

Interim Activity Report 3Q 2012

DenizBank Financial
Services Group



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This report presents both consolidated and unconsolidated financial figures of DenizBank.

DENİZBANK A.Ş.
2012 3rd QUARTER- INTERIM ACTIVITY REPORT
STATEMENT of RESPONSIBILITY

The Interim Activity Report related to the period between 01.01.2012 and 30.09.2012 has been prepared regarding the “Regulation on the Preparation and Publication of Annual Report of Banks” of Banking Regulation and Supervision Agency, published in the Official Gazette dated 1 November 2006, Nr. 26333 and “Declaration on Financial Reporting at Capital Markets” of Capital Markets Board, that has been published in the Official Gazette dated 09 April 2008, Nr. 26842, and attached here-with.

Respectfully,

13 November 2012

HAKAN ELVERDİ
Senior Vice President
International Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU
Executive Vice President
Financial Affairs

HAKAN ATEŞ
Member of Board of Directors
and President and Chief
Executive Officer

CEM DEMİRAG
Member of Board of Directors
and Audit Committee

DENİS BUGROV
Member of Board of Directors
and Audit Committee

AYFER YILMAZ
Deputy Chairman of Board of
Directors and Member of
Audit Committee

HERMAN GREF
Chairman of Board of
Directors

SECTION I-INTRODUCTION

ABOUT DENİZBANK

Trade name: Denizbank A.Ş.

Date of Foundation: 25 August 1997

Headquarter: İstanbul

Paid-in Capital: TL 716,100,000

of Domestic Branches: 599

of Foreign Branches: 15 (including subsidiaries' branches)

of Employees: 11,382

of Subsidiaries, Associates and Jointly Controlled Companies: 13

Independent Audit Company: DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited)

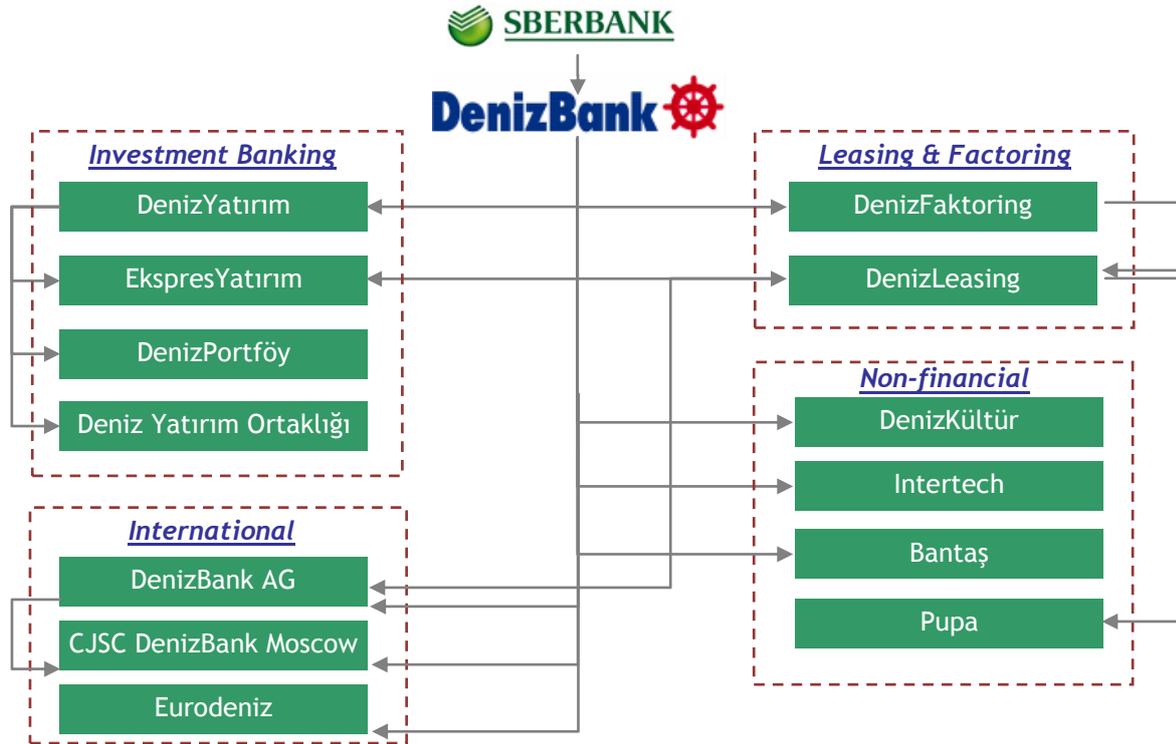
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DENİZBANK FINANCIAL SERVICES GROUP (DFSG)



DENİZBANK in BRIEF

DenizBank was founded in 1938 as a state-owned bank to provide funding for the developing Turkish maritime sector. Acquired by Zorlu Holding from the Privatization Administration as a banking license in early 1997, the Bank became one of the major banks in Turkey in a short period of time. In October 2006, DenizBank was acquired by Dexia, a leading financial group in Europe. Continuing its activities under Dexia umbrella for 6 years, DenizBank operates as from 28 September 2012 under the roof of Sberbank, the biggest and deepest-rooted bank in Russia.

