

*(Convenience Translation of the Independent Auditor's Review Report  
Originally Prepared and Issued in Turkish See Note 3.1.2)*

**DENİZBANK ANONİM ŞİRKETİ AND ITS FINANCIAL  
SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT,  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND  
NOTES FOR THE THREE MONTH PERIOD  
ENDED 31 MARCH 2013**

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

Convenience Translation of the Independent Auditor's Review Report  
Originally Prepared and Issued in Turkish

Denizbank A.Ş.  
To the Board of Directors  
İstanbul

**DENİZBANK ANONİM ŞİRKETİ  
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE PERIOD 1 JANUARY-31 MARCH 2013**

We have reviewed the consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at 31 March 2013 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent principles set out as per the Banking Act No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Group's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Denizbank A.Ş. and its consolidated subsidiaries at 31 March 2013 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

The consolidated financial statements of the Group as of and for the three months period ended 31 March 2012 and as of and for the year ended 31 December 2012 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their report dated 8 May 2012 stated that nothing has come to their attention that causes them to believe that the consolidated financial statements of the Group as of and for the three months ended 31 March 2012 do not give a true and fair view of the financial position, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No: 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles, and in their report dated 22 February 2013 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended 31 December 2012.

**Additional paragraph for convenience translation to English:**

As explained in detail in Note I.2. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
A Member Firm of **ERNST&YOUNG GLOBAL LIMITED**

A handwritten signature in black ink, appearing to read 'Fatma Ebru Yücel'.

Fatma Ebru Yücel  
SMMM, Partner

İstanbul, 14 May 2013



**DENİZBANK A.Ş.**  
**FOR THE THREE MONTHS PERIOD**  
**CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 31 MARCH 2013**

Address of the Bank's Headquarters  
Büyükdere Caddesi No:106  
34394 -ESENTEPE/İSTANBUL

Telephone and Fax Numbers  
Tel : 0.212.355 08 00  
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Website of the Bank  
www.denizbank.com

E-mail address of the Bank  
investorrelations@denizbank.com

The consolidated financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated financial report are:

	Subsidiaries	Associates	Jointly Controlled Companies
1	DenizBank AG, Vienna		
2	Eurodeniz International Banking Unit Ltd.		
3	Ekspres Yatırım Menkul Değerler A.Ş.		
4	Deniz Yatırım Menkul Kıymetler A.Ş.		
5	CJSC Denizbank, Moscow		
6	Deniz Portföy Yönetimi A.Ş.		
7	Deniz Finansal Kiralama A.Ş.		
8	Deniz Faktoring A.Ş.		
9	Deniz Yatırım Ortaklığı A.Ş.		

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

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

14 May 2013



**HAKAN ELVERDİ**  
Senior Vice President  
International and Regulatory  
Financial Reporting



**SUAVİ DEMİRCİOĞLU**  
Executive Vice President  
Financial Affairs



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



**NİHAT SEVİNÇ**  
Member of Board of Directors  
and Audit Committee



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



**DENIS BUGROV**  
Member of Board of Directors  
and Audit Committee



**HERMAN GREF**  
Chairman of Board of  
Directors

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## **SECTION ONE**

### **GENERAL INFORMATION**

#### **I. Parent Bank's date of establishment, beginning statute, its history including changes in its statute**

Denizbank A.Ş. ("the Bank") was established as a public bank to provide financing services to the marine sector in 1938. In 1992, as a result of the resolution of the Government to merge some public banks, the Bank was merged to Emlakbank. Following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon obtaining a permission to operate. Bank's shares have been quoted on Borsa İstanbul ("BIST") since 1 October 2004. 0.15% of the Bank's shares are publicly held as of 31 March 2013.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, subsequent to the transfer of shares, Dexia Participation Belgique's ownership rate increased to 99.85%.

On 8 June 2012 Dexia Group and Sberbank of Russia ("Sberbank") have signed a sale and purchase agreement regarding the acquisition of 715,010,291.335 Parent Bank shares representing 99.85% of the Bank's capital. The transaction covers the Parent Bank as well as all of its subsidiaries in Turkey, Austria and Russia. Following all the necessary regulatory authorizations in the countries in which seller and buyer operate including that of the European Commission, after the approvals of Competition Authority on 9 August 2012, the Banking Regulation and Supervision Agency on 12 September 2012 and the Capital Markets Board on 24 September 2012, Dexia has transferred 99.85% of shares of the Parent Bank to Sberbank with a total consideration of TL 6,469,140,728 (Euro 2,790 million) which is the Preliminary Purchase Price determined as per the sale and purchase agreement. Following the completion of the adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Share Purchase Agreement, an additional amount of Euro 185 Million which is equivalent of TL 430,947,685 was paid on 27 December 2012. Ultimately the process was completed with a total Purchase Price of TL 6,900,088,413 (Euro 2,975 million).

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

**Current Period**

<b>Name of the Shareholder</b>	<b>Amount (Full TL)</b>	<b>Share %</b>
Sberbank of Russia	715,044,303	99.85
Publicly traded	1,055,663	0.15
Others shareholders	34	-
<b>Total</b>	<b>716,100,000</b>	<b>100.00</b>

**Prior Period**

<b>Name of the Shareholder</b>	<b>Amount (Full TL)</b>	<b>Share %</b>
Sberbank of Russia	715,044,303	99.85
Publicly traded	1,055,663	0.15
Others shareholders	34	-
<b>Total</b>	<b>716,100,000</b>	<b>100.00</b>



**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2013**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

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

Name	Title	Shares owned (%)
<b>President of the Board of Directors</b>		
Herman Gref	Chairman	--
<b>Board of Directors</b>		
Deniz Ülke Arboğan	Deputy Chairman	--
Hakan Ateş	Member, President and CEO	0.000002
Alexander Vedyakhin	Member	--
Nihat Sevinç	Member	--
Wouter G.M. Van Roste	Member	--
Nikolay Kunetsov	Member	--
Sergey Gorkov	Member	--
Vadim Kulik	Member	--
Denis Bugrov	Member	--
Derya Kumru	Member	--
Igor Kondrashov	Member	--
Alexander Morozov	Member	--
Andrey Donskikh	Member	--
<b>Audit Committee</b>		
Wouter G.M. Van Roste	Member	--
Denis Bugrov	Member	--
Nihat Sevinç	Member	--
<b>Executive Vice Presidents</b>		
Mustafa Aydın	Retail, SME and Agricultural Loan Allocation	--
Bora Böküçöz	Treasury, Financial Institutions, Private Banking	--
Suavi Demircioğlu	Financial Affairs	--
Dilek Duman	Information Technologies and Support Operations	--
Gökhan Ertürk	Retail Banking	--
Tanju Kaya	Central Operations and Foreign Subsidiaries	--
Gökhan Sun	SME and Agricultural Banking	--
Mustafa Özel	Branch and Central Operations	--
İbrahim Şen	Credit Follow-up and Risk Monitoring	--
Mehmet Aydoğdu	Commercial Banking and Public Finance	--
Saruhan Özel	Economic Research, Strategy and Project Management	--
Cem Demirağ	Head of Internal Control Unit and Compliance	--
Ali Murat Dizdar	Chief Legal Advisor	--
Aysun Mercan	Secretary General	--
Murat Çelik	Digital Generation Banking	--
Hayri Cansever	Corporate Banking	--
Selim Efe Teoman	Corporate and Commercial Loans Group	--
Ramazan Işık (*)	Head of Inspection Board	--

(\*) Ramazan Işık was appointed as the head of Inspection Board as of 25 February 2013.

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

Commercial Title	Share Amounts	Share Percentages	Paid-in Capital	Unpaid Capital
Sberbank of Russia	715,044	99.85%	715,044	-

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

As of 31 March 2013 the capital structure of Sberbank of Russia is as follows:

Shareholders	Share Percentages
Central Bank of Russia	50.00%
Publicly traded	50.00%
<b>Total</b>	<b>100.00%</b>

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

**V. Type of services provided and the areas of operations of the Parent Bank**

The Parent Bank is a private sector deposit bank which provides banking services to its customers through 622 domestic and 1 foreign branch as of 31 March 2013.

Activities of the Parent Bank as stated in the 4th clause of the Articles of Association are as follows:

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

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

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

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

None.

## SECTION TWO

### CONSOLIDATED FINANCIAL STATEMENTS

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS**  
**(STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 31 MARCH 2013 AND 31 DECEMBER 2012**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

ASSETS	Footnotes	REVIEWED CURRENT PERIOD (31/03/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	751,736	5,216,096	5,967,832	724,734	4,524,855	5,249,589
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	815,708	92,060	907,768	845,818	133,061	978,879
2.1 Financial Assets Held For Trading		815,708	92,060	907,768	845,818	133,061	978,879
2.1.1 Public Sector Debt Securities		735,199	5,050	740,249	776,930	8,984	785,914
2.1.2 Share Certificates		47,740	116	47,856	35,011	543	35,554
2.1.3 Positive Value of Trading Purpose Derivatives		31,873	83,749	115,622	29,975	120,420	150,395
2.1.4 Other Securities		896	3,145	4,041	3,902	3,114	7,016
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	58,971	1,304,307	1,363,278	260,197	1,355,936	1,616,133
IV. DUE FROM MONEY MARKETS		113,710	-	113,710	512,292	-	512,292
4.1 Interbank Money Market		5,142	-	5,142	338	-	338
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		108,568	-	108,568	511,954	-	511,954
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	5,996,716	1,446,376	7,443,092	6,150,145	1,418,944	7,569,089
5.1 Share Certificates		3,929	12	3,941	3,916	12	3,928
5.2 Public Sector Debt Securities		5,992,787	1,279,786	7,272,573	6,146,229	1,256,360	7,402,589
5.3 Other Securities		-	166,578	166,578	-	162,572	162,572
VI. LOANS AND RECEIVABLES	(5.1.5)	25,336,474	14,097,423	39,433,897	22,904,887	13,239,167	36,144,054
6.1 Loans and Receivables		24,863,781	14,074,999	38,938,780	22,376,436	13,203,826	35,580,262
6.1.1 Loans Utilized to the Bank's Risk Group		17	21	38	5,019	-	5,019
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		24,863,764	14,074,978	38,938,742	22,371,417	13,203,826	35,575,243
6.2 Loans under Follow-Up		1,452,010	39,026	1,491,036	1,337,057	54,733	1,391,790
6.3 Specific Provisions (-)		979,317	16,602	995,919	808,606	19,392	827,998
VII. FACTORING RECEIVABLES		1,137,404	94,377	1,231,781	1,161,562	53,196	1,214,758
VIII. INVESTMENT HELD TO MATURITY (Net)	(5.1.6)	140,456	115,607	256,063	141,481	117,329	258,810
8.1 Public Sector Debt Securities		140,456	73,903	214,359	141,481	75,551	217,032
8.2 Other Securities		-	41,704	41,704	-	41,778	41,778
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	9,192	-	9,192	9,072	-	9,072
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		9,192	-	9,192	9,072	-	9,072
9.2.1 Financial Associates		553	-	553	553	-	553
9.2.2 Non-Financial Associates		8,639	-	8,639	8,519	-	8,519
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	5,649	-	5,649	5,649	-	5,649
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		5,649	-	5,649	5,649	-	5,649
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(5.1.9)	2,800	-	2,800	2,800	-	2,800
11.1 Joint Ventures accounted for Under Equity Method		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		2,800	-	2,800	2,800	-	2,800
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		2,800	-	2,800	2,800	-	2,800
XII. LEASE RECEIVABLES (Net)	(5.1.10)	390,539	1,097,795	1,488,334	364,946	1,077,738	1,442,684
12.1 Financial Lease Receivables		491,310	1,263,923	1,755,233	460,179	1,228,936	1,689,115
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		100,771	166,128	266,899	95,233	151,198	246,431
XIII. HEDGING PURPOSE DERIVATIVES	(5.1.11)	58,725	26,320	85,045	45,376	24,407	69,783
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		58,725	26,320	85,045	45,376	24,407	69,783
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		334,329	8,502	342,831	349,765	7,570	357,335
XV. INTANGIBLE ASSETS (Net)		92,069	4,672	96,741	93,516	4,830	98,346
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		92,069	4,672	96,741	93,516	4,830	98,346
XVI. INVESTMENT PROPERTIES (Net)	(5.1.12)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.13)	100,003	943	100,946	100,099	523	100,622
17.1 Current Tax Assets		387	943	1,330	353	208	561
17.2 Deferred Tax Assets		99,616	-	99,616	99,746	315	100,061
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.1.14)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.15)	627,644	370,843	998,487	680,043	184,644	864,687
<b>TOTAL ASSETS</b>		<b>35,972,125</b>	<b>23,875,321</b>	<b>59,847,446</b>	<b>34,352,382</b>	<b>22,142,200</b>	<b>56,494,582</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED BALANCE SHEETS**  
**(STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 31 MARCH 2013 AND 31 DECEMBER 2012**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

