Level Risk Committee determines the risk management strategies and policies of the Bank and its subsidiaries, assesses and regulates their required capital and maximum risk levels.
- The Bank Risk Committee allocates the maximum risk limitations determined by the Senior Level Risk Committee to business units and related areas, informs the respective units on their risk limits in writing, makes sure the positions are within risk limits and takes the necessary steps for precautionary actions.

### Purchasing Committee

The Purchasing Committee is established to centralize the wholesale and retail purchasing transactions of the Bank according to the appropriate price and quality criteria and within the framework of DenizBank's procurement policy. The Committee convenes at least twice a month.

### Communications Committee

The Communications Committee is established to convey the Bank's qualities that form the basis of its corporate identity via appropriate messages, projects and means of communication, while strengthening and supporting the image of the Bank. The Communications Committee meets at least once a month. The resulting ideas and suggestions are presented to the Executive Management Committee for consideration.

### Promotions Committee

The Promotions Committee is responsible for evaluating and making final decisions concerning vertical (increase in terms of both title and duties and responsibilities) and horizontal (change in title where the

## DenizBank

### Management Report on Corporate Governance

duties and responsibilities remain the same) advancement of all personnel that work for DenizBank Financial Services Group. The Promotions Committee meets twice a year, in March and September, under the supervision of all the Executive Management Committee members and the CEO.

#### The Executive Management Committee

The Executive Management Committee of DenizBank Financial Services Group (DFSG) is a consultation authority functioning within the framework of the responsibilities delegated to the executive management and the CEO by the Board of Directors. The Executive Management Committee meets every week under the supervision of the CEO and consists of the executive members of the Board, the Executive Vice Presidents of the Bank and the General Managers and/or Board Members of the subsidiaries. The Executive Management Committee aims to employ collective wisdom principles to speed up and refine the decision-making process.

the General Shareholders Assembly. In determining these salaries, the time to be spent by the individuals during, before and after Board meetings is taken into account. The honorarium to be paid to the participants for each meeting is also determined by the General Shareholders Assembly. No awarding system based on the performances of the members of the Board of Directors or of the Bank is implemented.

With the exception of the CEO, the Chairman and Members of the Board of Directors were paid YTL 3,500 gross per month as an honorarium throughout their term starting in January 2004. The Vice-Chairman of the Board of Directors and the Managing Director were paid a monthly salary of YTL 20,000 gross. Auditors were paid YTL 500 gross per month.

No transactions involving payables, credit utilization and collaterals were carried out between the Bank and the members of the Board of Directors or executives.

#### 4.10. FINANCIAL RIGHTS GRANTED TO THE BOARD OF DIRECTORS

Salaries of the Chairman, Vice-Chairman and the members of the Board of Directors are determined at

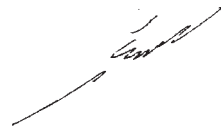
Dr. İhsan Veysi SEViĖ  
(Chairman)



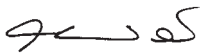
M. Cem BODUR  
(Vice Chairman)



Mustafa Tınaz TİTİZ  
(Member)



Can TAŞPULAT  
(Executive Member)



Hakan ATEŞ  
(Member/CEO)



Fikret ARABACI  
(Member)



Cemalettin HASDEMİR  
(Member)



# Investor Relations

The Investor Relations Group was established in September 2004 for the purpose of protecting and exercising shareholders' rights within the framework of relevant legislation, Articles of Association and other in-house regulations, in line with DenizBank's principles of equality, transparency, accountability and responsibility. The Group conducts communications between top management and shareholders and reports to the Board of Directors within this framework.

The Investor Relations Group performs strategic marketing functions in the most careful and diligent manner in line with the aim of increasing DenizBank's share value through internal and external informative activities that they carry out.

In this context, the Investor Relations Group:

- Plays a major role in informing shareholders and ensuring that they participate in General Shareholders Meetings and exercise their voting rights,
- Devises information policies ensuring neutral, accurate, up-to-date and enlightening information flow to shareholders meeting their information requests concerning the Bank, except for confidential information undisclosed to the public, which are considered as commercial secrets,
- Delivers investors and analysts quarterly financial statements and informs them on the important developments of DenizBank through teleconferences, newsletters, statements, investment announcements and presentations and responds to their questions, and
- Informs foreign investors holding DenizBank shares of important issues such as capital increases and dividend payments directly and/or via the Bank of New York, posts relevant documents on the website prior to meetings and ensures that General Shareholders Meetings are conducted according to legislation, the Articles of Association and in-house regulations.

Informative activities include examination and, when required, amendment of the reports drafted for DenizBank by analysts, evaluation of competitor banks' reports and financial statements and their comparative analyses with the financial statements of the Bank, advice from the Board of Directors of the results thereof together with any comments, suggestions, monitoring and reporting of the performance of the Bank's and competitor banks' shares.

In addition, the Investor Relations Group monitors the industry through regular research and analyses and makes recommendations to top management that contribute to the DenizBank's objectives. The Group remains in contact with various internal and external sources with an eye to signaling early warning to avoid any drawbacks that might be brought about by changes in market conditions and/or arising from new corporate governance implementations.

The Investor Relations Group:

- Prepares presentations and organizes road-shows about DenizBank's overall position and its strategies with the purpose of publicizing the Bank and upholding current and potential foreign investors' interests toward the Bank,
- Holds meetings with investors and analysts,
- Informs investors through the website and corresponds with them via e-mail,
- Contributes to the preparation of annual reports, and
- Updates the English and Turkish versions of the website.

The Group made a significant contribution to the increase in the Bank's share value as a result of publicity and analysis activities carried out in 2005 in line with its duties and responsibilities.

# Risk Management Center

DenizBank has been pursuing risk management endeavors since March 2000. The primary objective of the Risk Management Center covers implementing and improving risk management standards, models and parameters on the basis of local and international risk management practices. The Center has integrated the risk management system into various units; it analyzes all new products, business processes and significant performance indicators in terms of risk. These units are in close cooperation with various risk management committees.

## DenizBank's Equity Capital and Capital Adequacy (US\$ millions)

	2005	2004
Equity	813	653
Free Capital*	569	410
Free Capital Ratio**	6.4%	6.8%
Capital Adequacy Ratio	14.7%	17.8%

\* Free Capital = Equity Capital - Net NPLs - Subsidiaries - Deferred Tax Assets - Tangible and Intangible Assets - Pre-paid Expenses - Fixed Assets to be Disposed of

\*\* Free Capital Ratio = Free Capital / Total Assets

The Risk Management Department is made up of three units:

### Management Reporting Unit

The Management Reporting Unit reports daily risk management information to executive management and the Board of Directors of DenizBank. These reports comprise overall cost/return analyses, profit distribution of departments and profitability of products.

The Unit presents the Assets and Liabilities Committee reports and consolidated financial statements of the Bank and its subsidiaries, prepares comparative analyses with other banks and delivers budget forecasts and historical data for departments' performance ratings.

The Management Reporting Unit is responsible for the establishment and development of a risk management information system at the Bank. This department prepares special studies and analyses required by changing economic trends, in addition to the daily, weekly, monthly, quarterly and yearly reports.

### Branch Reporting Unit

The Branch Reporting Unit prepares daily cost/return analyses for each branch and regional office and monitors daily movements. The Unit helps with the preparation of each branch's annual budget and monitors branches closely to make sure they reach their targets. The Unit also presents monthly branch budget realization and efficiency reports over the Intranet, playing an important role in branches' performance ratings.

### Risk Management Unit

DenizBank has adopted a risk-focused approach in all of its decision-making processes. The Risk Management Unit monitors the daily market along with credit and operational risk of all the products. Utilizing this practice, the Bank aims at making sure that it does not allocate more than half of its shareholders' equity as economic capital under any condition and that it maintains a minimum 8% capital adequacy ratio even in a crisis situation.

The risk management strategy of the Bank is to operate at a minimum risk level at the business volume to achieve target profitability. In line with this strategy, the Unit conducts internationally accepted and implemented VaR (value at risk) analyses to measure market risk. The VaR analysis expresses the highest possible loss that can be incurred at a certain confidence level as a result of the price fluctuations in the market, i.e. a certain monetary amount. DenizBank's VaR calculations are based on a 99% confidence interval and holding periods of one day and ten days.

Back-testing analyses are done to test the reliability of the VaR analyses on the basis of the database prepared by the Risk Management Unit.

Credit risk represents the highest risk category within the total risk. The Risk Management Unit is responsible for delivering the data required for the management of credit risk. Guiding efforts aimed at developing the risk measurement and management system is among the principal duties of department.

#### DenizBank Assets Quality

##### NPLs /Total Cash Credits Ratio (%)

2004	3.6
2005	2.2

##### NPL Provision Ratio (%)

2004	125.1
2005	130.4

Risk-adjusted profitability is considered an important factor in determining transaction limits and in performance ratings. DenizBank employs risk-adjusted returns, risk-adjusted profit and operational risk point factors as criteria in branch performance

ratings. It also conducts RAROC (Risk Adjusted Return on Capital) analyses to determine the products' risk/return ratios. Determining the realization level of the returns of each product is quite important in terms of orienting the Bank's treasury.

The Risk Management Unit performs the required work for the Basel II criteria harmonization process announced by BIS. Basel II sub-committees have been created under the coordination of the Risk Management Unit to increase the efficiency of the Basel II-related work with the contributions of the sub-groups and the corresponding units.

The Risk Management Unit is responsible for the preparation of standard reports (weekly foreign exchange position reports, monthly market risk analysis reports and quarterly consolidated market risk reports) required by banking regulation institutions in Turkey. These reports are submitted to the Banking Regulation and Supervision Agency. In addition, the Unit prepares and presents to the Board of Directors and the Executive Committee all risk analysis and management reports that are employed as important tools in determining risk limits and developing risk management strategies. The Member of the Board of Directors responsible for risk management, audit and internal controls receives daily reports from the Risk Management Unit on issues concerning risk management.

## Board of Internal Auditors

DenizBank's Board of Directors has set up an Audit Committee from among its members. The Audit Committee, made up of the independent members of the Board of Directors, holds regular meetings to determine the audit policies of the Bank.

Internal audit activities are headed by the Member of the Board of Directors responsible for internal audit and risk management, who is at the same time a member of the Audit Committee. Work is carried out on the basis of internationally accepted audit standards and local legislation, taking into account the requirements of the Bank.

The Member of the Board of Directors responsible for internal audit and risk management conducts the internal audit activities through auditors. The auditors are organized as a department under the Internal Audit Department.

The number of internal auditors as of the end of 2005 was 64. The principle of employing internal auditors that correspond to one percent of the personnel employed in the units to be audited is adhered to in determining the number of Internal Audit Department personnel. Assistant Auditor candidates undergo profile tests measuring levels of ability and suitability to the task, in addition to taking written and oral examinations. A detailed training and career plan is implemented once the suitable candidates with the required qualifications are selected. Assistant auditors must receive theoretical and practical training of a minimum of six months and succeed in the tests following this training period in order to qualify for work in the audit teams. Promotions from Assistant Auditor to Authorized Assistant Auditor and to Auditor are all realized through examinations.

Auditors conduct regular audits in all branches, the Head Office and subsidiaries and special audits at the suppliers of significant services that are

outsourced (such as IT and Credit Cards). Risk-focused audit methodologies, as well as regular annual audits are employed in the audit plans.

Parallel to the Bank's growth and its increasing requirements, a group of auditors responsible from Cyber Crimes & IT Audit, and another group of specialized auditors responsible from Criminal & Legal Investigations. These units were reinforced by auditors with degrees in engineering or law, alongside traditional auditors. All members of the Board of Internal Auditors are trained to conduct regular audits and administrative investigations.

In 2005, 100% of the planned internal audits were performed and flexible and special audits, as well as legal and administrative investigations, were conducted in the areas deemed necessary.

### Internal Control Center

In 2005, Internal Control Center activities covered reducing operational risk, developing the tools to be utilized in credit risk management and improving the processes of the Head Office and branches.

Internal control activities are typically designed as part of the daily operations. The Internal Control units conduct physical controls, data controls and correspondence, confirmation - limit and authority controls, verification of system output and financial outputs and control of compliance to internal and external legislation in various departments, divisions, branches and units.

The number of personnel employed in the Internal Control Center reached 67 in 2005. The Customer Satisfaction Department made up of nine people employed to respond to customer complaints rapidly and adequately is part of the Internal Control Center.