In addition to DenizBank, DenizBank Financial Services Group consists of six domestic and three international financial subsidiaries, four domestic non-financial subsidiaries and a branch in Bahrain. DenizYatırım Securities, EkspresInvest Securities, DenizInvestment Trust, DenizPortfolio Management, DenizLeasing, DenizFactoring, Intertech, DenizKültür, Bantaş and Pupa are the Group's domestic companies; EuroDeniz, DenizBank AG and CJSC DenizBank Moscow are the international subsidiaries.

The primary customer segments of DenizBank Financial Services Group include retail customers, small and medium-size enterprises, exporters, public and project finance users and corporate clients. The Group has identified agriculture, energy, tourism, education, health, sports, infrastructure and maritime sectors as a priority for her activities. The Group also operates in EU countries through its Vienna-based subsidiary DenizBank AG. CJSC DenizBank Moscow serves the Group's existing customers abroad that have commercial and trade ties with Russia and meets their various financial needs.

The Group possesses a service network that reaches all segments of the society throughout Turkey. In addition to the 600 domestic DenizBank branches, including one in Bahrain, DenizBank AG and CJSC DenizBank Moscow have 14 branches in total. In addition, thanks to its Alternative Distribution Channels, DenizBank enables both individual and corporate customers all over the world to carry out financial transactions over the internet.

SBERBANK in BRIEF

Group Profile

Sberbank of Russia is the largest credit institution in Russia and the CIS, accounting for more than a quarter of the aggregate Russian banking assets and banking capital. Established in 1841, Sberbank of Russia has grown into a universal bank with diversified businesses. Sberbank is the biggest holder of deposits in the country and the key lender to the national economy. While entrusting approximately one half of all deposits kept with Russian banks, Sberbank's has 31% market share in loans.

Sberbank has a unique countrywide branch network with 17 regional head offices and about 19,000 retail outlets. Sberbank continuously develops trade and export financing and the plans to generate about 5% of net income outside Russia by 2014. Sberbank operates subsidiary banks in Kazakhstan and Ukraine and Belarus. Under its Development Strategy 2014, Sberbank of Russia extended its international presence, having opened a representative office in Germany and China, and a branch in India. In February 2012, the Bank acquired Volksbank International Group with branches in nine countries of Central and Eastern Europe. In September 2012, Sberbank closed a deal with Dexia to purchase 99.85% of shares in DenizBank.

At the end of 2011 Sberbank signed an agreement to establish a joint bank on the lending market at points of sale with Cetelem (BNP Paribas Group) and closed a transaction to acquire SLB Commercial Bank AG shares. In January 2012, the Bank completed its merger

with Troika Dialog, a major Russian investment company.

In recent years the Bank has been pursuing maximum customer focus as its core objective. Having started with cancellation of lunch breaks at its offices, the Bank has recently done much work to make it more customer-focused. It has considerably extended its network of ATMs and payment terminals, improved the functionality of its online bank that enable its clients to manage their accounts independently from their homes or with the help of a smartphone. Since October 2008, the share of transactions through remote channel increased from 37% to 70%.

To improve its service, Sberbank strives to identify and understand clients' needs for financial services. For this purpose, new CRM systems have been actively implemented in the corporate and retail units (in the corporate unit it already covers more than 250,000 clients).

In 2011 Sberbank opened Europe's largest data processing center that is the first computerized archive and logistic center in Russia. As of today, 10 customer operation support centers have been opened, and a program for creation of regional service center has been approved. Changes are closely connected with the new corporate philosophy and technology - Sberbank's production system (SPS). Sberbank pays special attention to the development of HR activities: a personnel assessment and training system was implemented, and a system of corporate training in cooperation with the world's leading business schools is under way, and unique social program are being implemented.

MESSAGE FROM THE CHAIRMAN

As you know, DenizBank officially passed into the ownership of Sberbank of Russia on 28 September 2012. This acquisition is a major step for the implementation of Sberbank's 2014 development strategy and offers a unique opportunity to get into the fast growing Turkish market.

Turkey has a large and dynamic economy with attractive demographics (18th largest economy in the world and 51% of the population aged below 30 years old). The Turkish banking sector has a strong growth potential, with moderate penetration (53% total loans to GDP) and ROE above 19% for the last 5 years.