LIABILITIES AND EQUITY	Footnotes	REVIEWED CURRENT PERIOD (31/03/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.11.1)	19,813,774	19,682,978	39,496,752	18,699,788	17,892,666	36,592,454
1.1 Deposits of the Bank's Risk Group		33,000	648,887	681,887	40,091	828	40,919
1.2 Others		19,780,774	19,034,091	38,814,865	18,659,697	17,891,838	36,551,535
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.11.2)	23,074	193,314	216,388	18,411	117,867	136,278
<b>III. FUNDS BORROWED</b>	(5.11.3)	1,877,421	6,090,181	7,967,602	1,511,172	5,491,585	7,002,757
<b>IV. DUE TO MONEY MARKETS</b>		757,949	64,261	822,210	1,729,150	58,660	1,787,810
4.1 Interbank Money Market		149	-	149	190	-	190
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		757,800	64,261	822,061	1,728,960	58,660	1,787,620
<b>V. SECURITIES ISSUED (Net)</b>	(5.11.4)	1,101,551	-	1,101,551	768,932	-	768,932
5.1 Bills		799,096	-	799,096	601,343	-	601,343
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		302,455	-	302,455	167,589	-	167,589
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		653,609	112,480	766,089	658,251	142,597	800,848
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(5.11.5)	497,576	1,207,047	1,704,623	903,877	865,997	1,769,874
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5.11.6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING PURPOSE DERIVATIVES</b>	(5.11.7)	72,490	2,851	75,341	89,911	2,271	92,182
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		72,490	2,851	75,341	89,911	2,271	92,182
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.11.8)	790,548	40,770	831,318	719,268	42,458	761,726
12.1 General Provisions		488,359	-	488,359	443,897	-	443,897
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		80,706	1,846	82,552	71,509	1,849	73,358
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		221,483	38,924	260,407	203,862	40,609	244,471
<b>XIII. TAX LIABILITIES</b>	(5.11.9)	116,351	47,249	163,600	184,861	44,574	229,435
13.1 Current Tax Liability		116,351	40,303	156,654	184,861	35,134	219,995
13.2 Deferred Tax Liability		-	6,946	6,946	-	9,440	9,440
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	898,802	898,802	-	887,662	887,662
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.11.10)	5,240,103	563,067	5,803,170	5,311,639	352,985	5,664,624
16.1 Paid-in Capital		716,100	-	716,100	716,100	-	716,100
16.2 Supplementary Capital		545,505	28,085	573,590	686,958	49,670	736,628
16.2.1 Share Premium		98,411	-	98,411	98,411	-	98,411
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Securities Revaluation Reserve		82,153	29,290	111,443	246,413	51,186	297,599
16.2.4 Revaluation Fund on Tangible Assets	(5.11.12)	306,054	-	306,054	306,054	-	306,054
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Properties		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures		11	-	11	11	-	11
16.2.8 Hedging Funds (Effective Portion)		(130,288)	(1,205)	(131,493)	(153,095)	(1,516)	(154,611)
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		189,164	-	189,164	189,164	-	189,164
16.3 Profit Reserves		3,491,732	82,090	3,573,822	2,678,876	94,009	2,772,885
16.3.1 Legal Reserves		144,542	5,019	149,561	144,542	5,019	149,561
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		3,336,993	11,173	3,348,166	2,524,362	11,173	2,535,535
16.3.4 Other Profit Reserves		10,197	65,898	76,095	9,972	77,817	87,789
16.4 Profit or Loss		470,004	452,892	922,896	1,213,941	209,306	1,423,247
16.4.1 Prior Periods' Profits / Losses		321,148	289,293	610,441	525,920	179,900	705,820
16.4.2 Current Period Profit / Loss		148,856	163,599	312,455	688,021	29,406	717,427
16.5 Minority Shares	(5.11.11)	16,762	-	16,762	15,764	-	15,764
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>30,944,446</b>	<b>28,903,000</b>	<b>59,847,446</b>	<b>30,595,260</b>	<b>25,899,322</b>	<b>56,494,582</b>

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



**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF OFF-BALANCE SHEET ITEMS**  
**AS OF 31 MARCH 2013 AND 31 DECEMBER 2012**  
(Currency: Thousands of TL- Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

	Footnotes	REVIEWED CURRENT PERIOD (31/03/2013)			AUDITED PRIOR PERIOD (31/12/2012)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>34,437,094</b>	<b>46,862,929</b>	<b>81,300,023</b>	<b>24,379,702</b>	<b>36,389,996</b>	<b>60,769,698</b>
<b>I. GUARANTEES</b>	(5.III.1)	<b>5,379,917</b>	<b>7,885,674</b>	<b>13,265,591</b>	<b>5,206,112</b>	<b>7,174,635</b>	<b>12,380,747</b>
1.1. Letters of Guarantee		5,373,699	5,903,883	11,277,582	5,196,248	5,052,813	10,249,061
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79,122	153,803	232,925	79,122	169,864	248,986
1.1.3. Other Letters of Guarantee		5,294,577	5,750,080	11,044,657	5,117,126	4,882,949	10,000,075
1.2. Bank Acceptances		5,176	131,122	136,298	8,631	317,097	325,728
1.2.1. Import Letter of Acceptance		5,176	82,043	87,219	8,631	268,221	276,852
1.2.2. Other Bank Acceptances		-	49,079	49,079	-	48,876	48,876
1.3. Letters of Credit		-	1,508,474	1,508,474	383	1,497,049	1,497,432
1.3.1. Documentary Letters of Credit		-	1,181,286	1,181,286	266	1,252,926	1,253,192
1.3.2. Other Letters of Credit		-	327,188	327,188	117	244,123	244,240
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		1,042	342,195	343,237	850	307,676	308,526
1.9. Other Sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.III.1)	<b>17,878,670</b>	<b>4,583,671</b>	<b>22,462,341</b>	<b>10,621,350</b>	<b>2,751,324</b>	<b>13,372,674</b>
2.1. Irrevocable Commitments		14,021,068	4,583,671	18,604,739	9,435,051	2,751,324	12,186,375
2.1.1. Asset Purchase and Sale Commitments		4,287,961	3,342,210	7,630,171	241,161	1,696,593	1,937,754
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	120	-	120
2.1.4. Loan Granting Commitments		3,199,283	240,303	3,439,586	3,047,815	250,440	3,298,255
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		1,423,479	-	1,423,479	1,350,185	-	1,350,185
2.1.8. Tax and Fund Obligations from Export Commitments		836	-	836	925	-	925
2.1.9. Commitments for Credit Card Limits		5,093,084	-	5,093,084	4,759,217	-	4,759,217
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		16,425	1,001,158	1,017,583	35,628	804,291	839,919
2.2. Revocable Commitments		3,857,602	-	3,857,602	1,186,299	-	1,186,299
2.2.1. Revocable Loan Granting Commitments		3,856,921	-	3,856,921	1,185,618	-	1,185,618
2.2.2. Other Revocable Commitments		681	-	681	-	-	681
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>11,178,507</b>	<b>34,393,584</b>	<b>45,572,091</b>	<b>8,552,240</b>	<b>26,464,037</b>	<b>35,016,277</b>
3.1. Hedging Purpose Derivatives		1,060,970	1,386,231	2,447,201	670,110	798,007	1,468,117
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		1,060,970	1,386,231	2,447,201	670,110	798,007	1,468,117
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		10,117,537	33,007,353	43,124,890	7,882,130	25,666,030	33,548,160
3.2.1. Forward Foreign Currency Purchases/Sales		715,452	2,760,454	3,475,906	511,009	2,814,070	3,325,079
3.2.1.1. Forward Foreign Currency Purchases		389,651	1,348,349	1,738,000	277,093	1,386,445	1,663,538
3.2.1.2. Forward Foreign Currency Sales		325,801	1,412,105	1,737,906	233,916	1,427,625	1,661,541
3.2.2. Currency and Interest Rate Swaps		3,092,515	22,955,472	26,047,987	2,164,922	16,783,378	18,948,300
3.2.2.1. Currency Swaps-Purchases		679,737	9,544,742	10,224,479	589,074	6,478,251	7,067,325
3.2.2.2. Currency Swaps-Sales		2,412,778	7,791,186	10,203,964	1,575,848	5,157,773	6,733,621
3.2.2.3. Interest Rate Swaps-Purchases		-	2,809,772	2,809,772	-	2,573,677	2,573,677
3.2.2.4. Interest Rate Swaps-Sales		-	2,809,772	2,809,772	-	2,573,677	2,573,677
3.2.3. Currency, Interest Rate and Security Options		6,158,785	7,169,777	13,328,562	5,087,278	5,750,115	10,837,393
3.2.3.1. Currency Options-Purchases		2,909,727	3,534,021	6,443,748	2,284,503	3,094,658	5,379,161
3.2.3.2. Currency Options-Sales		3,084,058	3,293,577	6,377,635	2,742,775	2,587,603	5,330,378
3.2.3.3. Interest Rate Options-Purchases		-	254,371	254,371	-	33,927	33,927
3.2.3.4. Interest Rate Options-Sales		165,000	87,808	252,808	60,000	33,927	93,927
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		150,785	121,650	272,435	118,921	318,467	437,388
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>157,102,252</b>	<b>34,479,318</b>	<b>191,581,570</b>	<b>132,838,689</b>	<b>31,165,180</b>	<b>164,003,869</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>29,978,109</b>	<b>1,186,997</b>	<b>31,165,106</b>	<b>20,513,435</b>	<b>1,082,972</b>	<b>21,596,407</b>
4.1. Customers' Securities and Portfolios Held		26,961	-	26,961	-	-	-
4.2. Securities Held in Custody		28,413,322	152,047	28,565,369	19,383,936	171,841	19,555,777
4.3. Checks Received for Collection		706,342	841,390	1,547,732	433,232	710,194	1,143,426
4.4. Commercial Notes Received for Collection		830,912	185,474	1,016,386	695,793	192,679	888,472
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	8,086	8,086	-	8,258	8,258
4.8. Custodians		572	-	572	474	-	474
<b>V. PLEDGED ITEMS</b>		<b>126,809,963</b>	<b>32,996,951</b>	<b>159,806,914</b>	<b>112,047,714</b>	<b>29,793,074</b>	<b>141,840,788</b>
5.1. Securities		1,952,617	265,799	2,218,416	1,939,615	220,255	2,159,870
5.2. Guarantee Notes		83,392,244	13,305,785	96,698,029	74,011,769	12,047,367	86,059,136
5.3. Commodities		6,027,187	2,058,523	8,085,710	5,855,316	1,684,076	7,539,392
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		30,988,981	13,292,592	44,281,573	26,801,855	12,028,038	38,829,893
5.6. Other Pledged Items		4,448,934	4,074,252	8,523,186	3,439,159	3,813,338	7,252,497
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>314,180</b>	<b>295,370</b>	<b>609,550</b>	<b>277,540</b>	<b>289,134</b>	<b>566,674</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>191,539,346</b>	<b>81,342,247</b>	<b>272,881,593</b>	<b>157,218,391</b>	<b>67,555,176</b>	<b>224,773,567</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED 31 MARCH 2013 AND 2012**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

INCOME AND EXPENSE ITEMS	Footnotes	REVIEWED CURRENT PERIOD (01/01-31/03/2013)	REVIEWED PRIOR PERIOD (01/01-31/03/2012)
<b>I. INTEREST INCOME</b>	(5.IV.1)	1,349,038	1,170,480
1.1 Interest from Loans		1,057,825	887,598
1.2 Interest from Reserve Deposits		-	-
1.3 Interest from Banks		2,237	4,560
1.4 Interest from Money Market Transactions		955	22,149
1.5 Interest from Securities Portfolio		246,452	227,954
1.5.1 Trading Securities		48,372	14,767
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		190,241	151,199
1.5.4 Held to Maturity Securities		7,839	61,988
1.6 Interest from Financial Leases		31,944	21,688
1.7 Other Interest Income		9,625	6,531
<b>II. INTEREST EXPENSE</b>	(5.IV.2)	536,718	599,472
2.1 Interest on Deposits		427,648	483,735
2.2 Interest on Funds Borrowed		66,001	79,555
2.3 Interest on Money Market Transactions		12,121	17,087
2.4 Interest on Securities Issued		17,495	10,194
2.5 Other Interest Expense		13,453	8,901
<b>III. NET INTEREST INCOME (I - II)</b>		812,320	571,008
<b>IV. NET FEES AND COMMISSION INCOME /EXPENSE</b>	(5.IV.10)	151,934	115,336
4.1 Fees and Commissions Received		206,354	171,280
4.1.1 Non-Cash Loans		24,279	18,564
4.1.2 Other		182,075	152,716
4.2 Fees and Commissions Paid		54,420	55,944
4.2.1 Non-Cash Loans		170	404
4.2.2 Other		54,250	55,540
<b>V. DIVIDEND INCOME</b>		53	-
<b>VI. TRADING INCOME/LOSS (Net)</b>	(5.IV.3)	95,161	(44,651)
6.1 Profit / Loss on Securities Trading		125,370	18,269
6.2 Profit / Loss on Derivative Financial Transactions		(28,770)	(347,837)
6.3 Foreign Exchange Gains / Losses		(1,439)	284,917
<b>VII. OTHER OPERATING INCOME</b>	(5.IV.4)	121,814	82,846
<b>VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		1,181,282	724,539
<b>IX. PROVISION FOR LOANS AND OTHER RECEIVABLES (-)</b>	(5.IV.5)	329,076	132,502
<b>X. OTHER OPERATING EXPENSES (-)</b>	(5.IV.6)	438,660	348,877
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		413,546	243,160
<b>XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII. INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY METHOD</b>		-	-
<b>XIV. GAIN/LOSS ON NET MONETARY POSITION</b>		-	-
<b>XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	(5.IV.7)	413,546	243,160
<b>XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	(5.IV.8)	(100,268)	(63,441)
16.1 Current Tax		(56,274)	(98,235)
16.2 Deferred Tax		(43,994)	34,794
<b>XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)</b>	(5.IV.9)	313,278	179,719
<b>XVIII. PROFIT FROM DISCONTINUED OPERATIONS</b>		-	-
18.1 Assets Held for Sale		-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-
18.3 Other		-	-
<b>XIX. LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1 Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.3 Other		-	-
<b>XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		-	-
<b>XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>	(5.IV.8)	-	-
21.1 Current Tax		-	-
21.2 Deferred Tax		-	-
<b>XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>		-	-
<b>XXIII. NET PROFIT / LOSS (XVII+XXII)</b>	(5.IV.9)	313,278	179,719
23.1 Group's Profit / Loss		312,455	178,278
23.2 Minority Shares		823	1,441
Earnings / Losses per Share (Per thousand share)		0.44	0.25

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF RECOGNIZED**  
**PROFITS AND LOSSES ACCOUNTED FOR**  
**UNDER EQUITY**  
**FOR THE PERIODS ENDED 31 MARCH 2013 AND 2012**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of*  
*Consolidated Financial Report*  
*Originally Issued in Turkish,*  
*See Note 3.1.2*