#### Internal Control - Information Technology Department

Information Technology Internal Control Department serves as a guide and supervisor with the aim of forming a functioning structure of operation and business performance close to COBIT and BS7799 standards in all departments and units of the Bank employing information technology. The principal objective of this unit is to establish and maintain a sound IT environment in the Bank.

#### Internal Control - Financial Control Department

The Financial Control Department is responsible for ensuring the reliability of the data included in the Bank's balance sheet and profit & loss statement. Serving as a supervisor to ensure that the data received from branches and the Head Office are itemized flawlessly in the Bank's balance sheet, this Department works in close cooperation with Risk Management and Management Reporting units.

#### Internal Control - Branches Department

This Department conducts branch visits, thus it operates in the field. In 2005, controls were conducted in 173 branches and 347 reports were drafted. The Department makes recommendations to improve various processes at the branches and aims to find ways to increase cooperation between the branches and the Head Office. The Internal Control - Branches Department ensures that all branches conform to the Bank's policies and legal regulations during their operations.

#### Internal Control - Treasury Department

The Department's control operations make up the treasury management activities of the branches and the Head Office. Thanks to controls conducted by this Department, the Bank's overall daily treasury management is controlled more efficiently.

#### Internal Control - Consumer Banking, Credit Monitoring and Control Department

This Department is responsible for drafting weekly/monthly reports on consumer loans, credit cards, credit approvals and guarantees. It also supports the relevant units in the development of new products and makes recommendations.

#### Internal Control - Corporate Credit Monitoring and Control Department

The Department is responsible for the control of business credit allocations and the monitoring of compliance with credit limits, internal and legal regulations. It also warns branches about potential NPLs and helps them in resolving problems.

#### Internal Control - Head Office Operations

This Department aims to ensure flawless transactions for export, import, corporate and retail credits at Head Office Operations. It also controls compliance of these transactions with internal procedures and legislation. The compliance correspondence made for the prevention of money laundering transactions is also conducted by this Department.

#### Internal Control - Settlement Department

The Settlement Department reconciles the Bank's account balances with correspondent banks and conducts the required controls.

#### Internal Control - Customer Satisfaction Department

This Department aims at resolving customer complaints rapidly and with utmost technical accuracy so as to ensure customer satisfaction. The coordination and conduct of secret customer transactions are also undertaken by this Department.



# **Denizbank Anonim Şirketi and Its Subsidiaries**

Consolidated Financial Statements  
31 December 2005  
With Independent Auditor's Report





**Akis Serbest Muhasebeci  
Mali Müşavirlik A.Ş.**

Yapı Kredi Plaza C Blok Kat 17  
Büyükdere Caddesi  
Levent 34330 İstanbul

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**Independent Auditor's Report**

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 2005 and the related consolidated statements of income, changes in equity and cash flows for the year 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 2005, which statements reflect total assets constituting 17 percent; and total interest and commission income constituting 11 percent after elimination of intercompany balances and transactions as of and for the year ended 31 December 2005 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 2005, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Istanbul  
16 February 2006

KPMG Akis Serbest Muhasebeci  
Mali Müşavirlik A.Ş.

## Denizbank A.Ş. and Its Subsidiaries

### Consolidated Income Statement For the Year Ended 31 December 2005

(Currency: Thousands of New Turkish Lira [YTL] as adjusted for the effects of inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

	Note	2005	2004
Interest and similar income	2	1,017,995	852,257
Interest expense and similar charges	2	(504,000)	(470,832)
<b>Net interest income</b>		<b>513,995</b>	<b>381,425</b>
Fee and commission income	3	207,164	169,692
Fee and commission expense	3	(59,831)	(51,794)
<b>Net fee and commission income</b>		<b>147,333</b>	<b>117,898</b>
Net gain on trading and investment securities	4	57,555	12,050
Other operating income	5	63,826	68,463
<b>Operating income</b>		<b>782,709</b>	<b>579,836</b>
General and administrative expenses	6	(370,067)	(301,532)
Impairment losses on loans and advances	13	(39,673)	(41,563)
Foreign currency exchange gain / (loss), net		(33,145)	8,102
Other operating expenses	7	(24,097)	(37,479)
<b>Operating expenses</b>		<b>(466,982)</b>	<b>(372,472)</b>
<b>Profit from operations</b>		<b>315,727</b>	<b>207,364</b>
Loss on monetary position, net		(18,937)	(57,933)
<b>Profit before tax</b>		<b>296,790</b>	<b>149,431</b>
Income tax expense	22	(74,502)	(8,220)
<b>Net profit for the year</b>		<b>222,288</b>	<b>141,211</b>
<b>Net profit for the year attributable to:</b>			
Equity holders of the Bank		222,307	141,217
Minority interest		(19)	(6)
		<b>222,288</b>	<b>141,211</b>
Weighted average number of shares with a face value of YTL 1 each		316.1 million	316.1 million
Basic and diluted earnings per share (full YTL amount per YTL 1 face value each)		0.703	0.447

## Denizbank A.Ş. and Its Subsidiaries

### Consolidated Balance Sheet As of 31 December 2005

(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

	Note	2005	2004
<b>Assets</b>			
Cash and balances with Central Bank	10	1,007,746	812,968
Due from banks	11	2,430,484	1,713,524
Financial assets at fair value through profit or loss	12	311,749	443,217
Loans and advances to customers	13	6,234,874	3,330,375
Investment securities	15	1,653,205	1,741,840
Other assets	16	126,488	73,875
Deferred tax assets	22	6,435	14,299
Bank premises and equipment	17	133,635	125,835
Intangible assets	18	13,669	17,071
<b>Total assets</b>		<b>11,918,285</b>	<b>8,273,004</b>
<b>Liabilities</b>			
Deposits from banks	19	769,034	634,183
Deposits from customers	20	7,040,066	5,306,977
Funds borrowed	21	2,625,032	1,064,972
Deferred tax liabilities	22	571	464
Current tax liabilities		3,862	1,279
Other liabilities	23	356,157	349,819
<b>Total liabilities</b>		<b>10,794,722</b>	<b>7,357,694</b>
<b>Equity</b>			
Share capital	24	563,836	563,836
Share premium		100,896	100,896
Unrealized gains on available-for-sale securities	25	129,095	142,916
Translation reserves		(6,456)	(6,199)
Retained earnings	25	336,100	113,793
<b>Total equity attributable to equity holders of the parent</b>		<b>1,123,471</b>	<b>915,242</b>
<b>Minority interest</b>		<b>92</b>	<b>68</b>
<b>Total equity</b>		<b>1,123,563</b>	<b>915,310</b>
<b>Total liabilities and equity</b>		<b>11,918,285</b>	<b>8,273,004</b>

Commitments and contingencies

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## Denizbank A.Ş. and Its Subsidiaries

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2005  
(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of  
inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

			Unrealized gains/losses				
	Note	Share capital	Share premium	on AFS securities	Translation reserves	Retained earnings	Minority interest
Balances at 1 January 2004		495,703	-	151,946	(3,507)	2,525	2,046
Correction of an error	25	-	-	29,967	-	(29,967)	-
Restated balances at 1 January 2004		495,703	-	181,913	(3,507)	(27,442)	2,046
Issue of share capital		68,133	100,896	-	-	-	-
Net gains on available-for-sale assets transferred to the income statement on disposal	4	-	-	(15,910)	-	-	-
Loss from change in fair value of available-for-sale securities (AFS)		-	-	(23,087)	-	-	-
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	(2,692)	-	-
Purchase from minority		-	-	-	-	18	(1,972)
Net profit for the year		-	-	-	-	141,217	(6)
<b>Balances at 31 December 2004</b>		<b>563,836</b>	<b>100,896</b>	<b>142,916</b>	<b>(6,199)</b>	<b>113,793</b>	<b>68</b>
Balances at 1 January 2005		563,836	100,896	142,916	(6,199)	113,793	68
Net gains on available-for-sale assets transferred to the income statement on disposal	4	-	-	(37,062)	-	-	-
Gain from change in fair value of available-for-sale securities (AFS)		-	-	23,241	-	-	-
Foreign exchange differences arising from translation of the financial statements of foreign operations		-	-	-	(257)	-	-
Minority interest		-	-	-	-	-	43
Net profit for the year		-	-	-	-	222,307	(19)
<b>Balances at 31 December 2005</b>		<b>563,836</b>	<b>100,896</b>	<b>129,095</b>	<b>(6,456)</b>	<b>336,100</b>	<b>92</b>



# Denizbank A.Ş. and Its Subsidiaries

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2005

(Currency: Thousands of New Turkish Lira (YTL) as adjusted for the effects of inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

	Note	2005	2004
<b>Cash flows from operating activities:</b>			
Interest and commission receipts		901,080	667,383
Interest payments		(531,782)	(531,986)
Recoveries on loans previously written off	13, 23	59,511	34,874
Cash payments to employees and suppliers		(190,951)	(147,488)
Other operating activities, net		(166,921)	(137,843)
		70,937	(115,060)
<b>(Increase) / decrease in operating assets:</b>			
Balances with Central Banks		(5,079)	14,484
Loans and advances to banks		(34,610)	9,529
Loans and advances to customers		(2,958,621)	(1,086,276)
Financial assets at fair value through profit or loss		157,174	181,088
Other assets		92,794	(170,636)
<b>Increase / (decrease) in operating liabilities:</b>			
Deposits from banks		134,000	(407,712)
Deposits from customers		1,760,016	1,040,420
Other liabilities		(16,406)	148,239
Income taxes paid		(33,836)	(46,055)
<b>Net cash used in operating activities</b>		<b>(833,631)</b>	<b>(431,979)</b>
<b>Cash flows from investing activities:</b>			
Purchase of non-dealing securities, net		(32,841)	392,275
Proceeds from sale of subsidiaries		3,362	8,401
Purchase of subsidiaries	15	(101)	(3,258)
Interest received		310,465	299,921
Dividends received	5	1,884	-
Proceeds from sale of bank premises and equipment		5,364	4,617
Purchase of bank premises and equipment	17	(44,100)	(46,381)
Proceeds from sale of intangible assets		2,844	278
Purchase of intangible assets	18	(7,235)	(4,510)
<b>Net cash from investing activities</b>		<b>239,642</b>	<b>651,343</b>
<b>Cash flows from financing activities:</b>			
Increase in funds borrowed, net		1,545,711	629,383
Issue of share capital		-	169,029
Purchase from minority		43	(1,955)
<b>Net cash from financing activities</b>		<b>1,545,754</b>	<b>796,457</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(33,145)</b>	<b>8,102</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>918,619</b>	<b>1,023,923</b>
Cash and cash equivalents at beginning of the year		2,489,017	1,465,094
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>3,407,636</b>	<b>2,489,017</b>

## Denizbank A.Ş. and Its Subsidiaries

### Notes to Consolidated Financial Statements

As of and for the year ended 31 December 2005

(Currency-Thousands of YTL)

(As adjusted for the effects of inflation in YTL units current at 31 December 2005 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 is incorporated and domiciled in Turkey. 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 common shares and Global Depositary Shares. The domestically held shares commenced trading on 1 October 2004 in Istanbul Stock Exchange.

Denizbank currently has 236 branches and its head office is located in the following address: Büyükdere Caddesi No: 106 34394 Esentepe - Istanbul.

Zorlu Holding A.Ş. ("Zorlu Holding"), which is one of the major industrial conglomerates in Turkey, has a 75% ownership in Denizbank. Zorlu Holding reports that it has 65 industrial concerns and three energy plants, which it reports employ approximately 30,000 people. In 2005, Zorlu Holding companies realized revenues of (unaudited) USD 4.25 billions and an export volume of (unaudited) USD 2.5 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 the 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 2005, Denizbank AG has nine 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 the SDIF at the beginning of 2002. Eurodeniz is licensed to undertake all commercial banking transactions.

Denizbank has 99.95% ownership in Deniz Yatırım Menkul Kıymetler 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 the SDIF at the end of 2002. With subsequent acquisitions, Denizbank and Deniz Yatırım's share increased to 99.80%. Ekspres Yatırım, located in Istanbul, is engaged in providing brokerage services for international investors via trading of and investing in securities, stocks, treasury bills and government bonds provided from capital markets.

# Denizbank A.Ş. and Its Subsidiaries

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Located in Istanbul, Deniz Türev Menkul Değerler A.Ş. ("Deniz Türev"), formerly known as Tarih Menkul Değerler A.Ş. until 25 October 2005, was originally established as a subsidiary of Tarihbank in 1997 to handle the brokerage activities of its parent bank. With the acquisition of Tarihbank in 2002, Deniz Türev became a subsidiary of Denizbank.