DenizBank is a high quality, rapidly growing and profitable bank with a robust balance sheet, experienced management team, a proven financial performance track record and unique competitive advantages in key segments:

- strong corporate franchise, especially in the SME segment, and expertise in lending to agri-business,
- up-to-date branch network with huge client potential,
- sophisticated IT-systems platform
- diversified and marketable retail product offerings (including banking cards and advanced on-line banking solutions (Facebook-interlinked platform)
- respectable and well-known brand name, that we are going to leverage.

With this transaction, Sberbank plans not only to strengthen growth potential and maintain developments of DenizBank, but also to build solid bridges between Turkey and Russia and contribute to the economic development of the two countries.

HERMAN GREF
CHAIRMAN

MESSAGE FROM THE PRESIDENT AND CEO

DenizBank managed to increase her loans, customer deposits and equity both on consolidated and unconsolidated basis by outperforming the sector in the first nine months of 2012. Our assets increased by 17% and 12% on consolidated and unconsolidated basis on a year-to-date basis and reached TL 52 billion 436 million and TL 40 billion 457 million, respectively.

While sector's deposit volume increased by 6% compared to the 2011 year-end, DenizBank's consolidated and unconsolidated customer deposits, the main source of funding, reached TL 33 billion 615 million and TL 23 billion 992 million, recording 27% increase. Expanding customer base with 8% increase parallel to the branch network consisting of 614 branches in 81 provinces of Turkey together with its foreign subsidiaries branches have been one of the most important factors in the increase of DenizBank deposits Besides, DenizBank continued to obtain low-cost and long-term funding sources from several international institutions to support her priority sectors.

Enabling the real sector to access longer terms of funds by means of turning long term resources into loans, DenizBank continued its bond issuances with 176 days maturity bond amounting to TL 108 million, 974 days maturity bill amounting to TL 17 million and 296 days maturity bond for qualified investors amounting to TL 9 million in September 2012 and 175 days maturity bond amounting to TL 300 million, 392 days maturity bill amounting to TL 20 million and 728 days maturity bill amounting to TL 30 million in October 2012.

In the first nine months of 2012, DenizBank transferred its funds to all sectors of the economy as a financial supermarket with an expanding product portfolio and reached its consolidated loans to TL 36 billion 500 million increasing by 18%. Unconsolidated loan volume was realized as TL 26 billion 206 million, growing by 17%. Commercial, SME, agriculture and Credit Card loans became the main contributors of the increase in loans. In the first nine months, DenizBank recorded a 24% growth in credit cards reaching a volume of TL 2 billion, while it slowed down in consumer loans with an 8% increase.

DenizBank offered opportunities with several advantages special for 5th anniversary of SME Card which was developed as a first in the world by SME Banking for making craftsmen's business life easy and getting credit without formality and document. DenizBank also continued its support to the agricultural sector, another one of its priority sectors and also as part of its social responsibility mission. DenizBank kept its first place among private banks by allocating TL 2.2 billion agricultural loans as a result of the innovations offered to producers.

In 2012, we kept our leading place with our 109% loan to deposit ratio and 70% loan to asset ratio.

Our consolidated and unconsolidated shareholders' equity increased by 16% and 22% compared to the same period of 2011, reaching TL 5 billion 240 million and TL 4 billion 691 million, respectively. In the third quarter of 2012, DenizBank recorded 13.37% and 15.24% capital adequacy ratios on consolidated and unconsolidated basis, respectively, both of which are relatively higher than the international standards.

Differentiating itself with its innovative products and services, DenizBank received the annual "Sustainability Award" by EBRD (European Bank for Reconstruction and Development), that provides funding to DenizBank for renewable energy projects, thanks to its performance in renewable energy project finance, its sensitive and meticulous approach in environmental issues and international standards it applies in restructuring. DenizBank was selected among banks in 29 countries in which EBRD is active as of 2012,

being the bank that works in the most compliant way with the EBRD and European Union energy project finance principles.

DenizBank added three more international awards to others granting with the innovations thanks to its R&D and technology investments. DenizBank won the Channel Innovation award, one of the world's most prestigious banking organizations BAI - Finacle Global Banking Innovation contest, with its "Facebook Banking". Intertech, technological subsidiary of DenizBank, was granted "Microsoft Country Partner" award due to the successful application of its Integrated Banking Platform. Besides, i "Private Cloud" virtualization project realized by using Microsoft and HP solutions together successfully brought "HP & Microsoft Frontline Partner" award in the "Virtualization & Management" category.

DenizBank reported its unconsolidated net profit TL 585 million in the first nine months of 2012 while recording TL 414 million consolidated net profit. Considering all these results, DenizBank left behind one more highly effective period in terms of financial as well as operational results thanks to her effective risk-oriented management policy that conforms to internationally-accepted corporate governance standards.