	REVIEWED CURRENT PERIOD (01/01-31/03/2013)	REVIEWED PRIOR PERIOD (01/01-31/03/2012)
I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	(233,247)	54,376
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(11,694)	(18,748)
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	16,050	623
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	7,558	30,288
VII. THE EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER EQUITY DUE TO TAS	-	-
IX. DEFERRED TAXES OF VALUATION DIFFERENCES	46,601	(11,140)
X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	(174,732)	55,399
XI. CURRENT PERIOD PROFIT/LOSS	313,278	179,719
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	131,122	16,205
1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	-	-
1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
1.4 Other	182,156	163,514
XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)	138,546	235,118

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIODS ENDED 31 MARCH 2013 AND 2012**  
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2

CHANGES IN SHAREHOLDERS' EQUITY	Paid-In Capital	Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Securities Revaluation Reserve	Revaluation Fund of Tang./Intang. A.	Bonus Shares Obtained from Associates	Hedging Reserves	Val. Diff. Related to Assets Held for Sale/Disc. Opr.	Total Equity Attrib. to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
<b>REVIEWED PRIOR PERIOD (01/01-31/03/2012)</b>																		
I. Balances at the Beginning of Period	716,100	189,164	98,411	-	109,757	-	2,006,563	108,995	1,061,546	518,248	(14,203)	856	11	(167,502)	-	4,627,946	13,517	4,641,463
Changes in the Period																		
II. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	-	-	-	-	-	-	-	-	-	-	43,164	-	-	-	-	43,164	-	43,164
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	30,983	-	30,983	-	30,983
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	695	-	695	-	695
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	30,288	-	30,288	-	30,288
V. Revaluation Fund of Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Fund of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences	-	-	-	-	-	-	-	(18,748)	-	-	-	-	-	-	-	(18,748)	-	(18,748)
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(199)	(199)
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	178,278	-	-	-	-	-	-	178,278	1,441	179,719
XVIII. Profit Distribution	-	-	-	-	39,804	-	528,972	-	(1,061,546)	187,572	-	305,198	-	-	-	-	-	-
18.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves	-	-	-	-	39,804	-	528,972	-	(1,061,546)	187,572	-	305,198	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX)</b>	<b>716,100</b>	<b>189,164</b>	<b>98,411</b>	<b>-</b>	<b>149,561</b>	<b>-</b>	<b>2,535,535</b>	<b>90,247</b>	<b>178,278</b>	<b>705,820</b>	<b>28,961</b>	<b>306,054</b>	<b>11</b>	<b>(136,519)</b>	<b>-</b>	<b>4,861,623</b>	<b>14,759</b>	<b>4,876,382</b>
<b>REVIEWED CURRENT PERIOD (01/01-31/03/2013)</b>																		
I. Balances at the Beginning of Period	716,100	189,164	98,411	-	149,561	-	2,535,535	87,789	717,427	705,820	297,599	306,054	11	(154,611)	-	5,648,860	15,764	5,664,624
Changes in the Period																		
II. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	-	-	-	-	-	-	-	-	-	-	(186,156)	-	-	-	-	(186,156)	-	(186,156)
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	23,118	-	23,118	-	23,118
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	15,560	-	15,560	-	15,560
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	7,558	-	7,558	-	7,558
V. Revaluation Fund of Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Fund of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences	-	-	-	-	-	-	-	(11,694)	-	-	-	-	-	-	-	(11,694)	-	(11,694)
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	(175)	-	-	-	-	-	(175)	175	-
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	312,455	-	-	-	-	-	-	312,455	823	313,278
XVIII. Profit Distribution	-	-	-	-	-	-	812,631	-	(717,427)	(95,204)	-	-	-	-	-	-	-	-
18.1 Dividend Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves	-	-	-	-	-	-	812,631	-	(717,427)	(95,204)	-	-	-	-	-	-	-	-
18.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (I+II+III+....+XVI+XVII+XVIII)</b>	<b>716,100</b>	<b>189,164</b>	<b>98,411</b>	<b>-</b>	<b>149,561</b>	<b>-</b>	<b>3,348,166</b>	<b>76,095</b>	<b>312,455</b>	<b>610,441</b>	<b>111,443</b>	<b>306,054</b>	<b>11</b>	<b>(131,493)</b>	<b>-</b>	<b>5,786,408</b>	<b>16,762</b>	<b>5,803,170</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE PERIODS ENDED 31 MARCH 2013 AND 2012**  
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

	REVIEWED CURRENT PERIOD (01/01-31/03/2013)	REVIEWED PRIOR PERIOD (01/01-31/03/2012)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)</b>	<b>713,365</b>	<b>1,360,831</b>
1.1.1 Interest Received (+)	1,287,887	1,432,198
1.1.2 Interest Paid (-)	472,387	538,953
1.1.3 Dividend Received (+)	53	-
1.1.4 Fees And Commissions Received (+)	177,822	169,107
1.1.5 Other Income (+)	125,370	385,468
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)	148,088	110,221
1.1.7 Payments to Personnel and Service Suppliers (-)	160,618	151,821
1.1.8 Taxes Paid (-)	23,575	18,068
1.1.9 Other (+/-)	(369,275)	(27,321)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(1,925,128)</b>	<b>1,322,114</b>
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)	(296,797)	95,704
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)	-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)	463,966	1,849
1.2.4 Net (Increase) Decrease in Loans (+/-)	(3,620,456)	(1,727,451)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(541,649)	(145,782)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)	613,617	813,207
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)	2,244,836	3,401,838
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)	356,245	(172,722)
1.2.9 Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(1,144,890)	(944,529)
<b>I. Net Cash (Used in)/Provided from Banking Operations (+/-)</b>	<b>(1,211,763)</b>	<b>2,682,945</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from / (Used in) Investing Activities (+/-)</b>	<b>(149,108)</b>	<b>(2,394,028)</b>
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)	120	-
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)	-	-
2.3 Fixed Assets Purchases (-)	8,464	32,246
2.4 Fixed Assets Sales (+)	3,924	2,379
2.5 Cash Paid for Purchase of Investments Available for Sale (-)	3,097,590	4,335,609
2.6 Cash Obtained From Sale of Investments Available for Sale (+)	2,953,142	1,971,448
2.7 Cash Paid for Purchase of Investment Securities (-)	-	-
2.8 Cash Obtained from Sale of Investment Securities (+)	-	-
2.9 Other (+/-)	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from / (Used in) Financing Activities (+/-)</b>	<b>924,206</b>	<b>(391,203)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)	1,637,151	98,952
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	712,945	490,155
3.3 Capital Increase (+)	-	-
3.4 Dividends Paid (-)	-	-
3.5 Payments for Finance Leases (-)	-	-
3.6 Other (+/-)	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>	<b>14,857</b>	<b>(70,742)</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(421,808)</b>	<b>(173,028)</b>
<b>VI. Cash and Cash Equivalents at the Beginning of Period (+)</b>	<b>3,593,326</b>	<b>4,788,325</b>
<b>VII. Cash and Cash Equivalents at the End of Period</b>	<b>3,171,518</b>	<b>4,615,297</b>

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

## **SECTION THREE**

### **ACCOUNTING POLICIES**

#### **I. Basis of presentation**

##### **1. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents**

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

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

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

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

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

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS.

There are no items subject to different accounting policies in the preparation of these consolidated financial statements.

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

##### **2. Additional paragraph for convenience translation to English**

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.



**3. Disclosures related to the changes in accounting policies and financial statement presentation**

*Disclosures related to other reclassifications*

None.

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

**1. Strategy for the use of financial instruments**

Denizbank Financial Services Group's ("DFS Group") external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The majority of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity. The liquidity structure, insures meeting all liabilities falling due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

DFS Group assumes risks within the pre-determined risk limits short-term currency, interest and price movements in money and capital markets and market conditions.

These positions are closely monitored by the Risk Management System of the Parent Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration. The Parent Bank hedges a portion of its floating rate liabilities by interest rate swaps for cash flow risk.

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

No risks are taken as far as possible on foreign currencies other than US Dollar and Euro. If the position taken because of customer based activities exceeds 0.001% of the balance sheet size, counter transactions are made to cover the position.

Net foreign currency position of DFS Group in foreign enterprises is considered along with the position of the Parent Bank and the specific position is evaluated within the risk limits.

**2. Transactions denominated in foreign currencies**

**2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements**

DFS Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of the balance sheet date are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TL by using foreign currency exchange rates of the Parent Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates are as follows.

	<u>31 March 2013</u>	<u>31 December 2012</u>	<u>31 March 2012</u>
US Dollar	TL 1.8087	TL 1.7776	TL 1.7729
Euro	TL 2.3189	TL 2.3452	TL 2.3664

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

Net foreign exchange loss included in the income statement amounts to TL 1,439 (1 January - 31 March 2012: net foreign exchange gain of TL 284,917).

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

The assets and liabilities of foreign operations are translated to TL at foreign exchange rates of the Parent Bank ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to TL at three monthly average foreign exchange rates of the Parent Bank. The foreign exchange differences derived from translation of income statements of consolidated subsidiaries, and arising from the difference between TL equivalent of their equities and the Parent Bank's share in their net assets are recorded in "other profit reserves". As of 31 March 2013, total foreign exchange differences in equity amount to TL 65,898 (31 December 2012: TL 77,817).

The foreign exchange difference of TL 10,197 (31 December 2012: TL 9,972) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to TL is recorded in "other profit reserves".

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

**III. Information regarding the consolidated subsidiaries**

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

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

Established in 1996 by the former Esbank in Vienna, Esbank AG was acquired by Denizbank in 2002 and was renamed as "Denizbank AG" in 2003. The Parent Bank has 89.56% of shares of Denizbank AG and Deniz Leasing has 10.43% of shares of Denizbank AG. Headquartered in Austria, DenizBank AG has a network of 13 branches, including twelve branches in Austria and one branch in Germany. DenizBank AG operates with an extensive range of deposit and loan products in Retail and Commercial Banking, and offers its services to corporate, commercial, SME and retail clients by

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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focusing on products such as investment loans and project and foreign trade finance based on market needs and identified opportunities.

CJSC Denizbank, The Parent Bank, in the beginning of 2003 acquired 49% of shares of İktisat Bank Moscow. The other remaining shares with 51% were acquired by the Denizbank AG. Following these acquisitions, the name of İktisat Bank Moscow was changed as CSJC Denizbank Moscow. CJSC The Bank offers a full array of banking services to its corporate and commercial customers from its head office in Moscow.

Acquired by DenizBank from the Savings Deposit Insurance Fund of Turkey in 2002, the Bank was renamed EuroDeniz International Banking Unit (IBU) Limited in February 2009. 99.91% of shares of Eurodeniz are owned by the Parent Bank. The Bank is an off-shore company licensed to undertake all commercial banking operations, and offers various deposit and loan products to the corporate and commercial customer segments.

Deniz Yatırım, was established as associate of the Parent Bank in 1998. 99.96% of shares of Deniz Yatırım are owned by the Parent Bank. The Company is providing intermediary services for trading of capital market instruments, performing portfolio management, providing intermediary services for trading derivatives, and realizing trading activities of securities with repo and reverse repo commitments.

Ekspres Yatırım was acquired by the Parent Bank and Deniz Yatırım in 2002 in order to provide research, investment consultancy and intermediary services for equity share investments to foreign institutional investors. 70.58% of shares of Ekspres Yatırım are owned by the Parent Bank and 29.42% of shares of Ekspres Yatırım are owned by Deniz Yatırım.

Deniz Yatırım Ortaklığı, joined the DenizBank Financial Services Group as a subsidiary of Deniz Yatırım at the end of 2001; its name was changed to Deniz Yatırım Ortaklığı A.Ş. in 2002. Deniz Yatırım Ortaklığı manages a portfolio consisting of capital markets instruments, as well as gold and other precious metals that trade on national and international exchanges, and other over-the-counter markets. 55.8% of shares of Deniz Yatırım Ortaklığı are owned by Deniz Yatırım, remaining amount 44.2% is publicly held.

Deniz Portföy, Deniz Yatırım acquired 98.43% of shares of Ege Portföy Yönetimi A.Ş. on May 2003, and changed its name as Deniz Portföy Yönetimi A.Ş.. Deniz Portföy provides service in the field of mutual funds management. 99.97% of shares of Deniz Portföy are owned by Deniz Yatırım.

Deniz Faktoring, the Parent Bank acquired 99.99% of shares of the company on February 2005. Deniz Faktoring provides both domestic and international factoring services to its clients in the SME, commercial, corporate, and public banking segments. 100% of shares of Deniz Faktoring are owned by the Parent Bank.

Deniz Leasing, the Parent Bank acquired 10.87% of shares of the company on February 2005 (89.13% of shares owned by Deniz Faktoring). It provides financial leasing services to investors in the corporate, commercial and SME segments. 83.62% of shares of Deniz Leasing are owned by the Parent Bank and 16.38% of shares are owned by Deniz Faktoring.

Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ("Intertech") and Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ("Deniz Kültür") which are also the subsidiaries of the Parent Bank, Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") a jointly controlled entity of the Parent Bank, and Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş. ("Pupa") a subsidiary of Deniz Leasing, Deniz Kartlı Ödeme Sistemleri A.Ş. a subsidiary of Intertech and Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş. are not consolidated since they are non-financial subsidiaries.

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

#### **Consolidation principles for subsidiaries**

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

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

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

The carrying amount of the Parent Bank's investment in each subsidiary and the Parent Bank's portion of equity of each subsidiary are eliminated.

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

The financial statements which have been used in the consolidation are prepared as of 31 March 2013 and appropriate adjustments are made to financial statements to use uniform accounting policies for transactions and events alike in similar circumstances, in accordance with the principal of materiality.

#### **IV. Explanations on forward transactions, options and derivative instruments**

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

In accordance with TAS 39 "Financial Instruments: Recognition and Measurement", forward foreign currency purchase/sale contracts, swaps, options and futures that are classified as "hedging-purpose" and "trading purpose" transactions. Derivative transactions are recorded with their fair values at contract date. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts.

The derivative transactions are valued at fair value using market prices or pricing models subsequent to initial recognition and are presented in the "Positive Value of Trading / Hedging Purpose Derivatives" and "Negative Value of Trading / Hedging Purpose Derivatives" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value are recognized in the income statement for trading purpose derivatives. The effective portion of the fair value changes are recognized in the shareholders' equity, while the ineffective portion is accounted for in the income statement for hedging purpose derivatives.