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 the SDIF in 2002.

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 established DenizKültür Yayıncılık Ticaret ve Sanayi A.Ş. ("DenizKültür") for the purpose of supporting cultural and art activities.

In February 2005, Denizbank acquired 100% of the outstanding shares of Deniz Faktoring A.Ş. ("Deniz Factoring"), a Zorlu Group company which is engaged in factoring transactions, established in 1998.

Deniz Finansal Kiralama A.Ş. ("Deniz Leasing"), established in 1997, is engaged in leasing activities. Denizbank acquired 11% of the outstanding shares of Deniz Leasing in February 2005. The remaining 89% of the shares of Deniz Leasing are owned by Deniz Faktoring.

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 sold its shares in AKK in December 2004.

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

### 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 New Turkish Lira ("YTL") 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 International Financial Reporting Standards ("IFRS") 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 2005. The accompanying consolidated financial statements are authorized for issue by the directors on 16 February 2006.

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#### *b) Basis of preparation*

Starting from 1 January 2005, the currency unit is set as the YTL per the Law on the currency unit of the Republic of Turkey no. 5083 dated 31 January 2004. Six digits have been removed from the Turkish Lira (TL) and one million TL became one YTL.

The accompanying consolidated financial statements are presented in YTL, rounded to the nearest thousand as adjusted for the effects of inflation in YTL units current at 31 December 2005 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. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historical cost.

The accounting policies applied by Denizbank and its subsidiaries are consistent with those used in the previous year ended 31 December 2004.

#### *c) Changes in accounting policies*

##### *Presentation of Minority Interests*

With the adoption of revised IAS 1 "Presentation of Financial Statements" at 1 January 2005, Net profit and Equity are presented including minority interests. Net profit is allocated to net profit attributable to Denizbank shareholders and attributable to minority interests. Minority interest is presented on the face of the income statement.

##### *Reclassification of prior year figures*

The Bank has reclassified the accrued interest income and expense items previously presented under other assets and other liabilities on to the relevant balance sheet items. Accordingly, accrued interest income on banks (including reserve deposits) amounting YTL 5,217, on loans amounting YTL 45,009, and on investment securities amounting YTL 72,067 of, as of 31 December 2004; and accrued interest expense on deposits from banks amounting YTL 842, on deposits from customers amounting YTL 33,669 and on funds borrowed amounting YTL 10,092, as of 31 December 2004, have all been reclassified on to these balance sheet items.

The Bank has reclassified the accrued interest and foreign exchange gain on derivatives previously presented under other assets, as financial assets at fair value through profit or loss. Accordingly, accrued interest and foreign exchange gain on derivatives amounting YTL 17,515 as of 31 December 2004, were reclassified as financial assets at fair value through profit or loss.

The Bank also changed the presentation of the brokerage fees in net fee and commission income; resulting in a netting between income and expense lines of brokerage fees by YTL 13,179 for the year ended 31 December 2004.

# Denizbank A.Ş. and Its Subsidiaries

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### d) 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.

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:

Description	Nature of Activities	Country of Incorporation	Indirect Ownership %	
			2005	2004
Denizbank AG	Banking	Austria	99.99	99.99
Eurodeniz	Banking	Cyprus	99.88	99.88
Denizbank Moscow	Banking	Russia	100.00	100.00
Deniz Yatırım	Securities	Turkey	99.95	99.95
Ekspres Yatırım	Securities	Turkey	99.80	99.80
Deniz Türev	Securities	Turkey	100.00	100.00
Deniz Portföy	Investment	Turkey	99.95	98.38
Deniz Factoring	Factoring	Turkey	100.00	-
Deniz Leasing	Leasing	Turkey	100.00	-
Intertech	Technology	Turkey	100.00	100.00
DenizKültür	Art	Turkey	100.00	100.00
DFS Funding Corp. (a)	SPE	Cayman Isl.	-	-

#### (a) Explained below in (iii) Special purpose entities

#### iii) Special purpose entities

Special purpose entities are consolidated when the substance of the relationship between the Bank and the special purpose entity indicates that the special purpose entity is controlled by the Bank.

DFS Funding Corp. is a special purpose entity established for the Denizbank's securitization transactions explained in note 21. Denizbank or any of its subsidiaries does not have any shareholding interest in this company.

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#### *e) Accounting in hyperinflationary economies*

International Accounting Standard ("IAS") 29, which deals with the effects of inflation in the 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 2005, the cumulative three-year inflation rate in Turkey has been 33.16%, based on the countrywide producer price indices announced by the Turkish State Institute of Statistics (SIS), which is below 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 YTL as of 31 December 2005 based on IAS 29.

The restatements were calculated by means of conversion factors derived from the producer price indices, effective from 1 January 2005, carried over wholesale price indices until 31 December 2004. Such indices announced by SIS and conversion factors used to restate the consolidated financial statements at 31 December 2005, 2004 and 2003 are given below:

Dates	Index	Conversion Factors
31 December 2005	8,627.4	1.000
31 December 2004	8,403.8	1.027
31 December 2003	7,382.1	1.169

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 2005).
- 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 bank 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.
- Prior periods' consolidated financial statements are restated using general inflation indices at the currency purchasing power at the balance sheet date (31 December 2005).
- All items in the income statement 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 income statement as "Loss on monetary position, net".

# Denizbank A.Ş. and Its Subsidiaries

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### **f) Foreign currency**

#### *i) Foreign currency transactions*

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into YTL 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 period.

#### *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 YTL at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to YTL at foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognized directly in equity.

### **g) 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 YTL 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 expense as incurred.

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#### 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.

#### h) Goodwill/Negative goodwill

Goodwill consists of the excess of the total acquisition costs over the share of the Bank and its affiliates in the fair value of net assets of the acquired companies at the dates of acquisitions. Goodwill is reflected in 'intangible assets' in the accompanying consolidated balance sheets, and assessed annually by using external and internal sources such as market value, information on any adverse effect on the acquired companies, market interest rates or other market rates of return on investments, carrying value of net assets, whether there is any indication that goodwill may be impaired. If any such indication exists, the recoverable amount of the goodwill is estimated. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount, and impairment loss is recognized as an expense in the income statement.

IFRS 3 "Business Combinations" requires the acquirer to reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination if, at the acquisition date, the acquirer's interest in the net fair value of those items exceeds the cost of the combination. Any excess remaining (negative goodwill) after that reassessment must be recognized by the acquirer immediately in the income statement.

#### i) Financial instruments

##### i) Classification

Financial instruments at fair value through profit or loss are those that the Bank principally holds for the purpose of short-term profit taking. These include investments and accruals of derivative contracts that are not designated as effective hedging instruments. Accruals of all trading derivatives in a net receivable position (positive fair value) are reported as financial assets at fair value through profit or loss. Accruals of all trading derivatives in a net payable position (negative fair value) are reported as other liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank and its affiliates provide money, goods and services directly to a debtor with no intention of trading the receivable. Loans and receivables comprise due from banks and loans and advances to customers.



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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 at fair value through profit or loss 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.

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

### *iii) Measurement*

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

Subsequent to initial recognition, all financial instruments at fair value through profit or loss 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.

## Denizbank A.Ş. and Its Subsidiaries

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#### *v) Gains and losses on subsequent measurement*

Gains and losses arising from a change in the fair value of financial assets at fair value through profit or loss are recognized in the income statement as net gain / (loss) on trading and investment securities.

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 or 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 fair value through profit or loss. 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 are classified as either loans and advances to customers or as due from banks, based on the type of the transaction, and are reported net of allowances to reflect the estimated recoverable amounts.

##### • Finance lease receivables

Leases where the entire risks and rewards incident to ownership of an asset are substantially transferred to the lessee, are classified as finance leases. A receivable at an amount equal to the present value of the lease payments, including any guaranteed residual value, is recognized. The difference between the gross receivable and the present value of the receivable is unearned finance income and is recognized over the term of the lease using the effective interest rate method. Finance lease receivables are included in loans and advances to customers.

#### *j) 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 financial assets at fair value through profit or loss 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 loans and receivables are derecognized on the day they are transferred by the Bank.

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### ***k) 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 financial assets at fair value through profit or loss or financial assets 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 income.

### ***l) 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 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.

The recoverable amount of an equity instrument is its fair value. The recoverable amount of debt instruments and purchased loans remeasured to fair value is calculated as the present value of the expected future cash flows discounted at the current market rate of interest.

Where an asset remeasured to fair value is impaired, the write-down is recognized in the income statement.

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

### ***m) Income and expense recognition***

Interest income and expense is recognized as they are accrued taking into account the effective yield of the asset and liability or an applicable floating rate, except for interest income on overdue loans, which are generally recognized only when received.

## Denizbank A.Ş. and Its Subsidiaries

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Fee and commission income arising on financial services provided, including cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services is recognized when the corresponding service is provided. Certain commissions, such as those deriving from letters of guarantee and other banking services are also usually recognized as income when received.

Net gain on trading and investment securities includes gains and losses arising from disposals and changes in the fair value of financial assets at fair value through profit or loss and financial assets available-for-sale.

#### *n) 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.

#### *o) 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 2005 and 2004 are as follows;

	2005	2004
	%	%
Discount rate	6.1	10
Expected rate of salary/limit increase	12	16
Turnover rate to estimate the probability of retirement	15	15

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 2005 is YTL 1.727; at 31 December 2004 it was YTL 1.574. The liability is not funded, as there is no funding requirement.

#### *p) 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 asset and liability method. The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it 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.

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(As adjusted for the effects of inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

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.

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

### **q) 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) Earnings per share**

Earnings per share disclosed in the accompanying consolidated income statement are determined by dividing net income / (loss) by the weighted average number of shares that have been outstanding during the period concerned. In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such Bonus Shares issued are regarded as issued shares.

Additionally, considering the fact that the total number of issued shares through bonus share issuances is increased without an increase in resources contributed by the shareholders; the number of issued shares outstanding before such bonus share issuances is adjusted for the proportionate change in the number of issued shares outstanding as if the event had occurred at the beginning of the earliest period reported.

### **s) 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.

### **t) 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.

# Denizbank A.Ş. and Its Subsidiaries

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### u) 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.

### v) 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.

### x) 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 the Bank's business and geographical segments. The primary format, business segments, is based on the Bank'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

The business segments as of 31 December 2005 and 2004 are as follows:

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other Operations	Consolidated
<b>31 December 2005</b>					
<b>Segment revenue</b>					
Operating income - external	414,700	191,108	48,296	8,124	662,228
Operating income - inter-segment	56,342	14,340	-	16,654	87,336
	<b>471,042</b>	<b>205,448</b>	<b>48,296</b>	<b>24,778</b>	<b>749,564</b>
<b>Segment result *</b>	<b>159,592</b>	<b>100,737</b>	<b>39,779</b>	<b>15,619</b>	<b>315,727</b>
Unallocated expenses					-
<b>Operating profit</b>					<b>315,727</b>
Loss on monetary position, net					(18,937)
Income taxes					(74,502)
Minority interest					19
<b>Net profit</b>					<b>222,307</b>
<b>Other information</b>					
Segment assets	1,347,233	3,734,786	3,626,503	2,926,938	11,635,460
Investments in equity participations					129,086
Unallocated assets					153,739
<b>Consolidated total assets</b>					<b>11,918,285</b>
Segment liabilities	3,448,769	3,192,545	167,641	3,981,334	10,790,289
Unallocated liabilities					4,433
<b>Consolidated total liabilities</b>					<b>10,794,722</b>
Capital expenditure					51,335
Depreciation and amortization					38,729
Other non-cash expenses					73,023

\* Segment result includes operating income, foreign currency exchange gain/(loss), net, less dividend income and operating expenses.