In its 15th year, DenizBank has officially become a part of Sberbank, the biggest bank in Russia and one of three largest banks in Europe according to its market cap. Since its establishment, achieving numerous successes, DenizBank will continue to write new success stories with the strong wind of its new shareholder Sberbank, an international financial giant.

HAKAN ATEŞ **THE PRESIDENT AND CEO**

CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL

As of 30 September 2012, DenizBank's shareholding structure is presented in the table below. DenizBank's shareholding structure does not contain any cross-shareholdings.

Shareholders	Number of Shares	Nominal Value (TL)	% of Shares
Sberbank of Russia	715,010,291.335	715,010,291	99.85%
M. Cem Bodur	11.327	11	0.00%
Hakan Ateş	11.327	11	0.00%
Ayfer Yılmaz	11.327	11	0.00%
Publicly Traded	1,089,674.684	1,089,675	0.15%
Total	716,100,000.000	716,100,000	100.00%

Since October 2006, DenizBank continued its activities under Dexia umbrella, regarding the sale and purchase agreement on 8 June 2012 between Sberbank and Dexia Group, deal was finalized by transferring 99.85% of DenizBank's shares to Sberbank from Dexia Group as of 28 September 2012, after the Turkish Competition Authority and Banking Regulation and Supervision Agency's approvals and Capital Markets Board of Turkey's positive opinion. As of this date, Sberbank became main shareholder of DenizBank.

SHARES HELD BY THE MANAGEMENT

DenizBank's President and CEO Hakan Ateş and Independence Board Members Cem Bodur and Ayfer Yılmaz each own 11,327 shares, corresponding to 0.000002% of the capital.

CHANGES IN DFSG COMPANIES

In the CJSC Dexia Bank's General Assembly, it was decided to change the name of the Bank as CJSC DenizBank Moscow after receiving the necessary approvals in 10 April 2012.

DenizBank AG, headquartered in Austria, opened three new branches one in Baden and other two in Vienna and reached 14 branches.

AMENDMENTS TO ARTICLES OF ASSOCIATION

There is no amendment to Articles of Association between 01.01.2012 and 30.09.2012.

DONATIONS

List of donations made by DenizBank in 2012 are as follows:

INSTITUTION NAME	Amount (TL)
DENİZ TEMİZ DERNEĞİ	28,962
TÜRK EĞİTİM VAKFI	12,049
TEMA VAKFI	931
EGE ORMAN VAKFI	500
TÜRKİYE KIZILAY DERNEĞİ	210
TÜRK DİABET CEMİYETİ	180
TÜRK BÖBREK VAKFI	125
OTHER	1,150
TOTAL	44,107

AMENDMENTS TO RATING NOTES

Moody's started a global under review on all financial institutions, whose unsupported/independent ratings are above their national debt ratings, with the assessment about relationship between countries, financial institutions and their credit profile. In the scope of this, Moody's placed Long Term Local Currency Deposit as 'Baa2', Short Term Local Currency Deposit as 'Prime-2' and BFSR-Bank Financial Strength Rating (BCA-Baseline Credit Assessment) as 'C-(baa2)' under review for possible downgrade and announced other ratings have not been affected by these changes on 16 March 2012. Moody's concluded its global under review as of 3 July 2012, in the scope of this, Moody's placed DenizBank's BFSR(BCA) to 'D+(ba1)' from 'C-(baa2)' by decreasing to sovereign level and Long Term Local Currency Deposit to 'Baa3' from 'Baa2'. Their outlook's were remained unchanged as under review for possible downgrade due to the continuing sale process. In addition to these, the Bank's Long Term Foreign Currency Deposit increased to 'Ba2' from 'Ba3' with the effect of country ceiling and its outlook was placed to 'Stable' from 'Positive'. Following the transfer of 99.85% of DenizBank shares from Dexia SA and Dexia Participation Belgique SA to Sberbank on 28 September 2012, Moody's finalized the review for possible downgrade process on Long Term Local Currency Deposit as 'Baa3', Short Term Local Currency Deposit as 'Prime-3' and BFSR(BCA) as 'C-(baa2)' ratings and confirmed their outlooks as 'Stable' on 16 October 2012. Moody's affirmed all DenizBank's ratings.