**V. Explanations on interest income and expenses**

Interest income and expenses are recognized as they are accrued taking into account the internal rate of return method. Interest accrual does not start until non-performing loans become performing and are classified as performing loans or until collection in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside", published in the Official Gazette No. 26333 dated 1 November 2006, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

**VI. Explanations on fees and commissions**

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

**VII. Explanations on financial assets**

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

**1. Financial assets at fair value through profit or loss**

**1.1 *Financial assets held for trading***

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

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

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

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

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

DFS Group does not have any securities designated as "financial assets at fair value through profit or loss".

**2. Investment securities available-for-sale**

Available-for-sale assets are financial assets that are not loans and receivables, held to maturity investments and financial assets at fair value through profit or loss.

After the recognition, financial assets available for sale are remeasured at fair value. Interest income arising from available for sale calculated with "Effective interest method" and dividend income from equity securities are reflected to the income statements. Unrealized gains and losses arising from the differences at fair value of securities classified as available for sale and that is representing differences between amortized cost calculated with effective interest method and fair value of financial assets are recognized under the account of "Marketable securities valuation differences" inside shareholder's equity items. When these securities are collected or disposed of, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

**3. Investment securities held-to-maturity**

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

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

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

There are no financial assets that are banned from being classified as investment securities held-to-maturity for two years due to the violation of the tainting rule.

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

**4. Loans and specific provisions**

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

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

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



Specific and general allowances are made in accordance with the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette numbered 26333 dated 1 November 2006, and which was amended with the communiqué published in the Official Gazette numbered 27513 dated 6 March 2010.

When collections are made on loans that have been provided for, they are credited to the income statement accounts "Provision for Loan Losses or Other Receivables" if the provision was made in the current year, otherwise such collections are credited to "Other Operating Income" account with respect to allowances made in prior years. The interest income recovered is booked in "Other Interest Income" account.

**VIII. Explanations on impairment of financial assets**

If the amount computed by discounting expected future cash flows of a financial asset using the effective interest rate method or (if any) its fair value is lower than its carrying value that financial asset is considered to be impaired; in that case provision is provided for the impairment of the financial asset and it is recognized as expense. An explanation about the impairment of loans and receivables is given in Note VII-4

**IX. Explanations on offsetting financial instruments**

Financial assets and liabilities are offset when a party has a legally applicable right to set off, the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously, otherwise whatever offsetting is not done.

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

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

Securities received with resale commitments are presented under "Reverse Repurchase Agreements" line in the balance sheet. The accrual amounts for the corresponding part to the period of the resale and repurchase price difference determined in reverse repurchase agreements, are calculated using the "Effective interest method".

**XI. Explanations on assets held for sale and discontinued operations**

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

The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single balance. A discontinued operation is a division of a bank that is either disposed or held for sale and represents a separate major line of business or geographical area of operations; or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

As 31 March 2013, DFS Group does not have non-current assets held for sale and a discontinued operation (31 December 2012: None).

**XII. Explanations on goodwill and other intangible assets**

There is no goodwill in the accompanying consolidated financial statements as of the balance sheet dates.

All intangible assets are initially recognized at cost in accordance with TAS 38 "Intangible Assets".

The Group's intangible assets consist of software and license rights.

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

Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

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

### **XIII. Explanations on tangible assets**

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

Tangible assets purchased before 2003 and in 2007 are depreciated on a straight-line basis and those purchased in 2003, 2004, 2005 and 2006 are depreciated using the double-declining method. The depreciation rates used are as below.

	Estimated Economic Life (Year)	Received before 2003 year	Received between 2003- 2006 years	received in 2007	received between 2008-2013 years
<b>Movables</b>					
- Office machinery	4 YEARS	20%	%40 - %50	%20 - %25	%10 - %25
- Furniture/Furnishing	5 YEARS	20%	%20 - %50	%10 - %20	%12.50 - %20
- Means of transport	5 YEARS	20%	%40 - %50	%20 - %50	%20 - %50
- Other equipment	10 YEARS	20%	%4.44 - %50	%2.50 - %50	%2.50 - %50
<b>Real estates</b>	50 YEARS	2%	%2	%2	%2 - % 2,94

As of 31 March 2013 the Parent Bank has an impairment provision of TL 4,402, which had been recorded in the prior years for its buildings.

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

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

#### **XIV. Explanations on leasing activities**

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

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

Specific provisions for non-performing financial lease receivables of DFS Group are provided for in accordance with the "Communiqué On Procedures and Principles For The Provisions To Be Set Aside By Financial Leasing, Factoring and Financing Companies For Their Receivables" published in the Official Gazette numbered 26588 dated 20 July 2007 and it represented under loans and specific provision for receivables in the enclosed consolidated balance sheet.

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

#### **XV. Explanations on provisions and contingent liabilities**

Provisions other than specific and general provisions for loans and other receivables and free provisions for probable risks, and contingent liabilities are provided for in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by DFS Group management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured reliably, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Based on the representations of the Parent Bank's attorneys, there are 1,580 lawsuits against DFS Group with total risks amounting to TL 95,808, US Dollar 3,437,741 and Euro 5,754,969 as of 31 March 2013. There are also 6,532 follow-up cases amounting to TL 173,662, US Dollar 210,468 and Euro 65,247 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 18,435 for the continuing lawsuits (31 December 2012: TL 18,549).

According to the decision of the Competition Authority numbered 11-55/1438-M dated 2 November 2011, an investigation process initiated in order to determine a contravention to the 4th clause of the Act on the Protection of Competition Law No 4054, against 12 banks and 2 firms in financial services industry including DenizBank, was completed on 8 March 2013. It has been agreed by a majority to impose an administrative fine of TL 23,055 to the Parent Bank on the condition that the decision can be appealed against before Ankara Administrative Court. The penalty will be paid as TL 17,292 thousand as three fourths of the main penalty as per Article 17 of the Misdemeanors Law, no 5326 within 30 days upon service of the reasoned decision. The right to appeal of the Parent Bank is reserved. The relevant provision for the administrative fine is allocated in the consolidated financial statements.

## **XVI. Explanations on obligations for employee benefits**

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

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

DFS Group, in accordance with TAS 19 "Employee Benefits" realized provision registry under the condition of prediction of present value of possible liability in the future related to employee termination benefits. The Bank, employee termination benefits calculated by an independent actuary and vacation accruals have been calculated upon employees' unused vacation days have been recognized in the consolidated financial statements.

## **XVII. Explanations on taxation**

### **1. Current taxes**

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

Companies file their corporate tax returns between the 1st and 25th days of the following four months period after to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the "Current Tax Liability" in the liabilities and "Current Tax Provision" in the income statement.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

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

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

**2. Deferred taxes**

In accordance with TAS 12 "Income Taxes", DFS Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Individual deferred tax assets and liabilities of the consolidated entities have been offset in their separate financial statements, but have not been offset in the consolidated balance sheet. As a result of offsetting, deferred tax assets of TL 99,616 (31 December 2012: TL 100,061) and deferred tax liabilities of TL 6,946 (31 December 2012: TL 9,440) have been recognized in the accompanying financial statements.

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

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

**XVIII. Additional explanations on borrowings**

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

General hedging techniques are used for borrowings against liquidity and currency risks. The Parent Bank applies cash flow hedge accounting to maintain protection for a portion of its floating rate liabilities by interest rate swaps. The Parent Bank, if required, borrows funds from domestic and foreign institutions. The Parent Bank can also borrows funds in the forms of syndication loans and securitization loans from foreign institutions.

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

**XIX. Explanations on issuance of share certificates**

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

**XX. Explanations on acceptances**

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

**XXI. Explanations on government grants**

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

**XXII. Explanations on segment reporting**

Segment reporting is presented in Section Four, Footnote VI.

**XXIII. Explanations on other matters**

None.



## **SECTION FOUR**

### **CONSOLIDATED FINANCIAL POSITION**

#### **I. Explanations related to the consolidated capital adequacy standard ratio**

As per the revised "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" effective from 1 July 2012, the consolidated capital adequacy ratio is 12.49% as of 31 March 2013 (unconsolidated capital adequacy ratio: 14.07%). This ratio is above the minimum rate specified in the related regulation.

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

Consolidated capital adequacy ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (the "Regulations")", "Regulation on Credit Risk Mitigation Techniques" published in the Official Gazette no.28337, dated 28 June 2012 and the "Regulation on Equities of Banks" published in the Official Gazette no.2633, dated 1 November 2006.

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

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

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

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

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

**2. Consolidated and unconsolidated capital adequacy ratios**

Risk Weighted Assets									
Consolidated									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Credit Risk Base	--	--	249,363	2,575,954	9,421,277	31,180,270	2,091,815	4,068,406	--
Risk classifications									
Conditional and unconditional receivables from central governments or central banks	14,217,296	--	--	--	--	337,480	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	459,980	28,004	--	30,852	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	53,219	523,874	--	261,984	8	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	28,688,269	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	12,561,702	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	4,377,633	--	--	--	--	--
Past due receivables	--	--	--	--	--	348,472	128,017	--	--
Receivables defined in high risk category by BRSA	--	--	--	26,916	--	26,263	1,266,455	2,034,203	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	733,596	195,480	--	327,208	63	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	914,924	--	19	--	--	1,159,741	--	--	--

Risk Weighted Assets									
The Parent Bank									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Credit Risk Base	--	--	150,700	2,473,330	9,062,170	21,176,424	1,957,457	4,068,406	--
Risk classifications									
Conditional and unconditional receivables from central governments or central banks	13,137,992	--	--	--	--	337,480	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	459,980	134	--	387	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	--	--	--	--	--	1	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--	--	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	--	--	29,375	440,467	--	39,947	7	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	18,225,418	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	12,082,894	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	4,377,633	--	--	--	--	--
Past due receivables	--	--	--	--	--	306,375	58,594	--	--
Receivables defined in high risk category by BRSA	--	--	--	4,791	--	23,875	1,246,307	2,034,203	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	264,128	123,636	--	160,892	63	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	875,637	--	19	--	--	2,082,050	--	--	--

**DENİZBANK ANONİM ŞİRKETİ**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 MARCH 2013**

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of  
Consolidated Financial Report  
Originally Issued in Turkish,  
See Note 3.1.2*

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

	Consolidated		The Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Capital Requirement for Credit Risk	3,966,967	3,686,195	3,111,079	2,932,147
Capital Requirement for Market Risk	83,502	68,371	56,426	48,889
Capital Requirement for Operational Risk	364,719	331,456	305,076	279,947
Equity	6,892,303	6,683,721	6,107,229	5,958,550
Equity / (CRCR+CRMR+CROR)*12.5*100	12.49%	13.09%	14.07%	14.62%

CRCR: Capital Requirement for Credit Risk (Risk Weighted Assets \* 0.08)

CRMR: Capital Requirement for Market Risk

CROR: Capital Requirement for Operational Risk

**4. Components of consolidated shareholders' equity**

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	716,100	716,100
Nominal Capital	716,100	716,100
Capital Commitments (-)	--	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189,164	189,164
Share Premium	98,411	98,411
Share Cancellation Profit	--	--
Legal Reserves	3,573,822	2,772,885
Adjustment to Legal Reserves	--	--
Profit	922,896	1,423,247
Current Period Profit	312,455	717,427
Prior Periods' Profits	610,441	705,820
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	74,474	74,351
Gains on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital	306,054	306,054
Primary Subordinated Loans	--	--
Minority Interest	16,762	15,764
Losses that is not covered with reserves (-)	--	--
Net Current Period Loss	--	--
Prior Periods' Losses	--	--
Operating Lease Development Costs (-)	85,080	90,969
Intangible Assets (-)	96,741	98,346
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--	--
Amount Excess of Article 56/3 of the Law (-)	--	--
Consolidation Goodwill (Net) (-)	--	--
<b>Total Core Capital</b>	<b>5,715,862</b>	<b>5,406,661</b>
<b>SUPPLEMENTARY CAPITAL</b>		--
General Reserves	488,359	443,897
45% of Increase in Revaluation Fund of Movable Fixed Assets	--	--
45% of Increase in Revaluation Fund of Properties	--	--
Bonus Shares of Associates, Subsidiaries and Entities Under Common Control not Recognized in Profit	11	11
Primary Subordinated Loans Excluded from the Core Capital	--	--
Secondary Subordinated Loans	675,039	737,134
45% of Value Increase Fund of Financial Assets Available for Sale and Associates and Subsidiaries	50,149	133,920
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal reserves)	--	--

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Minority Interest	--	--
<b>Total Supplementary Capital</b>	<b>1,213,558</b>	<b>1,314,962</b>
<b>CAPITAL</b>	<b>6,929,420</b>	<b>6,721,623</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>37,117</b>	<b>37,902</b>
Shares in Unconsolidated Banks and Financial Institutions	--	--
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	--	--
Shares in Banks and Financial Institutions Accounted for under the Equity Method	--	--
Loans Granted in Violation of the Articles 50 and 51 of the Law	--	--
Amount in Excess of 50% of the Equities of the Net Book Value of the Properties of the Banks, and Net Book Value of the Assets Held for Resale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years after Foreclosure	35,021	35,350
Securitization Positions - Adopting the Method of Deducting from Equity	--	--
Others	2,096	2,552
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,892,303</b>	<b>6,683,721</b>

## II. Explanations related to the consolidated market risk

Whether the group within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

The Parent Bank has defined its risk management procedures and has taken necessary precautions in order to avoid market risks, in compliance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks". As the main precaution against being exposed to market risk, the Parent Bank's Board of Directors identifies risk limits determined in the context of economic capital.

Standard method and the internal risk measurement model are used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis. Internal risk measurement model is applied on a daily basis.

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

### 1. Market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	27,907
(II) Capital Obligation against Specific Risk - Standard Method	1,467
Capital Obligation against Specific Risk of Securitization Positions- Standard Method	--
(III) Capital Obligation against Currency Risk - Standard Method	38,677
(IV) Capital Obligation against Commodity Risk - Standard Method	273
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk - Standard Method	97
(VII) Capital Obligation against Counterparty Credit Risk - Standard Method	15,081
(VIII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
<b>(IX) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI+VII)</b>	<b>83,502</b>
<b>(X) Value-At-Market-Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>1,043,775</b>

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

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

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

Foreign currency exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with "Regulation on Bank's Internal Control and Risk Management Systems". Value at Risk approach is used to measure the exchange rate risk and calculations are made on a daily basis.