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	Retail Banking	Corporate Banking	Treasury and Investment Banking	Other Operations	Consolidated
<b>31 December 2004</b>					
<b>Segment revenue</b>					
Operating income – external	170,533	191,883	153,750	11,816	527,982
Operating income - inter-segment	17,574	42,382	-	-	59,956
	<b>188,107</b>	<b>234,265</b>	<b>153,750</b>	<b>11,816</b>	<b>587,938</b>
<b>Segment result *</b>	<b>83,153</b>	<b>20,463</b>	<b>99,659</b>	<b>4,089</b>	<b>207,364</b>
Unallocated expenses					-
<b>Operating profit</b>					<b>207,364</b>
Loss on monetary position, net					(57,933)
Income taxes					(8,220)
Minority interest					6
<b>Net profit</b>					<b>141,217</b>
<b>Other information</b>					
Segment assets	653,209	2,879,651	2,071,219	2,377,154	7,981,233
Investment in equity participations					134,566
Unallocated assets					157,205
<b>Consolidated total assets</b>					<b>8,273,004</b>
Segment liabilities	2,892,227	1,763,281	337,721	2,362,722	7,355,951
Unallocated liabilities					1,743
<b>Consolidated total liabilities</b>					<b>7,357,694</b>
Capital expenditure					50,891
Depreciation and amortization					29,547
Other non-cash expenses					42,087

\* Segment result includes operating income, foreign currency exchange gain/(loss), net, less dividend income and operating expenses.

#### 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 2005 and 2004 are as follows:

<b>31 December 2005</b>	<b>Turkey</b>	<b>Austria</b>	<b>Russia</b>	<b>Cyprus</b>	<b>Eliminations</b>	<b>Consolidated</b>
Operating income	708,084	25,821	6,368	33,157	(23,866)	749,564
Segment assets	10,069,857	1,378,316	156,125	974,954	(660,967)	11,918,285
Segment liabilities	8,887,115	1,307,946	128,512	938,040	(466,891)	10,794,722
Capital expenditure	50,908	426	-	1	-	51,335
<b>31 December 2004</b>	<b>Turkey</b>	<b>Austria</b>	<b>Russia</b>	<b>Cyprus</b>	<b>Eliminations</b>	<b>Consolidated</b>
Operating income	618,741	17,919	3,944	39,821	(92,487)	587,938
Segment assets	7,003,556	1,096,554	77,592	442,433	(347,131)	8,273,004
Segment liabilities	6,077,667	1,010,924	65,333	434,935	(231,165)	7,357,694
Capital expenditure	48,828	1,185	878	-	-	50,891



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### 2) Net interest income

	2005	2004
<b>Interest and similar income</b>		
Interest and similar income arise from:		
Loans and advances to customers	626,337	430,741
Trading and investment securities	276,801	354,174
Due from banks	56,343	53,562
Factoring services	26,143	-
Leasing business	17,100	-
Other	15,271	13,780
	<b>1,017,995</b>	<b>852,257</b>
<b>Interest expense and similar charges</b>		
Interest expense and similar charges arise from:		
Deposits from banks and customers	408,422	438,433
Funds borrowed	95,029	30,594
Other	549	1,805
	<b>504,000</b>	<b>470,832</b>
<b>Net interest income</b>	<b>513,995</b>	<b>381,425</b>

### 3) Net fee and commission income

	2005	2004
<b>Fee and commission income</b>		
Cash loans	10,634	10,865
Non-cash loans	34,157	30,857
Credit card commissions	60,544	38,779
Brokerage fees	78,231	77,448
Fees for banking services	21,228	11,743
Factoring service income	2,370	-
	<b>207,164</b>	<b>169,692</b>
<b>Fee and commission expense</b>		
Cash loans	4,639	4,119
Credit card commission expense	28,724	18,409
Brokerage fees	15,796	19,750
Banking service expense	10,672	9,516
	<b>59,831</b>	<b>51,794</b>
<b>Net fee and commission income</b>	<b>147,333</b>	<b>117,898</b>

**Denizbank A.Ş. and Its Subsidiaries**

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**4) Net gain on trading and investment securities**

	2005	2004
<b>Net trading gain / (loss)</b>		
Net trading gain / (loss) arise from:		
Equity instruments	18,004	6,031
Debt instruments and related derivatives	(1,658)	(7,370)
Foreign exchange rate fluctuations and related derivatives	3,162	104
	<b>19,508</b>	<b>(1,235)</b>
<b>Net gain on disposal of investment securities</b>		
Net gain / (loss) on disposal	985	(2,625)
Transfer from unrealized gains (equity)	37,062	15,910
	<b>38,047</b>	<b>13,285</b>
<b>Net gain on trading and investment securities</b>	<b>57,555</b>	<b>12,050</b>

**5) Other operating income**

	2005	2004
Gain from lawsuit against Tax Office	27,062	-
Income from customers for banking services	9,973	7,308
Technical service income of Intertech	4,242	3,737
Negative goodwill on purchase of subsidiaries	4,157	-
Dividend income	1,884	-
Credit card income of AKK	-	23,223
Other	16,508	34,195
	<b>63,826</b>	<b>68,463</b>

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, in compliance with 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 filed a lawsuit concerning the prepaid taxes for 2003 and 2004 amounting YTL 27,062. The Tax Court's decision ruled in favor of the Bank. Local tax office appealed to the Council of State to stop the court ruling. The Council of State refused the demand of the Local Tax Office and the Bank recorded the amount as other operating income.

# Denizbank A.Ş. and Its Subsidiaries

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### 6) General and administrative expenses

	2005	2004
Salaries and employee benefits	200,983	147,488
Depreciation and amortization	38,729	29,547
Rent expense	26,544	19,472
Advertising and promotion expenses	24,765	22,496
Taxes other than on income	14,002	16,476
Communication expenses	12,430	16,254
Repair and maintenance expenses	8,446	5,676
Stationery expenses	7,531	4,723
Transportation expenses	5,172	4,393
IT materials and usage expenses	5,171	2,655
Heating and electricity expenses	4,437	3,438
Insurance expenses	3,441	1,464
Representation expenses	3,004	2,100
Cleaning expenses	1,750	1,319
Other administrative expenses	13,662	24,031
	<b>370,067</b>	<b>301,532</b>

### 7) Other operating expenses

	2005	2004
Premium paid to SDIF	7,793	4,815
Audit and consultancy fees	3,368	2,491
Expenses related to BRSA	1,693	1,540
Loss on sale of bank premises and equipment	1,326	1,816
Cost of credit card operations of AKK	-	18,290
Other	9,917	8,527
	<b>24,097</b>	<b>37,479</b>

### 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:

	2005	2004
<b>Outstanding balances</b>		
Loans	87,607	23,755
Non-cash loans	190,322	236,503
Factoring receivables (net)	13,783	-
Finance lease receivables (net)	6,906	-
Deposits from customers	657,281	601,536
Derivative transactions	-	10,878
<b>Transactions</b>		
Interest income	4,322	4,033
Interest expense	4,802	4,648

**Denizbank A.Ş. and Its Subsidiaries****Notes to Consolidated Financial Statements****As of and for the year ended 31 December 2005**

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Key management costs for the year ended 31 December 2005 amount to YTL 12,751 on a consolidated basis. Within this total, individual key management costs of Denizbank and its subsidiaries amount to YTL 9,197 and YTL 3,554, respectively.

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 financial assets at fair value through profit or loss with original maturity periods of less than three months. Cash and cash equivalents included in the accompanying consolidated cash flow statements are as follows:

	<b>2005</b>	<b>2004</b>
Cash and balances with Central Bank	1,002,667	809,646
Due from banks	2,164,217	1,481,840
Financial assets at fair value through profit or loss	240,752	197,531
	<b>3,407,636</b>	<b>2,489,017</b>

**10) Cash and balances with Central Bank**

	<b>2005</b>	<b>2004</b>
Cash on hand	186,108	240,184
Balances with Central Bank other than reserve deposits	264,646	170,907
Reserve deposits at Central Bank	325,113	302,525
Interbank money market placements	226,800	96,030
	1,002,667	809,646
Accrued interest on reserve deposits	5,079	3,322
	<b>1,007,746</b>	<b>812,968</b>

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 2005, reserve deposit rates for YTL and foreign currency deposits are 6% and 11%, (2004: 6% and 11%) respectively. These reserve deposit rates are applicable to both time and demand deposits. At 31 December 2005, YTL funds sold to interbank money market earned interest at the rate of 14% (2004: 18%) with maturities within 3 days (2004: 3 days).

**11) Due from banks**

	<b>2005</b>	<b>2004</b>
Due from banks-demand	89,944	49,142
Due from banks-time	2,336,967	1,662,581
	2,426,911	1,711,723
Accrued interest on due from banks	3,573	1,801
	<b>2,430,484</b>	<b>1,713,524</b>

Due from banks-time represent short-term placements, maturing within one year, with interest rates ranging from 13.5% to 15.5% (2004: 16.0% to 23.6%) for the YTL denominated placements and from 2.1 % to 8.7% (2004: 2.0% to 7.0%) for the foreign currency denominated placements.

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

	2005	2004
Carrying amount	2,430,484	1,713,524
Fair value	2,430,373	1,713,582

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

Currencies	2005	2004
YTL	15.0%-15.5%	18.0%-27.0%
Foreign currencies	1.0%-6.0%	1.0%-7.0%

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) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss as of 31 December 2005 and 2004 comprise:

	Face value	Book value	Interest range (%)	Latest maturity
<b>31 December 2005</b>				
<b>Debt instruments:</b>				
Government bonds	91,339	92,447	12.42-16.46	2010
Private sector bonds	64,557	67,102	5.00-15.00	2013
Treasury bills	6,842	6,275	13.75-16.36	2006
Foreign currency government bonds	15,132	15,983	3.62-5.92	2010
Turkish government Eurobonds	14,818	16,929	3.19-7.38	2034
Foreign government Eurobonds	656	766	4.95-6.88	2015
Private sector Eurobonds	8,420	9,498	3.63-7.82	2014
Others	114	115		
	201,878	209,115		
<b>Equity instruments:</b>				
Listed		92,721		
<b>Derivatives:</b>				
Accrued interest and foreign exchange gain on derivatives		9,913		
<b>Total financial assets at fair value through profit or loss</b>		<b>311,749</b>		

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31 December 2004	Face value	Book value	Interest range (%)	Latest maturity
<b>Debt instruments:</b>				
Government bonds	266,336	249,885	17.66-24.15	2007
Private sector bonds	23,719	24,347	10.00-15.00	2010
Treasury bills	7,144	6,448	16.46-19.31	2005
Turkish government Eurobonds	9,658	10,898	4.00-9.50	2034
Foreign government Eurobonds	21,372	24,440	5.00-15.00	2030
Private sector Eurobonds	4,596	5,399	8.00-12.75	2010
Foreign currency government bonds	9,309	9,019	3.00-3.96	2007
Foreign government bonds	2,709	2,953	4.50-5.50	2008
	344,843	333,389		
<b>Equity instruments:</b>				
Listed		92,313		
<b>Derivatives:</b>				
Accrued interest and foreign exchange gain on derivatives		17,515		
<b>Total financial assets at fair value through profit or loss</b>		<b>443,217</b>		

Income from debt instruments held at fair value is reflected in the consolidated income statement as interest income on securities. Gain and losses arising on derivative financial instruments and changes in fair value of other trading instruments are reflected in "net gain on trading and investment securities" account.

All gains and losses on foreign currency contracts are recognized in the consolidated income statement. As of 31 December 2005, 95% of the net consolidated balance sheet foreign currency open position was hedged through the use of foreign currency contracts (2004: 66%).

The following table summarizes the contractual amounts of the forward exchange, swap, futures and options contracts, with details of remaining periods to maturity. Foreign currency amounts are translated at rates ruling at the balance sheet date. Monetary items denominated in foreign currencies are economically hedged using foreign currency derivative contracts.