Fitch Ratings affirmed Long Term Foreign Currency rating as 'BBB-' but placed its Outlook to 'Stable' from 'Positive' on 28 November 2011 as a reflection of outlook change from

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'Positive' to 'Stable' on Turkey's Long Term Local and Foreign Currency ratings on 24 November 2011. Besides this, Fitch Ratings placed 'BBB' Long Term Local Currency rating's outlook to RWN due to the sales process and affirmed Support rating as '2' (RWN), Long Term National Rating and Short Term ratings. Fitch announced that Individual and Viability ratings of DenizBank have not been affected by these changes. On 25 January 2012, Fitch withdrew Individual Ratings for Global Financial Institutions. On 20 April 2012, Fitch affirmed all ratings of DenizBank maintaining Rating Watch Negative Outlook of Long Term Local Currency and Support ratings. Following the transfer of 99.85% of DenizBank shares from Dexia SA and Dexia Participation Belgique SA to Sberbank on 28 September 2012, Fitch finalized the RWN process on Long Term Local Currency and Support ratings on 2 October 2012. While affirming Support rating with 'Stable' outlook, Fitch decreased 'Long Term Local Currency' to 'BBB-' from 'BBB', with Stable outlook. Fitch affirmed all other ratings of DenizBank. Ratings are as follows:

Moody's*

Long Term Foreign Currency Deposits	Ba2 / Stable
Short Term Foreign Currency Deposits	NP
Long Term Local Currency Deposits	Baa3 / Stable
Short Term Local Currency Deposits	Prime-3 / Stable
Bank Financial Strength Rating (BCA)	D+(ba1) / Stable

*As of 16.10.2012

FitchRatings**

Long Term Foreign Currency	BBB- / Stable
Short Term Foreign Currency	F3
Long Term Local Currency	BBB- / Stable
Short Term Local Currency	F3
Viability	bbb-
Support	2
National	AAA (tur) / Stable

**As of 02.10.2012

SECTION II - MANAGEMENT and CORPORATE GOVERNANCE

BOARD of DIRECTORS

Title	Name	Position	Beginning-End Date of Tenure
Chairman of the Board of Directors:	Herman Gref	Chairman-Non-executive	September 2012- March 2014
Board Members:	Ayfer Yılmaz	Vice Chairman-Independent	Jan 2007- March 2014
	Hakan Ateş	Member-Executive	June 1997- March 2014
	Hasan Hüseyin Uyar	Member-Executive	Dec 2010- March 2014
	M. Cem Bodur	Member-Independent	June 1997- March 2014
	Cem Demirağ	Member-Executive	August 2012- March 2014
	Denis Bugrov	Member-Non-executive	September 2012- March 2014
	Vadim Kulik	Member-Non-executive	September 2012- March 2014
	Wouter G.M. Van Roste	Member-Executive	June 2009- March 2014
	Sergey Gorkov	Member-Non-executive	September 2012- March 2014
	Nikolay Kuznetsov	Member-Non-executive	September 2012- March 2014

EXECUTIVE MANAGEMENT

Title	Name	Position	Experience
President & CEO:	Hakan Ateş	President & CEO	31 years
Executive Vice Presidents and Executive Committee Members:	Mustafa Aydın	Retail, SME and Agricultural Banking Loan Allocation-EVP	25 years
	Mehmet Aydoğdu	Commercial Banking and Public Finance-EVP	15 years
	Bora Böcügöz	Treasury, Financial Institutions, Private Banking-EVP	23 years
	Suavi Demircioğlu	Financial Affairs-EVP	22 years
	Dilek Duman	Information Technology and Support Operations-EVP-Chief Operations Officer	23 years
	Murat Çelik	Digital Generation Banking-EVP	20 years
	Gökhan Ertürk	Retail Banking-EVP	19 years
	Tanju Kaya	Administrative Services-EVP	26 years
	Derya Kumru	Wholesale Banking-EVP	25 years
	Mustafa Özel	Branch and Central Operations-EVP	24 years
	Saruhan Özel	Economic Research, Strategy and Project Management-EVP	16 years
	Gökhan Sun	SME and Agricultural Banking-EVP	20 years
	İbrahim Şen	Credit Following and Risk Monitoring-EVP	19 years
	Ali Murat Dizdar	Chief Legal Advisor - Member of Executive Committee	21 years
	Aysun Mercan	Secretary General	30 years

AUDITORS

Name	Position	Experience
Cem Kadırgan	Auditor	26 years
Mehmet Uğur Ok	Auditor	37 years

COMMITTEES

Committees Reporting to the Board of Directors

- Audit Committee
- Corporate Governance and Nomination Committee

Title	Name	Position	Begin Date of Tenure
Audit Committee Members:	Ayfer Yılmaz	Member	March 2011
	Cem Demirağ	Member	August 2012
	Denis Bugrov	Member	September 2012
Corporate Governance and Nomination Committee Members:	M.Cem Bodur	Member	March 2011
	Nikolay Kuznetsov	Member	September 2012
	Tanju Kaya	Member	September 2004
Remuneration Committee Members:	Sergey Gorkov	Member	September 2012
	Ayfer Yılmaz	Member	December 2011

Executive Committees

• Assets and Liabilities Com.	• Disciplinary Committee	• Promotions Committee
• Credit Committee	• Purchasing Committee	• Executive Committee
• Risk Committee	• Communications Com.	• Management Board
• Support Services Com.	• Recommendation Com.	