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

**2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives**

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

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

**3. Foreign exchange risk management strategy**

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

**4. The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date**

US Dollar purchase rate as at the balance sheet date TL 1.8087  
Euro purchase rate as at the balance sheet date TL 2.3189

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 March 2013	1.8140	2.3551
26 March 2013	1.8168	2.3379
27 March 2013	1.8176	2.3257
28 March 2013	1.8137	2.3206
29 March 2013	1.8087	2.3189

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

The arithmetical average US Dollar and Euro purchase rates for March 2013 are TL 1.8073 and TL 2.3439, respectively.

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**6. Information on currency risk**

Current Period	EUR	USD	Other FC (****)	Total
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,886,947	2,476,378	852,771	5,216,096
Due from Banks and Other Financial Institutions	950,791	276,698	76,818	1,304,307
Financial Assets at Fair Value Through Profit or Loss	39,643	52,417	--	92,060
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	974,129	337,480	134,767	1,446,376
Loans (*)	4,900,301	10,649,646	366,975	15,916,922
Investments in Subsidiaries and Associates	--	--	--	--
Investment Securities Held-to-Maturity	109,346	6,261	--	115,607
Hedging Purpose Financial Derivatives	--	26,320	--	26,320
Tangible Assets	7,010	77	1,415	8,502
Intangible Assets	1,973	41	2,658	4,672
Other Assets (**)	790,417	836,547	168,578	1,795,542
<b>Total Assets</b>	<b>9,660,557</b>	<b>14,661,865</b>	<b>1,603,982</b>	<b>25,926,404</b>
<b>Liabilities</b>				
Bank Deposits	817,118	503,280	480,000	1,800,398
Foreign Currency Deposits	10,413,125	6,734,902	734,553	17,882,580
Interbank Money Markets	--	--	64,261	64,261
Funds Borrowed from Other Financial Institutions	2,979,629	3,974,300	35,054	6,988,983
Marketable Securities Issued	--	--	--	--
Miscellaneous Payables	47,748	52,471	12,261	112,480
Hedging Purpose Financial Derivatives	--	2,851	--	2,851
Other Liabilities(***)	821,676	659,212	7,492	1,488,380
<b>Total Liabilities</b>	<b>15,079,296</b>	<b>11,927,016</b>	<b>1,333,621</b>	<b>28,339,933</b>
<b>Net "On Balance Sheet Position"</b>	<b>(5,418,739)</b>	<b>2,734,849</b>	<b>270,361</b>	<b>(2,413,529)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>5,794,094</b>	<b>(2,526,435)</b>	<b>(192,413)</b>	<b>3,075,246</b>
Financial Derivatives (Assets)	9,327,162	10,334,327	744,031	20,405,520
Financial Derivatives (Liabilities)	3,533,068	12,860,762	936,444	17,330,274
Non-Cash Loans	2,160,228	5,424,953	300,493	7,885,674
<b>Prior Period</b>				
Total Assets	9,295,962	13,433,820	1,306,391	24,036,173
Total Liabilities	13,517,612	11,184,606	844,119	25,546,337
<b>Net "On Balance Sheet Position"</b>	<b>(4,221,650)</b>	<b>2,249,214</b>	<b>462,272</b>	<b>(1,510,164)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>4,517,876</b>	<b>(1,881,279)</b>	<b>(362,317)</b>	<b>2,274,280</b>
Financial Derivatives (Assets)	6,801,606	7,935,025	480,824	15,217,455
Financial Derivatives (Liabilities)	2,283,730	9,816,304	843,141	12,943,175
Non-Cash Loans	1,947,636	4,928,766	298,233	7,174,635

(\*) : Foreign currency indexed loans amounting to TL1,819,499 are included.

(\*\*) : Foreign currency indexed factoring receivables amounting to TL 231,584 are included.

(\*\*\*) : Equity in foreign currencies, amounting to TL 563,067 is excluded.

(\*\*\*\*) : There are golden balances amounting to TL1,138,548 in total assets, amounting to TL1,027,375 in total liabilities

**IV. Explanations related to the consolidated interest rate risk**

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

Standard method is used in measuring the interest rate risk of assets, liabilities and off-balance sheet items.

**2. The expected effects of the fluctuations of market interest rates on the Group's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates**

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

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

**3. The precautions taken for the interest rate risk the Group was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods**

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



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Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	5,967,832	5,967,832
Due from Banks and Other Fin. Inst.	888,789	166,523	47,809	2,752	--	257,405	1,363,278
Financial Assets at Fair Value Through Profit or Loss	182,931	98,735	232,557	259,482	85,354	48,709	907,768
Interbank Money Market Placements	113,710	--	--	--	--	--	113,710
Investment Securities Av.-for-Sale	1,265,224	361,638	3,630,623	1,227,678	953,988	3,941	7,443,092
Loans	7,367,191	1,511,777	8,458,149	13,561,149	8,040,514	495,117	39,433,897
Investment Securities Held-to-Mat.	11,598	--	244,465	--	--	--	256,063
Other Assets (*)	302,191	378,657	788,676	1,177,324	159,342	1,555,616	4,361,806
<b>Total Assets</b>	<b>10,131,634</b>	<b>2,517,330</b>	<b>13,402,279</b>	<b>16,228,385</b>	<b>9,239,198</b>	<b>8,328,620</b>	<b>59,847,446</b>
<b>Liabilities</b>							
Bank Deposits	752,659	512,886	14,080	674,136	--	267,767	2,221,528
Other Deposits	16,966,357	5,815,224	4,124,803	3,579,173	91,026	6,698,641	37,275,224
Interbank Money Market Placements	822,210	--	--	--	--	--	822,210
Miscellaneous Payables	2,014	4,211	28,092	19,553	--	712,219	766,089
Marketable Securities Issued	311,484	314,517	359,258	116,292	--	--	1,101,551
Funds Borrowed from Other Fin. Inst.	1,304,977	3,679,736	1,760,177	1,165,948	955,566	--	8,866,404
Other Liabilities (**)	183,372	442,610	683,334	102,927	12,387	7,369,810	8,794,440
<b>Total Liabilities</b>	<b>20,343,073</b>	<b>10,769,184</b>	<b>6,969,744</b>	<b>5,658,029</b>	<b>1,058,979</b>	<b>15,048,437</b>	<b>59,847,446</b>
On Balance Sheet Long Position	--	--	6,432,535	10,570,356	8,180,219	--	25,183,110
On Balance Sheet Short Position	(10,211,439)	(8,251,854)	--	--	--	(6,719,817)	(25,183,110)
Off-Balance Sheet Long Position	356,245	2,906,487	494,197	775,944	4,174	--	4,537,047
Off-Balance Sheet Short Position	(148,147)	(818,054)	(319,984)	(3,124,000)	(68,312)	--	(4,478,497)
<b>Total Interest Sensitivity Gap</b>	<b>(10,003,341)</b>	<b>(6,163,421)</b>	<b>6,606,748</b>	<b>8,222,300</b>	<b>8,116,081</b>	<b>(6,719,817)</b>	<b>58,550</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 342,831, TL 96,741, TL 11,992, TL 100,946, TL 5,649, TL 125,472, and TL ve 871,984 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions, and Other Liabilities with balances of TL 5,803,170, TL 163,600, TL 831,318, and TL 571,720 respectively.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	5,249,589	5,249,589
Due from Banks and Other Fin. Inst.	839,073	1	295,966	1,074	--	480,019	1,616,133
Financial Assets at Fair Value Through Profit or Loss	83,411	194,748	453,327	181,374	29,370	36,649	978,879
Interbank Money Market Placements	512,292	--	--	--	--	--	512,292
Investment Securities Av.-for-Sale	1,773,238	1,339,168	2,252,254	1,307,293	893,208	3,928	7,569,089
Loans	7,378,602	3,455,271	5,155,427	12,507,765	7,083,197	563,792	36,144,054
Investment Securities Held-to-Mat.	46,353	188,665	23,792	--	--	--	258,810
Other Assets (*)	166,299	867,742	372,652	1,205,825	115,187	1,438,031	4,165,736
<b>Total Assets</b>	<b>10,799,268</b>	<b>6,045,595</b>	<b>8,553,418</b>	<b>15,203,331</b>	<b>8,120,962</b>	<b>7,772,008</b>	<b>56,494,582</b>
<b>Liabilities</b>							
Bank Deposits	599,354	104,775	15,363	681,332	--	207,049	1,607,873
Other Deposits	15,349,968	6,427,270	2,920,778	3,167,190	85,132	7,034,243	34,984,581
Interbank Money Market Placements	1,787,810	--	--	--	--	--	1,787,810
Miscellaneous Payables	310	2,554	34,866	7,665	--	755,453	800,848
Marketable Securities Issued	--	310,209	451,970	6,753	--	--	768,932
Funds Borrowed from Other Fin. Inst.	376,037	2,333,772	3,444,857	636,118	1,099,635	--	7,890,419
Other Liabilities (**)	90,444	248,008	550,064	126,977	15,489	7,623,137	8,654,119
<b>Total Liabilities</b>	<b>18,203,923</b>	<b>9,426,588</b>	<b>7,417,898</b>	<b>4,626,035</b>	<b>1,200,256</b>	<b>15,619,882</b>	<b>56,494,582</b>
On Balance Sheet Long Position	--	--	1,135,520	10,577,296	6,920,706	--	18,633,522
On Balance Sheet Short Position	(7,404,655)	(3,380,993)	--	--	--	(7,847,874)	(18,633,522)
Off-Balance Sheet Long Position	512,734	1,870,559	554,662	779,641	36,914	--	3,754,510
Off-Balance Sheet Short Position	(249,039)	(481,248)	(477,783)	(2,319,805)	(123,451)	--	(3,651,326)
<b>Total Interest Sensitivity Gap</b>	<b>(7,140,960)</b>	<b>(1,991,682)</b>	<b>1,212,399</b>	<b>9,037,132</b>	<b>6,834,169</b>	<b>(7,847,874)</b>	<b>103,184</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 357,335, TL 98,346, TL 11,872, TL 100,622, TL 5,649, TL 121,438, and TL 742,769 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions and other liabilities with balances of TL 5,664,624, TL 229,435, TL 761,726, and TL 967,352 respectively.

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**4. Average interest rates applied to monetary financial instruments**

	EUR %	USD %	JPY %	TL %
<b>Current Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	0.58	0.64	--	5.75
Financial Assets at Fair Value Through Profit or Loss	2.44	3.53	--	7.31
Interbank Money Market Placements	--	--	--	7.20
Investment Securities Available-for-Sale	0.92	4.08	--	8.13
Loans	5.46	5.82	5.32	14.72
Investment Securities Held-to-Maturity	1.93	6.11	--	17.80
<b>Liabilities</b>				
Bank Deposits	0.81	0.87	--	7.32
Other Deposits	2.34	2.86	0.10	7.37
Interbank Money Market Placements	--	--	--	5.52
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	7.15
Funds Borrowed from Other Financial Institutions	1.38	2.21	--	6.94
<b>Prior Period</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	0.57	1.24	--	6.84
Financial Assets at Fair Value Through Profit or Loss	2.04	3.40	--	7.37
Interbank Money Market Placements	--	--	--	6.69
Investment Securities Available-for-Sale	0.70	3.11	--	9.26
Loans	5.56	5.91	5.38	15.61
Investment Securities Held-to-Maturity	2.28	6.32	--	18.33
<b>Liabilities</b>				
Bank Deposits	1.02	0.45	--	7.81
Other Deposits	2.58	3.12	0.10	8.27
Interbank Money Market Placements	--	--	--	5.43
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	8.08
Funds Borrowed from Other Financial Institutions	1.38	2.23	--	7.12

5. Interest rate risk on banking book

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

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

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

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

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

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

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

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

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

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

The interest rate risk arising from banking book is calculated and reported on a monthly basis according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no 28034 on 23 August 2011.

		Shocks Applied		
		(+/- basis points)	Gains/Losses	Gains/Equity-Losses/Equity
Type of Currency				
1	TL	(+) 500 bps	(1,135,023)	18.57%
2	TL	(-) 400 bps	1,128,176	18.46%
3	EURO	(+) 200 bps	(840)	0.01%
4	EURO	(-) 200 bps	14,193	0.23%
5	USD	(+) 200 bps	(65,897)	1.08%
6	USD	(-) 200 bps	95,113	1.56%
Total (of negative shocks)			1,237,482	20.25%
Total (of positive shocks)			(1,201,760)	19.67%

**6. Position risk of equity shares on banking book**

**6.1. *Comparison of carrying, fair and market values of equity shares***

DFS Group does not have associate and subsidiary traded at BIST markets as of 31 March 2013.

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

None.

**V. Explanations related to the consolidated liquidity risk**

1. **The sources of the current liquidity risk of DFS Group; whether the necessary precautions have been taken, whether the Board of Directors of the Parent Bank sets limits on the funds available to meet the urgent liquidity requirements and the liabilities which are due**

Liquidity risk arises from maturity mismatch between assets and liabilities. Maturity mismatch between assets and liabilities is kept under control based on certain criteria set by DFS Group. DFS Group maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 3% of the balance sheet is allocated to cash and balances with banks, 10% to investment securities which are easily convertible into cash and the available borrowing limits are not used intensively. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

2. **Matching of the interest rates of the payments with assets and liabilities and probable effects of any mismatch on profitability**

DFS Group's payments, assets and liabilities match with the interest rates.

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

Approximately 3% of balance sheet is allocated to cash balances, 10% to investment securities which are easily convertible into cash in order to meet any urgent liquidity needs. The available borrowing limits (such as Central Bank of the Republic of Turkey and BIST repurchase market) are not used. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

4. **Evaluation of DFS Group's cash flows and their resources**

Cash flows of DFS Group are mainly in terms of Turkish Lira, US Dollar and Euro.