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	Notional amount with remaining life of					
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	over 1 year	Total
31 December 2005						
Interest Rate Derivatives						
Interest rate swaps						
Purchases	-	-	-	-	9,581	9,581
Sales	-	-	-	-	9,581	9,581
Currency Derivatives						
Forward exchange contracts						
Purchases	1,065,341	35,006	7,524	20,895	-	1,128,766
Sales	1,063,772	34,842	7,700	21,841	-	1,128,155
Currency/cross currency swaps						
Purchases	80,521	3,180	3,169	47,635	26,836	161,341
Sales	81,232	3,179	3,169	47,332	33,260	168,172
Options						
Purchases	737,225	222,046	--	293	-	959,564
Sales	737,243	221,885	-	293	-	959,421
Foreign currency futures						
Purchases	-	82,191	-	-	-	82,191
Sales	-	75,482	-	-	-	75,482
Subtotal Purchases	1,883,088	342,422	10,693	68,823	36,417	2,341,443
Subtotal Sales	1,882,247	335,388	10,869	69,466	42,841	2,340,811
Total of Transactions	3,765,334	677,810	21,562	138,289	79,258	4,682,254

	Notional amount with remaining life of					
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	over 1 year	Total
31 December 2004						
Interest Rate Derivatives						
Interest rate swaps						
Purchases	-	-	-	12,595	-	12,595
Sales	-	-	-	12,595	-	12,595
Currency Derivatives						
Forward exchange contracts						
Purchases	1,049,826	50,456	1,016	22,972	-	1,124,270
Sales	1,040,329	49,717	1,090	23,077	-	1,114,213
Currency/cross currency swaps						
Purchases	19,571	-	-	256,371	-	275,942
Sales	19,538	-	-	306,184	-	325,722
Options						
Purchases	227,766	-	-	-	-	227,766
Sales	226,227	-	-	-	-	226,227
Foreign currency futures						
Purchases	461	-	-	-	-	461
Sales	461	-	-	-	-	461
Forward agreements on gold						
Purchases	8,227	-	-	-	-	8,227
Sales	8,227	-	-	-	-	8,227
Subtotal Purchases	1,305,851	50,456	1,016	291,938	-	1,649,261
Subtotal Sales	1,294,782	49,717	1,090	341,856	-	1,687,445
Total of Transactions	2,600,633	100,173	2,106	633,794	-	3,336,706

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**13) Loans and advances to customers**

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

	<b>2005</b>	<b>2004</b>
Consumer loans and credit cards	1,160,644	552,539
Chemicals	710,418	76,533
Wholesale and retail trade	508,706	279,719
Food	489,114	275,809
Tourism and transportation	472,070	217,290
Metal and machinery	467,837	236,152
Construction, glass and mining	440,443	370,191
Finance	394,044	328,133
Textile and leather	302,628	293,800
Others	783,366	655,623
Total performing loans	5,729,270	3,285,789
Non-performing loans	135,070	119,353
Total gross loans	5,864,340	3,405,142
Accrued interest income on loans	73,901	44,175
Finance lease receivables, net of unearned income (Note 14)	243,302	-
Factoring receivables	197,085	-
Specific allowance for possible losses	(122,400)	(105,964)
General allowance for possible losses	(21,354)	(12,978)
<b>Loans and advances to customers</b>	<b>6,234,874</b>	<b>3,330,375</b>

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 allowance for inherent credit risk on loans and guarantees and commitments. The level of general allowance 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.

A joint venture that was established as a potential buyer of certain state enterprises that are to be privatized in Turkey, deposited a total of USD 355.8 million (YTL 477,412) at Denizbank and Eurodeniz in 2004 to be used in the acquisition process. As a result of negative outcome of privatization activities and continuance of liquidation process of the joint venture, the foreign partner of the joint venture subsequently obtained loans from Eurodeniz at an equivalent amount deposited and collateralized the loan with the deposits. The latest maturity date of both the loans and deposits is 9 August 2006. Deposit and loan accounts will be closed prior to their maturities after the completion of liquidation process.



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

	2005	2004
Balances, beginning of the year	118,942	98,460
Write-off *	(10,845)	-
Reversal of the provision	(50,008)	(32,453)
Addition to provision by way of newly acquired subsidiaries	350	-
Restatement of the beginning balance and of the current year provision for the effect of inflation	(3,083)	(11,970)
Provision for the year	88,398	64,905
<b>Balances, end of the year</b>	<b>143,754</b>	<b>118,942</b>

\* This amount represents write-off of a specific bad debt of YTL 10,845 based on the management's decision that it would be uncollectible.

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

	2005	2004
Carrying amount	6,234,874	3,330,375
Fair value	6,237,633	3,334,644

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

Currencies	2005	2004
YTL	17.0%-19.0%	20.2%-22.0%
Foreign currencies	5.0%-5.8%	4.75%-6.25%

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

	2005	2004
Specific and general provision on non-performing loans	38,390	32,452
Provision for non-cash loans (Note 23)	1,283	9,111
<b>Impairment losses on loans and advances</b>	<b>39,673</b>	<b>41,563</b>

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### 14) Finance lease receivables

The finance leases typically run for a period of one to five years, with transfer of ownership of the leased asset at the end of the lease term. Interest is charged over the period of the lease based on market related interest rates.

The receivables are secured through the underlying assets. Loans and advances to customers include the following finance lease receivables:

	2005	2004
Finance lease receivables, net of unearned income (Note 13)	243,302	-
Less: allowance for possible losses from lease receivables	(229)	-
	<b>243,073</b>	-

#### Analysis of net finance lease receivables

Due within 1 year	98,714	-
Due between 1 and 5 years	197,116	-
Finance lease receivables, gross	295,830	-
Unearned income	(52,757)	-
Finance lease receivables, net	243,073	-

#### Analysis of net finance lease receivables, net

Due within 1 year	75,122	-
Due between 1 and 5 years	167,951	-
<b>Finance lease receivables, net</b>	<b>243,073</b>	-

### 15) Investment securities

Investment securities as of 31 December 2005 comprise:

	Face value	Book value	Interest range (%)	Latest maturity
<b>Available for sale portfolio</b>				
Debt instruments:				
Government bonds	775,653	753,207	12.42-16.46	2010
Foreign currency government bonds and treasury bills	112,867	112,490	3.62-6.08	2010
Turkish government Eurobonds	173,395	189,740	2.84-7.15	2034
Private sector bonds	90,190	91,017	2.34-7.82	2018
Foreign government Eurobonds	62,178	72,769	5.03-7.78	2034
Treasury bills	71,151	69,187	14.60-14.71	2006
	1,285,435	1,288,410		
Equity instruments:				
Listed		122,261		
Unlisted		6,825		
		129,086		
<b>Total available for sale portfolio</b>		<b>1,417,496</b>		
<b>Held to maturity portfolio</b>				
Foreign currency private sector bonds	129,826	129,609	2.28-8.29	2020
Turkish government Eurobonds	38,962	38,292	6.64-9.88	2011
Foreign currency indexed government bonds	24,115	24,115	7.58	2006
Foreign government Eurobonds	34,185	33,916	5.00-8.00	2020
	227,088	225,932		
Accrued interest on held to maturity portfolio		9,777		
<b>Total held to maturity portfolio</b>		<b>235,709</b>		
<b>Total investment securities</b>		<b>1,653,205</b>		

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Investment securities as of 31 December 2004 comprise:

	Face value	Book value	Interest range (%)	Latest maturity
<b>Available for sale portfolio</b>				
Debt instruments:				
Government bonds	858,601	786,655	7.60-24.96	2006
Foreign currency government bonds and treasury bills	328,617	323,658	3.88-6.92	2025
Turkish government Eurobonds	142,297	164,662	2.14-11.90	2034
Private sector bonds	125,140	133,349	2.40-12.75	2018
Foreign government Eurobonds	15,703	16,420	7.43-9.49	2040
	1,470,358	1,424,744		
<b>Equity instruments:</b>				
Listed		127,877		
Unlisted		6,689		
		134,566		
<b>Total available for sale portfolio</b>		<b>1,559,310</b>		
<b>Held to maturity portfolio</b>				
Foreign currency private sector bonds	87,895	87,739	4.10-4.80	2014
Turkish government Eurobonds	58,404	56,987	2.32-9.88	2011
Foreign currency indexed government bonds	24,756	24,756	5.60	2006
Foreign government Eurobonds	2,872	2,872	8.00	2007
	173,927	172,354		
Accrued interest on held to maturity portfolio		10,176		
<b>Total held to maturity portfolio</b>		<b>182,530</b>		
<b>Total investment securities</b>		<b>1,741,840</b>		

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

	2005	2004
Carrying amount	235,709	182,530
Fair value	242,294	194,684

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

	2005		2004	
	Nominal value	Book value	Nominal value	Book value
Deposited at Central Bank	87,570	87,737	239,648	233,715
Deposited at ISE (a)	71,600	73,648	22,483	22,483
Deposited at IGE (b)	700	717	539	539
Deposited at CH (c)	144,536	148,916	97,220	97,220
Others	33,785	33,542	821	630
	<b>338,191</b>	<b>344,560</b>	<b>360,711</b>	<b>354,587</b>

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- (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 Otoprodüktör Grubu A.Ş. (Zorlu Enerji), as disclosed in the following table reflecting the amount of and the ownership interest in the investee company:

	2005		2004	
	Amount	%	Amount	%
Available-for-sale securities	121,478	25.4	127,816	29.5
Trading securities	74,445	15.6	72,589	16.8
	<b>195,923</b>	<b>41.0</b>	<b>200,405</b>	<b>46.3</b>

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 2005, the Bank has 33,395,000,000 Class (B) Zorlu Enerji shares (2004: 37,773,155,000). 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.

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.

**16) Other assets**

Other assets comprised the following items:

	2005	2004
Receivables related to credit cards	57,091	17,561
Prepaid expenses	20,689	9,970
Assets held for sale	16,671	18,660
Other	32,037	27,684
	<b>126,488</b>	<b>73,875</b>

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### 17) Bank premises and equipment

Movement in bank premises and equipment is as follows:

	Building	Motor Vehicles	Furniture Fixture	Leased Assets	Leasehold Imprv.	Carrying Amount
<b>As of 1 January 2005:</b>						
Cost	51,062	10,822	35,868	63,841	32,833	194,426
Accumulated depreciation (-)	(4,528)	(4,726)	(22,222)	(26,648)	(10,467)	(68,591)
	46,534	6,096	13,646	37,193	22,366	125,835
Additions to cost	609	691	4,913	20,605	17,282	44,100
Transfers and disposals from cost (-)	(434)	(6,069)	(4,308)	(9,318)	(793)	(20,922)
Cost, as of 31 December 2005	51,237	5,444	36,473	75,128	49,322	217,604
Transfers and disposals from accumulated depreciation						
	7	2,609	4,198	8,474	270	15,558
Depreciation charge	(1,018)	(1,239)	(4,919)	(16,677)	(7,083)	(30,936)
Accumulated depreciation as of 31 December 2005	(5,539)	(3,356)	(22,943)	(34,851)	(17,280)	(83,969)
<b>Net value as of 31 December 2005</b>	<b>45,698</b>	<b>2,088</b>	<b>13,530</b>	<b>40,277</b>	<b>32,042</b>	<b>133,635</b>

Depreciation is calculated on the restated cost amounts. Such depreciation expenses for 2005 and 2004 amount to YTL 30,936 and YTL 23,953, respectively.

### 18) Intangible assets

Movement in intangible assets is as follows:

	Rights	Goodwill	Others	Carrying Amount
<b>As of 1 January 2005:</b>				
Cost	34,432	2,784	2,721	39,937
Accumulated amortization (-)	(20,421)	(990)	(1,455)	(22,866)
	14,011	1,794	1,266	17,071
Additions to cost	7,235	-	-	7,235
Transfers and disposals from cost (-)	(1,212)	(2,784)	-	(3,996)
Cost, as of 31 December 2005	40,455	-	2,721	43,176
Transfers and disposals from accumulated amortization				
	162	990	-	1,152
Amortization charge (-)	(7,306)	-	(487)	(7,793)
Accumulated amortization, as of 31 December 2005	(27,565)	-	(1,942)	(29,507)
<b>Net value as of 31 December 2005</b>	<b>12,890</b>	<b>-</b>	<b>779</b>	<b>13,669</b>

Amortization for intangible assets is calculated on the restated cost amounts. Such amortization expenses for 2005 and 2004 amount to YTL 7,793 and YTL 5,594, respectively.

Impairment losses are provided for decreases in the value of consolidated entities by way of assessing their internal and external sources. As of 31 December 2005, goodwill on consolidated entities has been fully impaired.

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**19) Deposits from banks**

Deposits from banks comprised the following:

	2005	2004
Payable on demand	27,030	38,135
Term deposits	375,104	258,610
Obligations under repurchase agreements	364,218	336,611
	766,352	633,356
Accrued interest on deposits from banks	2,682	827
	<b>769,034</b>	<b>634,183</b>

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

	2005	2004
Carrying amount	769,034	634,183
Fair value	769,087	634,703

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	2005	2004
YTL	14.0%-15.5%	16.0%-18.0%
Foreign currencies	4.5%-5.3%	2.25%-4.5%

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.

**20) Deposits from customers**

Deposits from customers comprised the following:

	2005	2004
<b>Payable on demand:</b>		
Foreign currency	864,456	694,226
Savings	199,509	137,119
Commercial	528,730	231,178
	<b>1,592,695</b>	<b>1,062,523</b>
<b>Term deposits:</b>		
Foreign currency	3,471,291	2,906,579
Savings	1,455,569	839,431
Commercial	457,889	436,444
Obligations under repurchase agreements	23,636	28,956
	<b>5,408,385</b>	<b>4,211,410</b>
	7,001,080	5,273,933
Accrued interest on deposits from customers	38,986	33,044
	<b>7,040,066</b>	<b>5,306,977</b>

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 2005, the maturities of the deposits from customers are within 30 days with interest rates ranging between 15% and 17% (2004: 14% and 24%) for YTL denominated deposits; and within 60 days for foreign currency denominated deposits with interest rates ranging between 1% and 3.75% (2004: 0.75% and 5.25%).