Within the Context of Corporate Governance;

22 Board Decisions were adopted between 1 July 2012 and 30 September 2012.

Audit Committee held a meeting on 26 July 2012. Independent auditors' report on the second quarter of 2012 financials was presented and approved to present those figures to the Board of Directors. At the same meeting, the activity reports for the second quarter of 2012 of Internal Audit, Internal Control, Compliance, Risk Management and Operational Risk were also presented.

SECTION III- FINANCIAL INFORMATION

SUMMARY FINANCIAL HIGHLIGHTS

Summary Consolidated Financial Highlights (TL millions)				
	3Q2012	2011	3Q2011	2010
Securities ⁽¹⁾	7,517	5,544	4,895	4,444
Net Loans ⁽²⁾	36,500	30,947	31,527	23,790
Subsidiaries ⁽³⁾	17	16	16	15
Net Fixed Assets	418	416	362	322
Total Assets	52,436	44,756	45,681	33,853
Customer Deposits ⁽⁴⁾	33,615	26,499	27,173	19,713
Time	27,916	22,357	22,852	15,984
Demand	5,699	4,142	4,321	3,729
Borrowings	6,427	7,610	7,776	7,047
Sub-ordinated Loans	894	939	936	770
Shareholders' Equity	5,240	4,641	4,521	3,659
Paid-in Capital	716	716	716	716
Non-cash Loans	11,874	10,111	11,012	7,636
Interest Income	3,541	3,536	2,484	2,805
Interest Expense	-1,774	-1,655	-1,154	-1,028
Net Interest Income after Provisions	1,286	1,428	941	1,271
Non-interest Income	544	989	813	645
Non-interest Expense	-1,263	-1,500	-1,031	-1,165
Net Profit/Loss From Discontinued Operations	0	343	342	23
Net Income	414	1,061	912	616
	3Q2012	2011	3Q2011	2010
Number of Branches ⁽⁵⁾	614	600	565	512
Number of Employees	11,382	10,826	10,755	9,561
Number of ATMs	2,883	2,370	2,254	941
Number of POS Terminals	123,338	110,324	108,313	89,399
Number of Credit Cards	2,117,515	1,966,602	1,852,216	1,485,991

All financial figures presented in this table are extracts from the audited consolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽²⁾ Includes factoring and leasing receivables.

⁽³⁾ Total of investments in associates, investments in subsidiaries and entities under common control (joint venture)

⁽⁴⁾ Excludes bank deposits

⁽⁵⁾ Includes subsidiaries' branches

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Summary Unconsolidated Financial Highlights (TL millions)				
	3Q2012	2011	3Q2011	2010
Securities ⁽¹⁾	6,374	5,193	4,787	4,280
Net Loans ⁽²⁾	26,206	22,422	23,374	18,459
Subsidiaries ⁽³⁾	1,003	719	486	450
Net Fixed Assets	407	406	353	314
Total Assets	40,457	35,983	37,421	27,660
Customer Deposits ⁽⁴⁾	23,992	18,896	19,838	15,272
Time	20,218	15,795	16,694	12,354
Demand	3,774	3,101	3,143	2,917
Borrowings	5,403	6,520	6,578	5,836
Sub-ordinated Loans	894	939	936	770
Shareholders' Equity	4,691	3,951	3,844	3,141
Paid-in Capital	716	716	716	716
Non-cash Loans	11,201	9,745	10,538	7,474
Interest Income	3,028	3,071	2,152	2,464
Interest Expense	-1,493	-1,390	-964	-878
Net Interest Income after Provisions	1,102	1,251	808	1,115
Non-interest Income	769	771	608	530
Non-interest Expense	-1,171	-1,385	-948	-1,062
Net Profit/Loss From Discontinued Operations	0	388	387	0
Net Income	585	874	741	458
	3Q2012	2011	3Q2011	2010
Number of Branches ⁽⁵⁾	600	588	553	500
Number of Employees	10,080	9,772	9,576	8,573
Number of ATMs	2,883	2,370	2,254	941
Number of POS Terminals	123,338	110,324	108,313	89,399
Number of Credit Cards	2,117,515	1,966,602	1,852,216	1,485,991

All financial figures presented in this table are extracts from the audited unconsolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽³⁾ Total of investments in associates, investments in subsidiaries and entities under common control (joint venture)

⁽⁴⁾ Excludes bank deposits

ASSESSMENT of FINANCIAL POSITION and RISK MANAGEMENT

DenizBank continues its activities profitably, without compromising asset quality and strengthens its shareholder's equity. The share of the Bank's fixed asset investments in the shareholder's equity is at low levels. DenizBank put its free capital to interest earning assets as part of its core banking activities. DenizBank has a capital adequacy ratio significantly higher than the regulatory requirements thanks to strong and effective risk management.