In the short and long run, liquidity needs or surplus funds are utilized in interbank money market placements, deposits and loans.

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**5. Presentation of assets and liabilities according to their residual maturities**

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Undist. (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,564,337	4,403,495	--	--	--	--	--	5,967,832
Due from Banks and Other Fin.Inst.	257,405	844,717	24,036	234,365	2,749	6	--	1,363,278
Financial Assets at Fair Value Through Profit or Loss	--	33,443	23,875	89,084	516,781	195,876	48,709	907,768
Interbank Money Market Placements	--	113,710	--	--	--	--	--	113,710
Investment Securities Av.-for-Sale	--	378,335	4,672	696,773	2,872,126	3,487,245	3,941	7,443,092
Loans	495,117	5,417,638	1,370,643	8,088,473	14,636,135	9,425,891	--	39,433,897
Investment Securities Held-to-Mat.	--	--	--	140,455	53,169	62,439	--	256,063
Other Assets	813,922	301,485	355,541	786,216	1,182,031	180,917	741,694	4,361,806
<b>Total Assets</b>	<b>3,130,781</b>	<b>11,492,823</b>	<b>1,778,767</b>	<b>10,035,366</b>	<b>19,262,991</b>	<b>13,352,374</b>	<b>794,344</b>	<b>59,847,446</b>
<b>Liabilities</b>								
Bank Deposits	267,767	752,659	512,886	14,080	674,136	--	--	2,221,528
Other Deposits	6,698,641	16,682,348	5,695,816	4,480,776	3,626,617	91,026	--	37,275,224
Funds Borrowed from Other Fin.Inst.	--	1,202,125	510,176	3,058,375	2,825,134	1,270,594	--	8,866,404
Interbank Money Market Placements	--	822,210	--	--	--	--	--	822,210
Marketable Securities Issued	--	311,485	228,509	337,008	224,549	--	--	1,101,551
Miscellaneous Payables	712,219	2,014	4,211	28,092	19,553	--	--	766,089
Other Liabilities	564,409	245,305	484,618	683,335	102,927	12,387	6,701,459	8,794,440
<b>Total Liabilities</b>	<b>8,243,036</b>	<b>20,018,146</b>	<b>7,436,216</b>	<b>8,601,666</b>	<b>7,472,916</b>	<b>1,374,007</b>	<b>6,701,459</b>	<b>59,847,446</b>
<b>Net Liquidity Gap</b>	<b>(5,112,255)</b>	<b>(8,525,323)</b>	<b>(5,657,449)</b>	<b>1,433,700</b>	<b>11,790,075</b>	<b>11,978,367</b>	<b>(5,907,115)</b>	<b>--</b>
<b>Prior Period</b>								
Total Assets	3,448,088	9,712,387	3,088,113	9,175,769	18,608,595	11,799,406	662,224	56,494,582
Total Liabilities	8,958,478	18,135,754	8,451,609	6,516,967	6,034,776	1,912,830	6,484,168	56,494,582
<b>Net Liquidity Gap</b>	<b>(5,510,390)</b>	<b>(8,423,367)</b>	<b>(5,363,496)</b>	<b>2,658,802</b>	<b>12,573,819</b>	<b>9,886,576</b>	<b>(5,821,944)</b>	<b>--</b>

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



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**6. Securitization exposures**

None.

**7. Credit risk mitigation techniques**

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

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

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

Information about guaranties according to risk classifications;

Risk classification	Amount (*)	Financial Guarantees	Other/Physical Guarantees	Guarantees and Credit Derivatives
Conditional and unconditional receivables from central governments or central banks	16,227,503	--	--	--
Conditional and unconditional receivables from regional or local governments	547,857	--	--	--
Conditional and unconditional receivables from administrative units and non-commercial enterprises	3	--	--	--
Conditional and unconditional receivables from multilateral development banks	--	--	--	--
Conditional and unconditional receivables from international organizations	--	--	--	--
Conditional and unconditional receivables from banks and brokerage houses	993,002	3	--	--
Conditional and unconditional receivables from corporates	40,240,433	1,853,414	--	--
Conditional and unconditional retail receivables	20,564,083	169,341	--	--
Conditional and unconditional receivables secured by mortgages	4,450,923	--	4,450,923	--
a) Receivables secured by residential mortgages	3,148,586	--	3,148,586	--
b) Receivables secured by commercial mortgages	1,302,337	--	1,302,337	--
Past due receivables	1,429,510	24,651	--	--
Receivables defined in high risk category by BRSA	3,455,048	33,662	--	--
Securities collateralized by mortgages	--	--	--	--
Securitization positions	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	1,258,837	--	--	--
Investments similar to collective investment funds	--	--	--	--
Other receivables	2,074,696	--	--	--
<b>Total</b>	<b>91,241,895</b>	<b>2,081,071</b>	<b>4,450,923</b>	<b>--</b>

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

**8. Risk management objectives and policies**

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

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

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

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

**VI. Explanations related to the consolidated segment reporting**

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

Wholesale banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short and long-term working capital loans, investment loans, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance, deposit products and cash management services.

In retail banking, it offers loan products (consumer loans, mortgage, and vehicle loans), distinctive credit cards, investment products (mutual funds, shares, government bonds/treasury bills, and repos), deposit products (time, demand, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet every day needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

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

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Segment information of the Group as of 31 March 2013 is presented in the following table:

Current Period (01.01.2013-31.03.2013)	Wholesale Banking		Retail Banking		Treasury and Investment Banking	Total
	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking		
Net interest income	94,768	106,646	220,425	240,381	150,100	812,320
Net fee and commission income	12,124	22,624	45,557	74,390	(2,761)	151,934
Other income/expense, net	16,133	28,283	48,450	42,309	81,853	217,028
<b>Total segment income</b>	<b>123,025</b>	<b>157,553</b>	<b>314,432</b>	<b>357,080</b>	<b>229,192</b>	<b>1,181,282</b>
Other operating expenses	(33,987)	(59,552)	(156,494)	(174,415)	(14,212)	(438,660)
Provision for loan losses and other receivables	(22,343)	(74,048)	(76,803)	(128,306)	(27,576)	(329,076)
Tax charge						(100,268)
<b>Net profit from continuing operations</b>	<b>66,695</b>	<b>23,953</b>	<b>81,135</b>	<b>54,359</b>	<b>187,404</b>	<b>313,278</b>
Net profit from discontinued operations						
<b>Net profit</b>	<b>66,695</b>	<b>23,953</b>	<b>81,135</b>	<b>54,359</b>	<b>187,404</b>	<b>313,278</b>
Current Period (31.03.2013)						
Segment assets	8,103,216	14,565,839	9,220,731	10,264,226	16,136,788	58,290,800
Subsidiaries and associates						17,651
Undistributed assets						1,538,995
<b>Total assets</b>						<b>59,847,446</b>
Segment liabilities	6,265,986	7,172,193	5,615,564	19,051,243	13,304,978	51,409,964
Undistributed liabilities						2,634,312
Shareholders' equity						5,803,170
<b>Total liabilities</b>						<b>59,847,446</b>

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Prior Period (01.01.2012-31.03.2012)	Wholesale Banking		Retail Banking		Treasury and Investment Banking	Total
	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking		
Net interest income	70,439	97,942	165,326	130,386	106,915	571,008
Net fee and commission income	12,273	18,290	33,699	73,449	(22,375)	115,336
Other income/expense, net	10,523	5,387	18,075	19,747	(15,537)	38,195
<b>Total segment income</b>	<b>93,235</b>	<b>121,619</b>	<b>217,100</b>	<b>223,582</b>	<b>69,003</b>	<b>724,539</b>
Other operating expenses	(26,483)	(48,863)	(132,489)	(133,343)	(7,699)	(348,877)
Provision for loan losses and other receivables	(5,823)	(8,015)	(33,952)	(70,473)	(14,240)	(132,502)
Tax charge						(63,441)
<b>Net profit from continuing operations</b>	<b>60,929</b>	<b>64,741</b>	<b>50,659</b>	<b>19,766</b>	<b>47,064</b>	<b>179,719</b>
Net profit from discontinued operations						
<b>Net profit</b>	<b>60,929</b>	<b>64,741</b>	<b>50,659</b>	<b>19,766</b>	<b>47,064</b>	<b>179,719</b>
Prior Period (31.12.2012)						
Segment assets	8,164,604	12,954,440	8,090,669	9,591,783	16,254,575	55,056,071
Subsidiaries and associates						17,531
Undistributed assets						1,420,980
<b>Total assets</b>						<b>56,494,582</b>
Segment liabilities	6,787,718	6,247,006	5,041,599	17,669,985	12,283,493	48,029,801
Undistributed liabilities						2,800,157
Shareholders' equity						5,664,624
<b>Total liabilities</b>						<b>56,494,582</b>

Information relating to segment information of the Group was prepared in accordance with data obtained from system of Management Reporting.

## SECTION FIVE

### DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

#### I. Explanations and disclosures related to consolidated assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	338,724	334,515	396,536	536,919
Central Bank of the Republic of Turkey	413,012	4,881,562	328,198	3,987,923
Other (*)	--	19	--	13
<b>Total</b>	<b>751,736</b>	<b>5,216,096</b>	<b>724,734</b>	<b>4,524,855</b>

(\*) Includes TL 19 of cheques purchased (31 December 2012: TL 13).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	392,646	478,064	185,924	319,574
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	20,366	4,403,498	142,274	3,668,349
<b>Total</b>	<b>413,012</b>	<b>4,881,562</b>	<b>328,198</b>	<b>3,987,923</b>

(\*)Consolidated foreign subsidiaries include balances of Central Bank.

##### 1.2 Information on Central Bank of the Republic of Turkey

As of 31 March 2013, all banks operating in Turkey should provide a reserve in a range of 5% to 11.5% depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 6% to 12.5% in US Dollars, standard gold or Euro for their liabilities in foreign currencies.

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

##### 2.1 Information on trading securities given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	9,465	1,009	9,327	1,040
Other	--	--	--	--
<b>Total</b>	<b>9,465</b>	<b>1,009</b>	<b>9,327</b>	<b>1,040</b>

Trading securities given as collateral represent those collaterals given to the Central Bank of the Republic of Turkey, and Istanbul Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions.

**2.2 Trading securities subject to repurchase agreements**

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	--	--	350,823	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>--</b>	<b>--</b>	<b>350,823</b>	<b>--</b>

**2.3 Positive value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	3,228	15,719	5,668	12,452
Swap Transactions	26,829	44,281	21,883	87,897
Futures Transactions	--	--	--	--
Options	1,816	23,749	2,424	20,071
Other	--	--	--	--
<b>Total</b>	<b>31,873</b>	<b>83,749</b>	<b>29,975</b>	<b>120,420</b>

**3. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	9,745	616,268	260,095	314,389
Foreign	49,226	688,039	102	1,041,547
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>58,971</b>	<b>1,304,307</b>	<b>260,197</b>	<b>1,355,936</b>

**4. Information on investment securities available-for-sale**

**4.1 Major types of investment securities available-for-sale**

Investment securities available-for-sale consist of share certificates, debt securities representing government bonds, Eurobonds and foreign currency government bonds issued by the Turkish Treasury and foreign private sector debt securities.

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

Consist of collaterals given to the Central Bank of the Republic of Turkey, and Istanbul Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions. Investment securities available-for-sale given as collaterals are government bonds and Eurobonds with carrying value of TL 1,485,296 (31 December 2012: TL 1,508,424).

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	--	--	--	--
T-bills, Bonds and Similar Securities	566,807	918,489	570,688	937,736
Other	--	--	--	--
<b>Total</b>	<b>566,807</b>	<b>918,489</b>	<b>570,688</b>	<b>937,736</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	743,748	--	1,572,538	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	25,907	--	32,460
Asset Backed Securities	--	--	--	--
Other	--	48,575	--	35,933
<b>Total</b>	<b>743,748</b>	<b>74,482</b>	<b>1,572,538</b>	<b>68,393</b>

**4.5 Information on available-for-sale securities**

	Current Period		Prior Period	
Debt instruments	7,501,490		7,573,339	
Quoted on Stock Exchange	7,501,490		7,573,339	
Unquoted on Stock Exchange	--		--	
Share certificates	3,941		3,928	
Quoted on Stock Exchange	--		--	
Unquoted on Stock Exchange	3,941		3,928	
Impairment provision (-)	62,339		8,178	
<b>Total</b>	<b>7,443,092</b>		<b>7,569,089</b>	

**5. Information related to loans**

**5.1 Information on all types of loans and advances given to shareholders and employees of the Bank**

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	4,956	--
Loans Granted to Employees	41,359	4	44,262	4
<b>Total</b>	<b>41,359</b>	<b>4</b>	<b>49,218</b>	<b>4</b>

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

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
		Agreement conditions modified			Agreement conditions modified	
		Extension of Payment Plan	Other		Extension of Payment Plan	Other
<b>Cash Loans</b>	<b>Loans and Other Receivables (Total)</b>			<b>Loans and Other Receivables (Total)</b>		
<b>Non-specialized Loans</b>	<b>34,695,288</b>	<b>283,647</b>	<b>--</b>	<b>1,676,211</b>	<b>516,897</b>	<b>--</b>
Working Capital Loans	9,314,590	72,781	--	230,350	170,133	--
Export Loans	620,863	214	--	41,983	--	--
Import Loans	487	--	--	--	--	--
Loans Given to Financial Sector	423,759	--	--	10,668	--	--
Consumer Loans	8,174,762	111,040	--	537,426	22,381	--
Credit Cards	2,069,477	--	--	68,592	--	--
Other	14,091,350	99,612	--	787,192	324,383	--
<b>Specialization Loans</b>	<b>2,459,959</b>	<b>8,925</b>	<b>--</b>	<b>94,925</b>	<b>24,478</b>	<b>--</b>
<b>Other Receivables</b>	<b>12,397</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>37,167,644</b>	<b>292,572</b>	<b>--</b>	<b>1,771,136</b>	<b>541,375</b>	<b>--</b>

	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring (*)
<b>Number of modifications made to extend payment plan</b>		
Extended by 1 or 2 times	292,572	529,398
Extended by 3,4 or 5 times	--	11,977
Extended by more than 5 times	--	--
<b>Total</b>	<b>292,572</b>	<b>541,375</b>

	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring (*)
<b>Extended period of time</b>		
0-6 Months	90	1,820
6-12 Months	4,097	16,951
1-2 Years	25,021	82,281
2-5 Years	106,840	113,383
5 Year and Over	156,524	326,940
<b>Total</b>	<b>292,572</b>	<b>541,375</b>

(\*) Includes loans renegotiated and rescheduled as per the Article 4 of "Specific and general allowances for loans and other receivables classified in accordance with the regulation on identification of and provision against non-performing loans and other receivables" after the date of 28 May 2011 when this regulation was published in the Official Gazette no. 27947.