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As disclosed in Note 13, the Bank has extended a loan to a joint venture to the exact amount of deposits made by the joint venture. Such deposits made in 2004 amounted USD 355.8 million (YTL 477,412). These deposits are collateralized against the loan from the Bank. The latest maturity date of both the loans and deposits is 9 August 2006. Deposit and loan accounts will be closed prior to their maturities.

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

	2005	2004
Carrying amount	7,040,066	5,306,977
Fair value	7,042,274	5,307,906

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

Currencies	2005	2004
YTL	15.0%-18.0%	19.0%20.75%
Foreign currencies	1.0%-4.3%	1.0%-3.75%

#### 21) Funds borrowed

Funds borrowed comprised the following:

	2005	2004
Foreign currency borrowings from foreign banks	2,352,646	980,578
Turkish Lira borrowings from domestic banks	88,453	49,038
Turkish Lira borrowings from foreign banks	115,065	-
Foreign currency borrowings from domestic banks	34,710	25,451
	2,590,874	1,055,067
Accrued interest on funds borrowed	34,158	9,905
	<b>2,625,032</b>	<b>1,064,972</b>

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

	2005	2004
Carrying amount	2,625,032	1,064,972
Fair value	2,624,896	1,064,972

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

Currencies	2005	2004
USD	4.5%-5.3%	1.35%-5.47%
EUR	3.0%-3.5%	1.60%-4.39%
YTL	14.0%	19.0%

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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Short-term and long-term portions of funds borrowed are as follows:

	2005	2004
Short-term	1,571,563	1,055,067
Long-term	1,019,311	-
Short-term portion of long-term debt	25,761	-
Medium and long-term portion of long-term debt	993,550	-
	2,590,874	1,055,067
Accrued interest on funds borrowed	34,158	9,905
	<b>2,625,032</b>	<b>1,064,972</b>

As of 31 December 2005, long-term debts comprise the following:

	Interest rate %	Maturity	Latest Currency	Amount in original currency	Short-term portion	Medium and long-term portion
DPR Securitization-Series A	5.49*	2010	USD	150,000,000	-	201,270
DPR Securitization-Series B	6.04	2012	USD	80,000,000	-	107,344
DPR Securitization-Series C	6.37	2010	USD	70,000,000	-	93,926
Syndicated Term Loan Facility	L+0.8	2007	USD	350,000,000	-	469,630
Others					25,761	121,380
					<b>25,761</b>	<b>993,550</b>

(\*) Floating interest at the rate of Three-Month Libor + 2.00% per annum

In June 2005, the Bank completed a securitization (the "DPR Securitization") transaction by issuance of three tranches of series: USD 150 millions Series 2005-A Floating Rate Notes Due 2010; USD 80 millions Series 2005-B Fixed Rate Notes Due 2012; and USD 70 millions Series 2005-C Fixed Rate Notes Due 2010. The Bank securitizes its SWIFT MT 100 category payment orders received primarily through foreign depository banks in EUR, USD and GBP currencies. These Diversified Payment Rights ("DPR") have been sold to DFS Funding Corporation and thus are not the assets of the Bank.

On 25 October 2005, the Bank signed a USD 650 million syndicated term loan facility agreement arranged by 25 banks. The loan comprised of a USD 300 million portion with 1 year maturity and a USD 350 million portion with 2 years maturity. The interest rates are Libor+0.45% for the 1 year portion, and Libor+0.80% for the 2 years portion.

## 22) 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 is 30% as stated in the law No. 4842.



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Turkish tax legislation provides for a temporary tax to be calculated and paid based on earnings generated for each quarter. The temporary tax rate used in determining the temporary tax is 30% (2004: 33%). The temporary taxes paid quarterly 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, until 31 December 2004, the corporation tax was calculated considering the effects of inflation. Therefore, tax base of balance sheet items were restated in terms of the measuring unit current at the 31 December 2004. All inflation adjustments carried forward from 31 December 2003 were treated as non-taxable in the determination of taxable income for the year ended 31 December 2004.

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 were taxable or tax deductible, by also taking into consideration the facts explained in the following paragraphs.

The restated values of balance sheet items were 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, were 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.

In accordance with the Tax Procedural Law Circular No. 18 dated 19 April 2005 of the Ministry of Finance General Directorate of Revenues, inflation accounting was not applied for tax purposes in 2005 because of the decrease in inflation rates below the rates specified in the law.

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:

	2005	%	2004	%
Taxes on income per statutory tax rate	89,037	30.00	49,312	33.00
Permanent differences related to the				
restatement of equity items per IAS 29	8,311	2.80	1,582	1.06
Effect of different tax rates in foreign entities	(10,493)	(3.54)	(29,936)	(20.03)
Effect of valuation of investments	(7,317)	(2.47)	(23,000)	(15.39)
Tax disallowable items	4,573	1.54	7,195	4.81
Gain from lawsuit against Tax Office (Note 5)	(7,960)	(2.68)	-	-
Investment incentives	(2,247)	(0.76)	-	-
Other	598	0.20	3,067	2.05
<b>Provision for taxes on income</b>	<b>74,502</b>	<b>25.09</b>	<b>8,220</b>	<b>5.50</b>

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Income tax expense comprised the following:

	2005	2004
Current taxes	69,354	30,940
Deferred taxes	5,148	(22,720)
<b>Income tax expense</b>	<b>74,502</b>	<b>8,220</b>

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

	2005	2004
<b>Deferred tax assets</b>		
Allowance for loan losses	10,639	12,360
Reserve for employee severance indemnity	1,159	1,049
Accrued interest on derivatives	640	5,852
Statutory tax losses	452	91
Others	96	830
<b>Total deferred tax assets</b>	<b>12,986</b>	<b>20,182</b>
<b>Deferred tax liabilities</b>		
Depreciation	3,981	3,804
Bank equipment under finance lease	2,503	2,083
Valuation difference between tax base and reported base of investments	451	-
Restatement effect on non-monetary assets per IAS 29	182	-
Others	5	460
<b>Total deferred tax liabilities</b>	<b>7,122</b>	<b>6,347</b>
<b>Net deferred tax assets</b>	<b>5,864</b>	<b>13,835</b>

Deferred tax assets and liabilities are reflected to consolidated financial statements as follows:

	2005	2004
Deferred tax assets	6,435	14,299
Deferred tax liabilities	(571)	(464)
<b>Net deferred tax assets</b>	<b>5,864</b>	<b>13,835</b>

**23) Other liabilities**

The principal components of this caption are as follows:

	2005	2004
Payables related to credit cards	112,464	105,256
Remittances payable	47,686	70,901
Allowance for losses on non-cash loans	28,502	27,947
Taxes withheld and duties payable	24,719	19,774
Factoring payables	15,522	-
Accrued interest and foreign exchange loss on derivatives	12,707	28,486
Forfeiting payables	5,494	4,463
Reserve for employee severance indemnity	4,430	3,780
Other allowances	3,852	2,405
Cash guarantees and collaterals received	555	11,072
Obligations under finance leases	-	17,394
Others	100,226	58,341
	<b>356,157</b>	<b>349,819</b>

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

	2005	2004
Balances, beginning of the year	27,947	21,781
Reversal of the provision	(9,503)	(2,421)
Restatement of the beginning balance and of the current year provision for the effect of inflation	(728)	(2,945)
Provision for the year	10,786	11,532
<b>Balances, end of the year</b>	<b>28,502</b>	<b>27,947</b>

Movement in reserve for employee severance indemnity during the year is as follows:

	2005	2004
Balances, beginning of the year	3,780	2,063
Reversal of the provision	(2,072)	-
Restatement of the beginning balance and of the current year provision for the effect of inflation	(98)	(109)
Provision for the year	2,591	1,826
Addition to provision by way of newly acquired subsidiaries	229	-
<b>Balances, end of the year</b>	<b>4,430</b>	<b>3,780</b>

#### 24) Share capital

As of 31 December 2005, the authorized nominal share capital of Denizbank amounted to YTL 316,100 (2004: YTL 316,100), comprising 316.1 millions registered shares of one YTL each. The portion of share capital arising from the amounts paid in by the shareholders has been 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, a component of shareholders' equity in statutory financial statements and transfers from statutory retained earnings have been eliminated. Accordingly, as of 31 December 2005, the share capital is reflected as YTL 563,836 (2004: YTL 563,836) in the accompanying consolidated financial statements.

In compliance with the revised standards of IFRS effective from 1 January 2005, minority interest is classified as a component of shareholders' equity. As of 31 December 2005, net minority interest amounts to YTL 92 (2004: YTL 68).

#### 25) Correction of an error

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. The Bank has early adopted IAS 32 and IAS 39 as permitted by these revised standards for the year ended 31 December 2003. During the transfer of fair value changes of available for sale securities from the income statement to the shareholders' equity, an error has been made which has resulted in a transition between unrealized gains / (losses) on available for sale securities and retained earnings. The correction does not have any effect on net profit of the Bank for the year ended 31 December 2004.

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This change has been accounted for by adjusting the opening balance of retained earnings and unrealized gains / (losses) on AFS securities as of 1 January 2004 as follows;

	Unrealized gains/losses on AFS securities	Retained earnings
Balances as of 1 January 2004 prior to the correction	151,946	2,525
Impact of the correction of an error	29,967	(29,967)
Restated opening balances as of 1 January 2004	181,913	(27,442)

**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:

	2005	2004
Letters of guarantee	2,168,524	1,450,152
Letters of credit	758,533	725,417
Acceptance credits	197,318	258,828
Other guarantees and endorsements	86,635	127,948
	<b>3,211,010</b>	<b>2,562,345</b>

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

	2005	2004
Construction, glass and mining	839,488	487,345
Wholesale and retail trade	630,859	645,306
Metal and machinery	500,862	321,704
Tourism and transportation	371,006	176,851
Finance	178,928	188,346
Chemicals	175,564	121,832
Textile and leather	174,836	241,044
Food	103,627	139,753
Others	235,840	240,164
	<b>3,211,010</b>	<b>2,562,345</b>

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### 26.2 Derivative contracts

As of 31 December 2005, commitments for purchase and sale of foreign currencies under forward agreements, swap, options and futures contracts amounted to YTL 4,682,254 (2004: YTL 3,336,706). The breakdown of such commitments outstanding, by types is as follows:

	31 December 2005		31 December 2004	
	Purchase	Sale	Purchase	Sale
Forward agreements for customer dealing activities	179,284	178,958	260,452	245,314
Forward agreements for trading purposes	949,482	949,197	863,818	868,899
Currency swap contracts	161,341	168,172	275,942	325,722
Options	959,564	959,421	227,766	226,227
Forward agreements on gold	-	-	8,227	8,227
Currency futures contracts	82,191	75,482	461	461
Interest rate swap contracts	9,581	9,581	12,595	12,595
	<b>2,341,443</b>	<b>2,340,811</b>	<b>1,649,261</b>	<b>1,687,445</b>

### 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 forwards, swaps, futures and options 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.

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#### *(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 futures 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.

#### *(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.

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### *(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.