Shareholders' Equity and Capital Adequacy (TL millions)				
	Consolidated			
	3Q2012	2011	3Q2011	2010
Capital Adequacy Ratio (%) ⁽³⁾	13.37	14.72	14.29	15.70
Shareholders' Equity	5,240	4,641	4,521	3,659
Return on Average Equity (%)	11.2	25.6	29.7	18.6
Free Capital ⁽¹⁾	3,903	3,754	3,738	2,872
Free Capital Ratio (%) ⁽²⁾	7.44	8.39	8.18	8.48

	Unconsolidated			
	3Q2012	2011	3Q2011	2010
Capital Adequacy Ratio (%) ⁽³⁾	15.24	15.65	14.58	16.43
Shareholders' Equity	4,691	3,951	3,844	3,141
Return on Average Equity (%)	18.1	24.6	28.3	15.9
Free Capital ⁽¹⁾	2,477	2,463	2,700	2,023
Free Capital Ratio (%) ⁽²⁾	6.12	6.84	7.21	7.31

(1) Free Capital = Shareholders' Equity - Net Non-performing Loans - Subsidiaries - Deferred Tax Assets - Tangible and Intangible Fixed Assets - Prepaid Expenses - Fixed Assets to be disposed of

(2) Free Capital Ratio = Free Capital / Total Assets

(3) 3Q2012 Capital Adequacy Ratio is calculated according to Basel II, the others are based on Basel I.

Asset Quality				
	Consolidated			
	3Q2012	2011	3Q2011	2010
Non-performing Loans/ Total Cash Loans Ratio (%)	3.6	2.8	2.6	4.4
Non-performing Loans Provision Ratio (%)	92.4	115.8	116.5	105.6

	Unconsolidated			
	3Q2012	2011	3Q2011	2010
Non-performing Loans/ Total Cash Loans Ratio (%)	4.2	3.2	2.8	4.8
Non-performing Loans Provision Ratio (%)	95.9	126.7	130.3	112.3

RISK MANAGEMENT POLICIES

One of the major pillars of DenizBank's main strategies is to adhere to Risk Management principles. Risk Management policies consist of identification, measurement and management processes. In this respect, DenizBank conducts its banking activities by strictly adhering to risk management policies that aim to analyze risks and manage them by way of acceptable limits. Risk Management Policies were devised based on market risk, credit risk, liquidity risk, operational risk and structural interest risk categories. DenizBank has adopted it as an integral principle in all of her operations to develop systems that comply with Basel II and other guiding international risk management principles.

Market Risk

DenizBank measures market risk using internationally-accepted Value at Risk (VAR) method. VAR quantifies the loss of value that the portfolio of the Bank and her financial subsidiaries might suffer at a given time and confidence interval as a result of the price fluctuations in risk factors. VAR analyses are supported with scenario analysis and stress tests. This method allows adaptation to changing market conditions when the risk level is determined. The reliability of the model used in calculating VAR is periodically tested through back testing. DenizBank has formulated risk policies and established risk-based limits with regards to her trading activities in money and capital markets.

Structural Interest Rate Risk

The Risk Management Group monitors the structural interest rate risk that the Bank is exposed to due to her balance sheet structure by using advanced models and controls assumed risks through defined limits. Interest sensitivity analyses are conducted to measure the impact of the Bank's maturity mismatch on net present value and income.

Liquidity Risk

Risk Management Group monitors the Bank's liquidity position that she carries as a result of her activities within defined limits. Limits are set to ensure continuity of the Bank operations by using the existing reserve facilities even under the worst-case scenarios that are created by taking into consideration the negative developments that may arise as a result of a change in market conditions or customer behavior.

Basel III/Credit Risk

The Risk Management Group carries out credit risk calculations in coordination with Financial Affairs Group in accordance with the BRSA's Basel II regulations. While legal credit risk reports have been preparing according to the standard method yet, the studies on the setting up of the necessary risk parameters are also continuing for compliance with internal credit risk assessment methods. Activities and reportings related to the quality control of the credit ratings which are the outputs of the current internal credit rating models are carried out by Risk Management Group.

Operational Risk

Bank activities that carry financial or non-financial operational risk are being recorded for DenizBank and its subsidiaries in a way that captures causes and impact of events, collections made and measures that will prevent the repetition of such events. These events are periodically reported to the senior management and updated as needed. Potential risk is assessed by way of Risk and Control Self Assessment and risk mitigation measures are taken before events transpire. On the other hand, the Business Continuity Program is coordinated to cover the design implementation and testing stages of these policies.