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

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>161,718</b>	<b>8,095,406</b>	<b>8,257,124</b>
Real estate Loans	3,068	3,655,756	3,658,824
Vehicle Loans	5,350	525,155	530,505
General Purpose Loans	152,454	3,914,495	4,066,949
Other	846	--	846
<b>Consumer Loans-Indexed to FC</b>	<b>--</b>	<b>131,267</b>	<b>131,267</b>
Real estate Loans	--	128,659	128,659
Vehicle Loans	--	--	--
General Purpose Loans	--	2,608	2,608
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>--</b>	<b>35,219</b>	<b>35,219</b>
Real estate Loans	--	16,379	16,379
Vehicle Loans	--	--	--
General Purpose Loans	--	5,917	5,917
Other	--	12,923	12,923
<b>Individual Credit Cards-TL</b>	<b>1,866,837</b>	<b>124,043</b>	<b>1,990,880</b>
Installment	807,656	124,043	931,699
Non installment	1,059,181	--	1,059,181
<b>Individual Credit Cards-FC</b>	<b>770</b>	<b>--</b>	<b>770</b>
Installment	22	--	22
Non installment	748	--	748
<b>Loans Given to Employees-TL</b>	<b>1,745</b>	<b>20,617</b>	<b>22,362</b>
Real estate Loans	--	2,920	2,920
Vehicle Loans	15	181	196
General Purpose Loans	1,730	17,516	19,246
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>14</b>	<b>22</b>	<b>36</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	22	22
Other	14	--	14
<b>Personnel Credit Cards - TL</b>	<b>17,367</b>	<b>320</b>	<b>17,687</b>
Installment	8,022	320	8,342
Non installment	9,345	--	9,345
<b>Personnel Credit Cards - FC</b>	<b>44</b>	<b>--</b>	<b>44</b>
Installment	--	--	--
Non installment	44	--	44
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>266,059</b>	<b>--</b>	<b>266,059</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>121</b>	<b>--</b>	<b>121</b>
<b>Total</b>	<b>2,314,675</b>	<b>8,406,894</b>	<b>10,721,569</b>

(\*) Overdrafts used by the personnel of the Parent Bank are TL 1,230 (31 December 2012: TL 1,498).

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

	Short Term	Medium or Long Term	Total
<b>Installment Commercial Loans - TL</b>	<b>245,627</b>	<b>3,134,626</b>	<b>3,380,253</b>
Real estate Loans	67	147,998	148,065
Vehicle Loans	11,077	306,148	317,225
General Purpose Loans	234,374	2,540,666	2,775,040
Other	109	139,814	139,923
<b>Installment Commercial Loans - Indexed to FC</b>	<b>17,908</b>	<b>513,161</b>	<b>531,069</b>
Real estate Loans	--	16,340	16,340
Vehicle Loans	379	52,503	52,882
General Purpose Loans	15,443	444,318	459,761
Other	2,086	--	2,086
<b>Installment Commercial Loans - FC</b>	<b>--</b>	<b>71,150</b>	<b>71,150</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	2,918	2,918
Other	--	68,232	68,232
<b>Corporate Credit Cards - TL</b>	<b>128,344</b>	<b>55</b>	<b>128,399</b>
Installment	56,388	55	56,443
Non installment	71,956	--	71,956
<b>Corporate Credit Cards - FC</b>	<b>289</b>	<b>--</b>	<b>289</b>
Installment	--	--	--
Non installment	289	--	289
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>325,547</b>	<b>--</b>	<b>325,547</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>717,715</b>	<b>3,718,992</b>	<b>4,436,707</b>

**5.5 Domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	37,766,298	34,447,567
Foreign Loans	1,172,482	1,132,695
<b>Total</b>	<b>38,938,780</b>	<b>35,580,262</b>

**5.6 Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	--	4,956
Indirect loans granted to subsidiaries and associates	--	--
<b>Total</b>	<b>--</b>	<b>4,956</b>

**5.7 Specific provisions for loans**

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	52,470	62,996
Loans and Receivables with Doubtful Collectability	286,984	225,339
Uncollectible Loans and Receivables	656,465	539,663
<b>Total</b>	<b>995,919</b>	<b>827,998</b>

**5.8 Information on non-performing loans (Net)**

**5.8.1 Information on loans under follow-up, loans and other receivables those are restructured /rescheduled**

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current Period	3,342	16,115	9,146
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	3,342	16,115	9,146
Prior Period	2,637	16,444	5,264
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	2,637	16,444	5,264

**5.8.2 Movement of non-performing loans**

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	265,489	480,590	645,711
Additions (+)	206,279	25,101	15,953
Transfers from Other Categories of Non-Performing Loans (+)	--	188,277	157,302
Transfers to Other Categories of Non-Performing Loans (-)	188,277	157,302	--
Collections (-)	57,845	45,567	44,675
Write-offs (-) (*)	--	--	--
Corporate and Commercial Loans	--	--	--
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
Balances at End of the Period	225,646	491,099	774,291
Specific Provisions (-)	52,470	286,984	656,465
Net Balance on Balance Sheet	173,176	204,115	117,826

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of the Period End	10,357	11,253	17,416
Specific Provisions (-)	843	8,463	7,296
<b>Net Balance on Balance Sheet</b>	<b>9,514</b>	<b>2,790</b>	<b>10,120</b>
<b>Prior Period</b>			
Balance as of the Period End	12,840	25,310	16,583
Specific Provisions (-)	2,008	9,964	7,420
<b>Net Balance on Balance Sheet</b>	<b>10,832</b>	<b>15,346</b>	<b>9,163</b>

**5.8.4 Information on non-performing loans according to beneficiary group**

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>173,176</b>	<b>204,115</b>	<b>117,826</b>
Loans Granted to Real Persons and Legal Entities (Gross)	225,646	489,094	774,291
Specific provisions (-)	52,470	284,979	656,465
Loans Granted to Real Persons and Legal Entities (Net)	173,176	204,115	117,826
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	2,005	--
Specific provisions (-)	--	2,005	--
Other Loan and Receivables (Net)	--	--	--
<b>Prior Period (Net)</b>	<b>202,493</b>	<b>255,251</b>	<b>106,048</b>
Loans Granted to Real Persons and Legal Entities (Gross)	265,489	478,562	645,711
Specific provisions (-)	62,996	223,317	539,663
Loans Granted to Real Persons and Legal Entities (Net)	202,493	255,245	106,048
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	2,028	--
Specific provisions (-)	--	2,022	--
Other Loan and Receivables (Net)	--	6	--

**6. Information on investment securities held-to-maturity**

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

**6.1.1 Information on securities subject to repurchase agreement**

There are no held-to-maturity investments subject to repurchase agreement (31 December 2012: TL none).

**6.1.2 Information on securities subject to given as collateral or blocked**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bills	--	--	--	--
Bonds and Similar Marketable Securities	138,249	11,599	139,259	11,730
Other	--	--	--	--
<b>Total</b>	<b>138,249</b>	<b>11,599</b>	<b>139,259</b>	<b>11,730</b>

**6.2 Information on government securities held-to-maturity**

	Current Period	Prior Period
Government Bonds	214,359	217,032
Treasury Bills	--	--
Other Government Debt Securities	--	--
<b>Total</b>	<b>214,359</b>	<b>217,032</b>

**6.3 Information on investment securities held-to-maturity**

	Current Period	Prior Period
Debt Securities	256,063	258,810
Quoted on Stock Exchange	225,958	228,763
Unquoted on Stock Exchange	30,105	30,047
Impairment (-)	--	--
<b>Total</b>	<b>256,063</b>	<b>258,810</b>

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

	Current Period	Prior Period
Balance at the beginning of the period	258,810	912,105
Foreign exchange differences (*)	(2,747)	3,940
Purchases	--	--
Disposals/Redemptions	--	(657,235)
Impairment losses (-)	--	--
<b>Balance at the end of the period</b>	<b>256,063</b>	<b>258,810</b>

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

The Parent Bank transferred a portion of its securities from "investment securities available-for-sale" portfolio, with a notional amount of TL 552,934, to the "investment securities held-to-maturity" portfolio due to change in the intention of holding, effective from 1 October 2008. The negative valuation differences amounting to TL 39,455 under equity accrued until the date of transfer will be amortized and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 457.

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**7. Investments in associates**

**7.1 Investments in unconsolidated associates**

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

  

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	79,837	67,449	45,460	--	--	33,183	18,566	--
2	267,347	263,123	3,900	2,137	--	2,148	1,927	--
3	11,776	10,092	9,390	193	--	(1,058)	151	--

(\*) Information on the financial statements is presented as of the period ended 31 March 2013.

(\*\*) Information on the financial statements is presented as of the period ended 31 December 2012.

**7.2 Investments in consolidated associates**

There are no investments in consolidated associates.

**8. Investments in subsidiaries**

**8.1 Information on capital adequacies of major subsidiaries**

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

Amounts at below prepared within the scope of regulations depended by Denizbank AG and they are obtained from financial datas of 31 March 2013

	Denizbank AG
CORE CAPITAL	873,409
Paid-in capital	222,221
Share Premium	316,817
Reserves	334,371
SUPPLEMENTARY CAPITAL	--
TIER III CAPITAL	--
DEDUCTIONS FROM CAPITAL	(1,972)
SHAREHOLDERS' EQUITY	871,437
<b>NET AVAILABLE SHAREHOLDERS' EQUITY</b>	<b>871,437</b>

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**8.2 Information on non-consolidated subsidiaries**

Title	Address (City/Country)	The Parent Bank's share percentage-If different voting percentage (%)	The Parent Bank's risk group share percentage (%)
1-İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	İstanbul/Turkey	100	--
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	İstanbul/Turkey	100	--
3-Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş.	İstanbul/Turkey	--	100
4-Deniz Kartlı Ödeme Sistemleri A.Ş.	İstanbul/Turkey	--	100
5-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	İstanbul/Turkey	--	100

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Capital requirement
1	18,763	2,808	1,867	54	--	187	413	--	--
2	1,308	1,280	220	--	--	(14)	(25)	--	--
3	124,306	(72,307)	114,243	35	--	(1,453)	9,433	--	--
4	261	261	--	5	--	--	--	--	--
5	55	51	--	--	--	(2)	--	--	--

Information on the financial statements is presented as of the period ended 31 March 2013.

They are not included in consolidation because they are nonfinancial partnerships.

**8.3 Information on consolidated subsidiaries**

Title	Address (City/Country)	The Parent Bank's share percentage (%)	Other shareholders' share percentage (%)	Consolidation Method
1 Denizbank AG	Vienna / Austria	90	10	Full consolidation
2 Eurodeniz International Banking Unit Ltd.	Nicosia / Cyprus	100	--	Full consolidation
3 Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul / Turkey	100	--	Full consolidation
4 Ekspres Yatırım Menkul Değerler A.Ş.	Istanbul / Turkey	71	29	Full consolidation
5 CJSC Denizbank Moskova	Moscow / Russia	49	51	Full consolidation
6 Deniz Portföy Yönetimi A.Ş.	Istanbul / Turkey	--	100	Full consolidation
7 Deniz Finansal Kiralama A.Ş.	Istanbul / Turkey	84	16	Full consolidation
8 Deniz Faktoring A.Ş.	Istanbul / Turkey	100	--	Full consolidation
9 Deniz Yatırım Ortaklığı A.Ş.	Istanbul / Turkey	--	56	Full consolidation

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	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value	Capital requirement
1	11,019,365	930,896	8,983	127,286	11,211	41,677	17,535	--	--
2	1,483,542	9,171	106	17,284	--	1,455	609	--	--
3	83,632	72,846	903	1,032	42	(65)	10,608	--	--
4	16,733	13,529	178	267	215	272	862	--	--
5	661,161	120,865	4,073	10,316	2,711	5,971	3,886	--	--
6	3,297	2,483	66	41	8	153	(239)	--	--
7	1,696,519	423,592	561	32,259	--	11,079	8,794	--	--
8	1,287,843	224,946	283	36,305	--	18,369	24,697	--	--
9	38,930	37,877	--	225	1,905	1,857	2,418	--	--

Information on the financial statements is presented as of the period ended 31 March 2013.

**8.3.1 Movement of consolidated subsidiaries**

	Current Period	Prior Period
Balance at the Beginning of the Period	1,133,681	838,689
Movements during the Period	7,886	294,992
Purchases	30	96,147
Bonus Shares Received	--	199,739
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	7,856	(894)
Other	--	--
Allowance for impairment	--	--
Balance at the End of the Period	1,141,567	1,133,681
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

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

	Current Period	Prior Period
Banks	617,056	616,321
Insurance Companies	--	--
Factoring Companies	138,107	138,107
Leasing Companies	303,929	303,929
Finance Companies	--	--
Other Subsidiaries	82,475	75,324
<b>Total</b>	<b>1,141,567</b>	<b>1,133,681</b>

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

**8.3.3 Quoted subsidiaries within the consolidation scope**

	Current Period	Prior Period
Quoted on domestic markets	18,570	12,551
Quoted on foreign markets	--	--

Deniz Yatırım Ortaklığı was established on 5 May 1995 by registering at the Trade Registry and announced in the Turkish Trade Registry Gazette dated 16 May 1995 and numbered 3786 to operate in capital markets in accordance with Capital Market Law numbered 2499 and related regulations.

Shares of Deniz Yatırım Ortaklığı have been quoted on Borsa Istanbul ("BIST") since 30 October 1995.