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**Maturities of assets and liabilities**

As of 31 December 2005:

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Unidentified maturity	Total
<b>Assets</b>							
Cash and balances with Central Bank	954,252	34,459	18,653	382	-	-	1,007,746
Due from banks	2,118,410	115,685	141,139	46,980	8,270	-	2,430,484
Financial assets at fair value through profit or loss	8,970	2,415	106,785	85,131	15,618	92,830	311,749
Loans and advances to customers	1,391,103	1,288,073	1,643,059	1,695,600	217,039	-	6,234,874
Investment securities	9,979	172,979	660,465	406,001	274,695	129,086	1,653,205
Other assets	3,222	7,583	15,245	2,574	-	251,603	280,227
	<b>4,485,936</b>	<b>1,621,194</b>	<b>2,585,346</b>	<b>2,236,668</b>	<b>515,622</b>	<b>473,519</b>	<b>11,918,285</b>
<b>Liabilities</b>							
Deposits from banks	601,885	68,800	93,384	-	4,965	-	769,034
Deposits from customers	4,902,121	1,099,598	724,872	312,772	703	-	7,040,066
Funds borrowed	138,528	236,794	1,323,582	800,966	125,162	-	2,625,032
Other liabilities	240,370	5,639	4,076	13,394	-	97,111	360,590
	<b>5,882,904</b>	<b>1,410,831</b>	<b>2,145,914</b>	<b>1,127,132</b>	<b>130,830</b>	<b>97,111</b>	<b>10,794,222</b>

As of 31 December 2004:

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Unidentified maturity	Total
<b>Assets</b>							
Cash and balances with Central Bank	778,632	26,364	7,741	157	74	-	812,968
Due from banks	225,410	1,390,611	79,597	17,906	-	-	1,713,524
Financial assets at fair value through profit or loss	23,799	3,012	54,861	237,609	31,624	92,312	443,217
Loans and advances to customers	96,254	1,269,764	1,191,150	696,994	75,802	411	3,330,375
Investment securities	8,418	19,016	492,235	855,516	232,089	134,566	1,741,840
Other assets	17,777	301	10,697	5,074	7,468	189,763	231,595
	<b>1,150,290</b>	<b>2,709,068</b>	<b>1,836,281</b>	<b>1,813,256</b>	<b>347,057</b>	<b>417,052</b>	<b>8,273,004</b>
<b>Liabilities</b>							
Deposits from banks	488,627	98,495	35,590	6,511	4,960	-	634,183
Deposits from customers	4,222,462	525,625	499,692	59,198	-	-	5,306,977
Funds borrowed	104,487	173,990	786,495	-	-	-	1,064,972
Other liabilities	328,260	448	12,967	3,171	-	6,716	351,562
	<b>5,143,836</b>	<b>798,558</b>	<b>1,334,744</b>	<b>68,880</b>	<b>4,960</b>	<b>6,716</b>	<b>7,357,694</b>



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### *(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.

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#### Interest rate gap analysis

The following table indicates the periods in which financial assets and liabilities reprice as of 31 December 2005:

	Up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Non-interest bearing	Total
<b>Monetary assets</b>							
Cash and balances with Central Bank	555,310	-	-	-	-	452,436	1,007,746
Due from banks	2,158,522	151,673	27,289	3,056	-	89,944	2,430,484
Financial assets at fair value through profit or loss	76,491	59,844	17,532	50,403	14,649	92,830	311,749
Loans and advances to customers	3,095,888	1,454,726	822,411	667,363	194,486	-	6,234,874
Investment securities	1,013,525	280,638	55,448	66,293	108,215	129,086	1,653,205
	6,899,736	1,946,881	922,680	787,115	317,350	764,296	11,638,058
<b>Monetary liabilities</b>							
Deposits from banks	643,656	93,384	4,025	-	939	27,030	769,034
Deposits from customers	4,409,024	724,872	186,298	126,474	703	1,592,695	7,040,066
Funds borrowed	1,543,285	808,033	80,274	86,097	107,343	-	2,625,032
	6,595,965	1,626,289	270,597	212,571	108,985	1,619,725	10,434,132

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

	Up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Non-interest bearing	Total
<b>Monetary assets</b>							
Cash and balances with Central Bank	456,757	-	-	-	-	356,211	812,968
Due from banks	1,485,711	159,910	15,556	3,205	-	49,142	1,713,524
Financial assets at fair value through profit or loss	180,239	57,661	72,116	9,467	31,422	92,312	443,217
Loans and advances to customers	1,645,267	1,005,292	336,480	322,413	874	20,049	3,330,375
Investment securities	802,784	277,538	112,365	167,065	247,522	134,566	1,741,840
	4,570,758	1,500,401	536,517	502,150	279,818	652,280	8,041,924
<b>Monetary liabilities</b>							
Deposits from banks	571,423	17,057	5,458	2,110	-	38,135	634,183
Deposits from customers	3,498,077	627,933	65,443	52,852	148	1,062,524	5,306,977
Funds borrowed	285,478	779,494	-	-	-	-	1,064,972
	4,354,978	1,424,484	70,901	54,962	148	1,100,659	7,006,132

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#### 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 YTL.

As of 31 December 2005 the Bank's foreign currency assets and liabilities may be analyzed as follows (YTL equivalents):

	USD	EUR	JPY	Other Currencies	Total
<b>Foreign currency denominated assets</b>					
Cash and balances with Central Bank	504,041	93,015	136	9,561	606,753
Due from banks	1,557,971	571,935	392	40,934	2,171,232
Financial assets at fair value					
through profit or loss	23,501	10,972	-	75,672	110,145
Loans and advances to customers	2,591,045	922,352	-	12,857	3,526,254
Investment securities	358,373	341,642	-	-	700,015
Other assets	4,613	2,352	-	1,717	8,682
	5,039,544	1,942,268	528	140,741	7,123,081
<b>Foreign currency denominated liabilities</b>					
Deposits from banks	170,584	82,370	145	2,018	255,117
Deposits from customers	2,463,880	1,835,046	3,495	54,668	4,357,089
Funds borrowed	2,231,899	176,773	-	571	2,409,243
Other liabilities	27,136	26,405	-	1,913	55,454
	4,893,499	2,120,594	3,640	59,170	7,076,903
Net on-balance sheet position	146,045	(178,326)	(3,112)	81,571	46,178
Net off-balance sheet position	(165,550)	152,217	14,336	(44,947)	(43,944)
<b>Net (short) / long position</b>	<b>(19,505)</b>	<b>(26,109)</b>	<b>11,224</b>	<b>36,624</b>	<b>2,234</b>

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

	USD	EUR	JPY	Other Currencies	Total
<b>Foreign currency denominated assets</b>					
Cash and balances with Central Bank	442,050	102,466	152	13,735	558,403
Due from banks	1,034,826	453,997	2,375	28,558	1,519,756
Financial assets at fair value					
through profit or loss	23,682	26,654	-	27,962	78,298
Loans and advances to customers	1,272,485	520,490	-	4,906	1,797,881
Investment securities	457,573	339,309	-	-	796,882
Other assets	14,269	34,320	-	1,739	50,328
	3,244,885	1,477,236	2,527	76,900	4,801,548
<b>Foreign currency denominated liabilities</b>					
Deposits from banks	135,785	106,154	12	3,527	245,478
Deposits from customers	2,286,365	1,292,755	2,707	39,170	3,620,997
Funds borrowed	986,937	25,531	-	3,574	1,016,042
Other liabilities	86,619	19,481	-	425	106,525
	3,495,706	1,443,921	2,719	46,696	4,989,042
Net on-balance sheet position	(250,821)	33,315	(192)	30,204	(187,494)
Net off-balance sheet position	168,156	(50,173)	-	5,694	123,677
<b>Net (short ) / long position</b>	<b>(82,665)</b>	<b>(16,858)</b>	<b>(192)</b>	<b>35,898</b>	<b>(63,817)</b>

#### (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.

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### 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.

#### (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.

## Denizbank A.Ş. and Its Subsidiaries

### Notes to Consolidated Financial Statements

As of and for the year ended 31 December 2005

(Currency-Thousands of YTL)

(As adjusted for the effects of inflation in YTL units current at 31 December 2005 pursuant to IAS 29)

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**

For the year ended 31 December 2005, the corporate tax rate on income is 30%. As stated in "Preliminary Draft of Corporate Tax Law" announced by Ministry of Finance, it has been planned to reduce the corporate tax rate from 30% to 20% to be applied to the taxable periods beginning from 1 January 2006 when it becomes a law after being approved by the parliament and also by the president.

By the Board of Directors' resolution number 2006/2 dated 15 February 2006, Zorlu Holding A.Ş. has exclusively mandated JP Morgan regarding its subsidiary Denizbank A.Ş., in order to explore and evaluate various strategic alternatives including a possible partnership, cooperation, joint venture or equity offering.

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### Avrupa Corporate Branch

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### Bankalar Caddesi Branch

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Fax : (+90) 212 535 73 56

### Beylikdüzü Branch

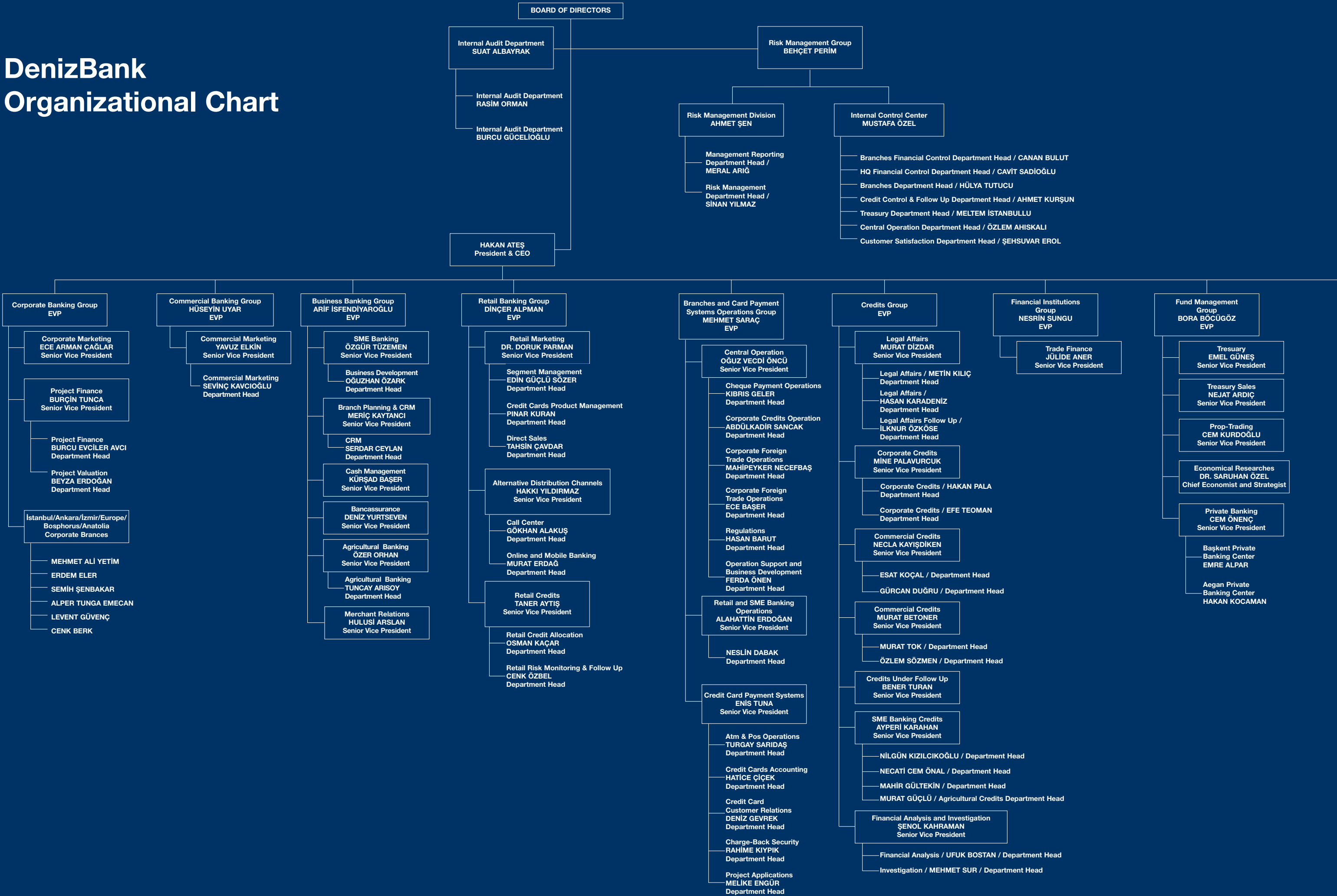
Beylikdüzü Sanayi Sitesi No:363  
34520 Büyükçekmece, İstanbul  
Tel : (+90) 212 872 47 00  
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### Beyoğlu Branch