GENERAL OUTLOOK OF THE TURKISH ECONOMY AND THE BANKING SECTOR

Evaluations regarding the developments in Turkish Economy and banking sector in the first nine months of 2012 have been summarized below.

Realizing one of the highest growth rates with 9.2% among developing countries in 2010, Turkey also reached a remarkable growth rate of 8.5% in 2011. However, this performance of last two years is necessary to be considered as bridging rather than rapid growth. Because the 4 years average growth rate is only 3.4% between 2008 and 2011; and it is lower than Turkey's long-term growth performance range of 5-7%. It is necessary to emphasize that this growth rate is based on domestic consumption and private sector investment similar to previous years. Public spending is under a certain discipline as we are used to in 2000s. Thus 2011 ended with a very low budget deficit as 1.2% and public debt to GDP ratio decreased below 40%. Medium Term Program also indicates the fact that this budget discipline will be continued until 2015. In coming years, parallel to this view, it will be possible that public debt to GDP forces to levels below 30%.

Maintaining the internal and external balances is important besides undersigning success regarding growth and budget discipline. On the internal balance side, inflation decreased to single-digit levels again after double-digit levels in the first four months of 2012. The current trend shows that the inflation will get close to its 5% ($\pm 2\%$) target at the end of the year and will have a trend consistent with the long term target as from the middle of the next year. The monetary policy, which has a great impact on decreasing the volatility of TL, is undoubtedly the most important reason in this success. On the external balance side, reaching of the rate of current account deficit to GDP to 10% at the end of previous year led to a questioning of the sustainability of this increase. However, it was seen that twelve month non-energy current account deficit decreased from USD 33 billion to USD 7 billion between October 2011 and August 2012 was seen with thanks to the effect of policies implemented. Expectation of 7.3% Current Account Deficit/GDP seems to be easily accessible in the Medium-Term Plan. As from the beginning of this year, start of an intensive working period about the policies that will reduce energy deficit, increase savings and encourage import substitution are the important developments that will contribute to solving of Turkey's chronic current account deficit problem in the long term.

Evaluation of the banking sector according to the September 2012 data*:

-Loan volume (excluding financial sector loans)	TL 752 billion
TL Loan volume (excluding financial sector loans)	TL 555 billion
FX Loan volume (excluding financial sector loans)	USD 111 billion
-Deposit Volume (excluding interbank deposits)	TL 738 billion
TL Deposit Volume (excluding interbank deposits)	TL 492 billion
FX Deposit Volume (excluding interbank deposits)	USD 139 billion

In the first nine months of 2012, the total loan volume of the Banking sector increased by 11% compared to the end of 2011 and by 14% compared to the same period of the previous year and reached TL 752 billion. In the third quarter of 2012, credit card loans, commercial and corporate loans became the segments with priority impact on total loan increase. As a result of BRSA's latest regulations, the growth rate in consumer loans continued to slow down in 2012 and the increases in all subsegments realized at a level as the half of 2011 growth rates. Consumer loans increased by 10% compared to 2011 year-end rates and 13% year-on-year basis. On the other hand, while increasing by 25% in the first nine months, credit card loans recorded 32% annual growth by reaching the highest rate in all segments. Commercial and corporate loans including SME loans grew by 13% on a year-on-year basis. The annual growth of SME loans

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was around 10% as of September 2012. While completing the first half of 2012 at its lowest level of 2.7% from its highest level of 5.8% during the crisis, the total NPL ratio reached to 3.0%, the highest of 2012 as a result of 14% q-o-q increase in NPL portfolio despite 3% rise in loan portfolio as at September 2012.

Total deposits reached TL 738 billion by increasing 8% compared to the first nine months of 2011 and only 6% according to 2011-end. The sector's total equity rose by 17% y-o-y and reached TL 176 billion. The net profit of the banking sector in the first nine months was realized as TL 17.1 billion recording a 17% y-o-y increase.

** Banking sector data are extracts from the BRSA weekly bulletin including participation bank figures.*

FURTHER INFORMATION

- 1- To view the material disclosures made in Public Disclosure Platform, click the link below:
<http://www.denizbank.com/en/investor-relations/announcements/default.aspx>
- 2- To download DenizBank 30.09.2012 consolidated and unconsolidated financial statements and footnotes click the link below.
<http://www.denizbank.com/en/investor-relations/financial-information/financial-figures.aspx>
- 3- To download 2011 Annual Report for further information about the main activities of DenizBank click the link below:
<http://www.denizbank.com/en/investor-relations/annual-reports/default.aspx>