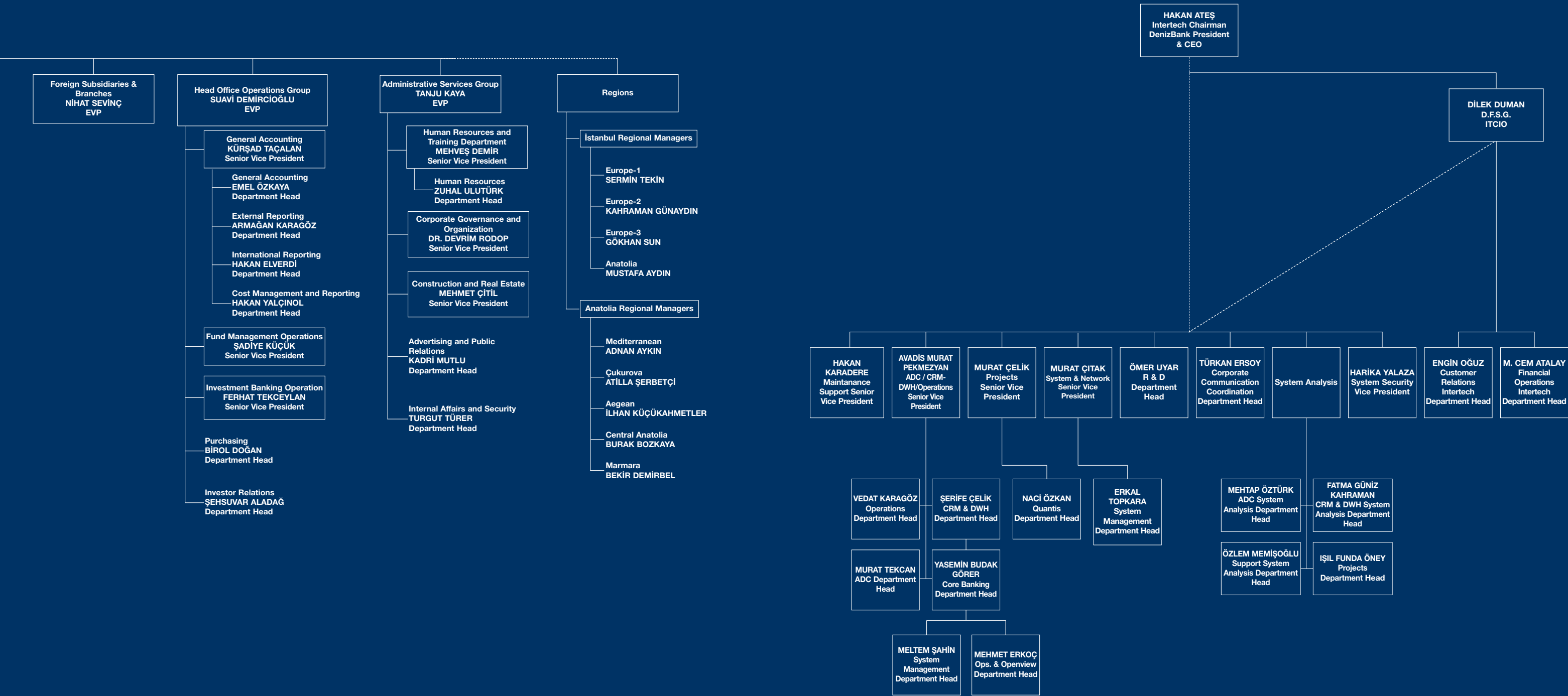
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Fax : (+90) 212 243 59 59

# DenizBank

## Organizational Chart



# Information Technology Organizational Chart



**Büyükkada Branch**

B. Ada PTT Hizmet Binası Altı  
B. Ada, İstanbul  
Tel : (+90) 216 382 11 42  
Fax : (+90) 216 382 21 06

**Çağlayan Branch**

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

**Çağlayan Commercial Center Branch**

Vatan Cad. No:10 K:1  
Kağıthane, İstanbul  
Tel : (+90) 212 291 65 81  
Fax : (+90) 212 291 44 67

**Çarşı Bakırköy Branch**

Zeytinlik Mah. Yakut Sok. No:8  
34140 Bakırköy, İstanbul  
Tel : (+90) 212 542 02 27  
Fax : (+90) 212 543 72 42

**Çarşı İkitelli Branch**

İkitelli Caddesi İ.E.T.T. Karşısı.S.  
S.İmsan Küçük Sanayi Sitesi Yapı  
Koop.E Blok No:25 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

**Çiftehavuzlar Branch**

Bağdat Cad. No:236/10  
Çiftehavuzlar, İstanbul  
Tel : (+90) 216 302 02 86  
Fax : (+90) 216 360 32 89

**Demirciler Sitesi Branch**

Seyitnizam Mah. Demirciler Sitesi  
3. Cad. No:76  
34010 Zeytinburnu, İstanbul  
Tel : (+90) 212 664 66 00  
Fax : (+90) 212 679 31 84

**Dudullu Branch**

İmes 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:163/1  
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**

Hocaöveys 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  
Fax : (+90) 212 630 97 24

**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 karşısı 5. Bölge  
Hadımköy Gişeler Mevkii  
34555 Büyükçekmece, İstanbul  
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 Corporate Branch**

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

**İstinye Branch**

İstinye Cad. No:70-72  
Sarıyer, İstanbul  
Tel : (+90) 212 277 07 65  
Fax : (+90) 212 229 42 85

**İstoç Branch**

İstoç 9. Ada No:5/7  
Mahmutbey, İstanbul  
Tel : (+90) 212 659 92 70  
Fax : (+90) 212 659 92 87

**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

**Keresteciler Branch**

İkitelli Mah. Keresteciler Sitesi 4.Blok  
No:1 İkitelli, İstanbul  
Tel : (+90) 212 670 24 77  
Fax : (+90) 212 670 11 46

**Kızıltoprak Branch**

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

**Anadolu Corporate 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**

Çarşı 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

#### Boğaziçi Corporate Branch

Büyükdere Cad. Nurok Plaza  
No: 71 Maslak, İstanbul  
Tel : (+90) 212 286 31 11  
Fax : (+90) 212 286 28 80

#### Mecidiyeköy Branch

Büyükdere Cad. Nadide Apt.  
No: 73 Mecideköy, İstanbul  
Tel : (+90) 212 213 12 20  
Fax : (+90) 212 213 12 31

#### 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

#### Ortaköy Branch

Dereboyu Cad. No: 42/A  
Ortaköy, Beşiktaş, İstanbul  
Tel : (+90) 212 259 38 31  
Fax : (+90) 212 258 59 38

#### Otocenter Branch

Otocenter Galerici Sitesi  
Hüseyin Karaaslan Cad. C Blok No: 8  
Bağcılar, İstanbul  
Tel : (+90) 212 673 03 00  
Fax : (+90) 212 673 45 86

#### 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

#### Sahrayıcedid Branch

Atatürk Cad. Tokman Apt. No: 25/A  
Sahrayıcedid, İstanbul  
Tel : (+90) 216 386 41 62  
Fax : (+90) 216 385 08 42

#### 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. İrmak 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

#### Balçova Branch

Ata Cad. No: 18/A Balçova/ İzmir  
Tel : (+90) 232 277 88 80  
Fax : (+90) 232 278 44 89

#### 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 Collection Office**  
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 Corporate 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

**Gaziemir Branch**  
Akçay Cad. No: 216 Gaziemir, İzmir  
Tel : (+90) 232 251 44 77  
Fax : (+90) 232 252 59 91

**Hatay İzmir Branch**  
İnönü cad. No: 250/A-1  
35280 Hatay, İzmir  
Tel : (+90) 232 255 20 04  
Fax : (+90) 232 250 56 05

**İşikkent Branch**  
Ayakkabıcılar Sitesi 123. Sok.  
No: 8 İşikkent, İzmir  
Tel : (+90) 232 436 33 86  
Fax : (+90) 232 436 12 45

**İzmir Gıda Çarşısı Branch**  
1202/6 Sok. No: 10 Gıda Çarşısı,  
İzmir  
Tel : (+90) 232 469 75 85  
Fax : (+90) 232 449 64 85

**İzmir Branch**  
Gaziosmanpaşa Bulvarı No: 12  
35210 Pasaport, İzmir  
Tel : (+90) 232 445 12 50  
Fax : (+90) 232 446 50 51

**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

**Pınarbaşı Commercial Center Branch**  
Pınarbaşı Mah. Kemalpaşa Cad. No:  
25 K: 1 Bornova, İzmir  
Tel : (+90) 232 479 58 60  
Fax : (+90) 232 478 00 73

**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: 68  
Karabük  
Tel : (+90) 370 424 25 88  
Fax : (+90) 370 412 43 86

**KAYSERİ**  
**Kayseri Branch**  
İslimpaşa Mah. Millet Cad. No: 22  
Melikgazi, Kayseri  
Tel : (+90) 352 222 88 30  
Fax : (+90) 352 222 85 42

**Kayseri Sanayi Branch**  
Osman Kavuncu Cad. No: 82  
Kayseri  
Tel : (+90) 352 320 65 55  
Fax : (+90) 352 320 70 53  
KIRIKKALE

**Kırıkkale Branch**  
Yenidoğan Mah. Barbaros Hayrettin  
Cad. No: 36 Kırıkkale  
Tel : (+90) 318 225 61 65  
Fax : (+90) 318 225 37 72

**KIRKLARELİ**  
**Lüleburgaz Branch**  
Emrullah Efendi Cad. No: 10  
Lüleburgaz, Kırklareli  
Tel : (+90) 288 412 22 20  
Fax : (+90) 288 412 43 48

**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**  
Demiryolu Cad. No: 60 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 Toptancılar 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 Collection Office**  
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 Yolu Cad. No: 13  
Sarıgöl, Manisa  
Tel : (+90) 236 867 44 90  
Fax : (+90) 236 867 45 64

**Turgutlu Branch**  
Acarlar Mah. Atatürk Bulvarı  
No: 233/A Turgutlu, Manisa  
Tel : (+90) 236 312 38 39  
Fax : (+90) 236 313 13 23

**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: 27 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**  
Hacıılyas 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: 28  
50100 Nevşehir  
Tel : (+90) 384 212 02 61  
Fax : (+90) 384 213 84 30

**Ürgüp Branch**  
Dumlupınar Cad. Onur Han No: 1  
Ürgüp, Nevşehir  
Tel : (+90) 384 341 25 29  
Fax : (+90) 384 341 71 27

**ORDU**  
**Ordu Branch**  
19 Eylül Meydanı No: 8 52000 Ordu  
Tel : (+90) 452 223 15 57  
Fax : (+90) 452 223 15 60

**RİZE**  
**Rize Branch**  
Cumhuriyet Cad. No: 93/12 Rize  
Tel : (+90) 464 217 04 90  
Fax : (+90) 464 217 04 85

**SAKARYA**  
**Adapazarı Branch**  
Soğanpazarı No: 52 54040 Sakarya  
Tel : (+90) 264 274 41 30  
Fax : (+90) 264 274 41 33

**SAMSUN**  
**Bafra Branch**  
Cumhuriyet Mah. Cumhuriyet  
Meydanı Çelebi İş Hanı No: 2  
Bafra, Samsun  
Tel : (+90) 362 543 99 11  
Fax : (+90) 362 543 94 72

**Samsun Branch**  
Gazi Cad. Gönçü İşhanı No: 4  
55070 Samsun  
Tel : (+90) 362 435 30 85  
Fax : (+90) 362 432 43 46

**SİVAS**  
**Sivas Branch**  
İstasyon Cad. No: 3 58000 Sivas  
Tel : (+90) 346 225 50 92  
Fax : (+90) 346 221 14 24

**ŞANLIURFA**  
**Şanlıurfa Branch**  
Yusufoğlu Mah. Sarayönü Cad.  
Kızılay Karşısı No: 138  
Merkez, Şanlıurfa  
Tel : (+90) 414 217 10 57  
Fax : (+90) 414 217 09 46

**Zahireciler Borsası Branch**  
Akçakale Yolu üzeri Zahireciler  
Borsası Kat: 2 No: 301  
Şanlıurfa  
Tel : (+90) 414 247 36 52  
Fax : (+90) 414 247 35 92

**ŞIRNAK**  
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**Tokat Branch**  
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**Uşak Branch**  
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**VAN**  
**Van Branch**  
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**OVERSEAS BRANCHES**  
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**Aegean Regional Office**  
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**Central Anatolia Regional Office**  
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**İstanbul Anatolian Side Regional Office**  
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**İstanbul European Side Regional Office 2**  
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**İstanbul European Side Regional Office 3**  
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**Marmara Regional Office**  
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**PRIVATE BANKING CENTERS**  
**Başkent Private Banking Center**  
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**İstanbul Private Banking Center**  
Büyükdere Cad. Şemsir İş Merkezi  
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**DenizYatırım Securities**  
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**Deniz Portfolio Management**  
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**Deniz Investment Trust**  
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**DenizTürev Securities**  
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