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**8.3.4 Consolidated subsidiaries disposed during the current period**

None.

**8.3.5 Consolidated subsidiaries acquired during the current period**

None.

**9. Entities Under Common Control (Joint Ventures)**

**9.1 Entities Under Common Control (Joint Ventures)**

Title	The Parent Bank's share percentage (%)	The Group's share percentage (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	10,452	6,681	154	1,557	(1,096)

Information on the financial statements is presented as of the period ended 31 March 2013.

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

The Parent Bank, although represents Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") with 33% of ownership rate as entities under common control in its financial statements, carry out with its cost value due to unformed necessary conditions.

**10. Information on receivables from leasing activities**

**10.1 Maturity analysis of finance lease receivables**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	148,285	139,758	100,646	96,573
Between 1-4 years	1,097,803	957,962	1,103,203	963,148
Over 4 years	509,145	390,614	485,266	382,963
<b>Total</b>	<b>1,755,233</b>	<b>1,488,334</b>	<b>1,689,115</b>	<b>1,442,684</b>

**10.2 Information on net investments in finance lease receivables**

	Current Period	Prior Period
Gross finance lease receivable	1,755,233	1,689,115
Unearned finance income (-)	266,899	246,431
Cancelled leasing agreements (-)	--	--
<b>Net investment on finance leases</b>	<b>1,488,334</b>	<b>1,442,684</b>

**11. Information on hedging purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	--	--	--	--
Cash Flow Hedge	58,725	26,320	45,376	24,407
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
<b>Total</b>	<b>58,725</b>	<b>26,320</b>	<b>45,376</b>	<b>24,407</b>

**12. Information on investment property**

None.

**13. Information on deferred tax asset**

**13.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits**

Deferred tax asset calculated on the basis of related regulation is TL 99,616 (31 December 2012: TL 100,061) and deferred tax liability is TL 6,946 (31 December 2012: TL 9,440). These balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax bases:

	Current Period	Prior Period
<b>Deferred Tax Assets:</b>		
Miscellaneous Provisions	45,160	42,611
Provision for Employee Benefits	16,151	14,330
Valuation Differences of Derivatives	6,741	6,901
Unearned Income	37,548	31,742
Other	--	13,240
	<b>105,600</b>	<b>108,824</b>
<b>Deferred Tax Liabilities:</b>		
Valuation Differences of Tangible Assets	(4,954)	(5,989)
Valuation Differences of Financial Assets	(7,591)	(12,214)
Other	(385)	--
	<b>(12,930)</b>	<b>(18,203)</b>
<b>Net Deferred Tax Assets</b>	<b>92,670</b>	<b>90,621</b>

**14. Information on property and equipment held for sale and related to discontinued operations**

None.

**15. Information on other assets**

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

DFS Group's total prepaid expenses are TL 172,698 (31 December 2012: TL 148,241).

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

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**II. Explanations and disclosures related to consolidated liabilities**

**1. Information on maturity structure of deposits**

Current Period		7 Days Demand Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	833,243	--	1,285,559	7,157,466	1,048,231	370,998	452,474	19,356	11,167,327
Foreign Currency									
Deposits	3,915,497	--	1,540,859	3,919,608	779,360	2,290,623	4,871,795	342	17,318,084
Residents in Turkey	1,487,310	--	1,422,141	3,668,173	392,868	836,551	488,787	311	8,296,141
Residents Abroad	2,428,187	--	118,718	251,435	386,492	1,454,072	4,383,008	31	9,021,943
Public Sector Deposits	173,662	--	540	34,328	1,979	3,707	1,014	--	215,230
Commercial Deposits	1,446,128	--	1,055,316	3,140,207	723,615	309,228	295,248	--	6,969,742
Other Ins. Deposits	49,392	--	53,046	492,300	345,402	86,461	13,744	--	1,040,345
Precious Metal									
Deposits	280,719	--	40,500	181,938	44,935	12,776	2,904	724	564,496
Bank Deposits	267,767	--	392,703	771,095	97,438	7,865	684,660	--	2,221,528
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	1,730	--	845	137,616	--	907	10,524	--	151,622
Foreign Banks	124,476	--	391,858	633,479	97,438	6,958	674,136	--	1,928,345
Special Finan. Inst.	141,561	--	--	--	--	--	--	--	141,561
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>6,966,408</b>	<b>--</b>	<b>4,368,523</b>	<b>15,696,942</b>	<b>3,040,960</b>	<b>3,081,658</b>	<b>6,321,839</b>	<b>20,422</b>	<b>39,496,752</b>

Prior Period		7 Days Demand Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	758,724	--	946,378	7,515,378	570,659	147,187	88,633	19,137	10,046,096
Foreign Currency									
Deposits	4,593,237	--	1,558,916	3,838,881	644,680	1,350,997	4,304,920	334	16,291,965
Residents in Turkey	2,437,973	--	1,463,965	3,549,203	325,533	70,610	421,519	309	8,269,112
Residents Abroad	2,155,264	--	94,951	289,678	319,147	1,280,387	3,883,401	25	8,022,853
Public Sector									
Deposits	238,169	--	24,573	25,085	14,086	275	624	--	302,812
Commercial Deposits	1,105,066	--	1,712,302	3,171,465	416,864	300,584	261,991	--	6,968,272
Other Ins. Deposits	80,106	--	62,320	626,070	67,972	13,591	15,398	--	865,457
Precious Metal									
Deposits	258,941	--	40,518	180,798	25,669	3,445	--	608	509,979
Bank Deposits	207,049	--	365,518	305,240	32,480	7,927	689,659	--	1,607,873
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	2,459	--	47,581	121,166	27,417	891	8,327	--	207,841
Foreign Banks	65,484	--	317,937	184,074	5,063	7,036	681,332	--	1,260,926
Special Finan. Inst.	139,106	--	--	--	--	--	--	--	139,106
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>7,241,292</b>	<b>--</b>	<b>4,710,525</b>	<b>15,662,917</b>	<b>1,772,410</b>	<b>1,824,006</b>	<b>5,361,225</b>	<b>20,079</b>	<b>36,592,454</b>

**1.1 Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit**

	Covered by Deposits Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	4,858,578	3,373,808	6,197,778	6,549,009
Foreign Currency Saving Deposits	1,352,823	948,153	2,851,631	3,301,359
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
<b>Total</b>	<b>6,211,401</b>	<b>4,321,961</b>	<b>9,049,409</b>	<b>9,850,368</b>

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

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

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	106,151	101,677
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	28,896	29,136
Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/09/2004	--	--
Deposits belong to Off-Shore Banks who are established in Turkey	81,872	89,922
<b>Total</b>	<b>216,919</b>	<b>220,735</b>

**2. Information on trading purpose derivatives**

**2.1 Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2,407	17,963	60	17,235
Swap Transactions	20,512	150,318	18,008	76,666
Futures Transactions	--	--	--	--
Options	155	25,033	343	23,966
Other	--	--	--	--
<b>Total</b>	<b>23,074</b>	<b>193,314</b>	<b>18,411</b>	<b>117,867</b>

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**3. Information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	--	--	--	--
Domestic Bank and Institutions	673,624	302,147	844,363	318,714
Foreign Bank, Institutions and Funds	1,203,797	5,788,034	666,809	5,172,871
<b>Total</b>	<b>1,877,421</b>	<b>6,090,181</b>	<b>1,511,172</b>	<b>5,491,585</b>

The Parent Bank, via a special purpose entity (SPE), obtained a securitization loan with three year grace period for the principal payment, 8 year maturity and quarterly floating interest payments, amounting to USD 350 million on 28 June 2007 by the resolution of the Board of Directors dated 25 June 2007 and numbered 2007/27. As of 31 March 2013, the outstanding balance of the loan is USD Dollar 140 million.

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

**3.1 Maturity information of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1,066,666	3,356,688	1,233,397	2,897,752
Medium and Long-Term	810,755	2,733,493	277,775	2,593,833
<b>Total</b>	<b>1,877,421</b>	<b>6,090,181</b>	<b>1,511,172</b>	<b>5,491,585</b>

**4. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	302,455	--	167,589	--
Bills	799,096	--	601,343	--
<b>Total</b>	<b>1,101,551</b>	<b>--</b>	<b>768,932</b>	<b>--</b>

Nominal value of TL 161,974 (31 December 2012: TL 150,337) of the securities issued were repurchased by the Parent Bank and offset in the financial statements.

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

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

6. Information on lease payables

None.

- 6.1 *Changes in agreements and further commitments arising*

None.

- 6.2 *Obligations under finance leases*

None.

- 6.3 *Information on operational leases*

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

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

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

7. Information on liabilities arising from hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	--	--	--	--
Cash Flow Hedge	72,490	2,851	89,911	2,271
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
<b>Total</b>	<b>72,490</b>	<b>2,851</b>	<b>89,911</b>	<b>2,271</b>

8. Information on provisions

- 8.1 *Information on general provisions*

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	380,973	347,910
Additional Provision for Loans with Extended Maturities	18,636	14,495
Provisions for Loans and Receivables in Group II	64,591	56,292
Additional Provision for Loans with Extended Maturities	27,077	17,538
Provisions for Non Cash Loans	42,795	39,695
Other	--	--
<b>Total</b>	<b>488,359</b>	<b>443,897</b>

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

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans	6,792	10,312

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

**8.3 Information on provision for employee benefits**

DFS Group calculated the provision for employee benefits recognized in its consolidated financial statements using the actuarial methods referred to in TAS 19 "Employee Benefits".

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

	Current Period	Prior Period
Discount rate	%3.62	%3.62
Interest Rate	%8.80	%8.80
Expected rate of salary/limit increase	%5.00	%5.00

As of 31 March 2013, TL 49,942 of provision for employment termination benefits (31 December 2012: TL 47,348) and TL 32,610 of unused vacation accruals (31 December 2012: TL 26,010) were reflected to the consolidated financial statements.

**8.4 Information on other provisions**

**8.4.1 Information on free provisions provided for probable risks**

	Current Period	Prior Period
Free Provisions Provided for Probable Risks	147,803	137,234

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

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

TL 93,422 (31 December 2012: TL 87,874) of other provisions consists of provisions for non-cash loans that are not indemnified and converted into cash. TL 18,435 consists of provisions for lawsuits pending against DFS Group (31 December 2012: TL 18,549) and TL 747 (31 December 2012: TL 814) consists of other provisions.

**9. Information on taxation**

**9.1 Information on current taxes**

**9.1.1 Information on current tax liability**

As of 31 March 2013, the corporate tax provision of DFS Group is TL 383,784 (31 December 2012: TL 350,038), and it has been offset with advance taxes amounting to TL 325,861 (31 December 2012: TL 208,352).

As of 31 March 2013, DFS Group's total liability related to taxes and premiums is TL 156,654 (31 December 2012: TL 219,995).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	80,483	141,686
Taxation on securities	20,260	24,782
Capital gains taxes on property	1,921	1,372
Banking Insurance Transaction Tax (BITT)	20,964	26,011
Taxes on foreign exchange transactions	--	--
Value added taxes payable	561	1,480
Other	8,316	10,421
<b>Total</b>	<b>132,505</b>	<b>205,752</b>

**9.1.3 Information on premiums**

	Current Period	Prior Period
Social security premiums- employee share	5,412	4,738
Social security premiums- employer share	5,596	4,880
Bank pension fund premium- employee share	23	137
Bank pension fund premium- employer share	26	167
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	378	338
Unemployment insurance- employer share	734	653
Other	11,980	3,330
<b>Total</b>	<b>24,149</b>	<b>14,243</b>

**9.2 Information on deferred tax liabilities**

Deferred tax liability calculated on the basis of related regulation is TL 6,946 (31 December 2012: TL 9,440). Information on deferred taxes is disclosed in footnote 13 of "explanations and disclosures related to consolidated assets".

**10. Information on shareholders' equity**

**10.1 Paid-in capital**

	Current Period	Prior Period
Common Stock	716,100	716,100
Preferred Stock	--	--

The Parent Bank's paid-in capital is presented above in nominal values. As of 31 March 2013, the Parent Bank has "other capital reserves" amounting to TL 189,164 (31 December 2012: TL 189,164) arising from the effect of inflation restatement of the paid-in capital.

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

Registered paid-in capital system is not applied.

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

None.

**10.4 Information on share capital increases from revaluation funds**

None.



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

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

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

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

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

The Parent Bank does not have any preferred stocks.

**10.8 Common stock issue premiums, shares and equity instruments**

	Current Period	Prior Period
Number of Shares (*)	50,368,526	50,368,526
Preferred Stock	--	--
Common Stock Issue Premium (**)	98,411	98,411
Common Stock Cancellation Profits	--	--
Other Equity Instruments	--	--
Total Common Stock Issued (*)	50,369	50,369

\* Related to the Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital was increased from TL 202,000 to TL 290,000; and TL 50,369 of this TL 88,000 increase was received in cash through issuance of new shares to the public.

\*\* The share price for the above mentioned public issuance was "twothousandeighthundredandseventyfive" Turkish Liras and a total issuance premium of TL 94,440 was realized. The inflation restatement effect of TL 3,911 was also recognized over the original balance until December 2004. A total issuance premium of TL 60 was realized through the Bank's paid-in capital increase amounting TL 400,000 on 28 August 2008.

**10.9 Securities Revaluation Reserve**

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	--	--	--	--
Valuation Difference	82,153	29,290	246,413	51,186
Foreign Exchange Difference	--	--	--	--
Total	82,153	29,290	246,413	51,186

**10.10 Information on hedging funds**

**10.10.1 Information on cash flow hedge items**

The Parent Bank hedges a portion of its floating rate liabilities by interest rate swaps. The effective portion of the fair value losses of those swaps, amounting to TL 31,650 (31 December 2012: TL 47,210), has been disclosed in hedging reserves under equity.

**10.10.2 Information on hedging foreign net investment risk**

DFS Group hedges its foreign currency exchange rate risk from retranslation of its foreign operations by net investment hedge accounting, through recognizing the effective portion of foreign exchange rate changes of a portion of its foreign currency denominated liabilities under equity. The related loss under hedging reserve amounts to TL 99,844 as of 31 March 2013 (31 December 2012: TL 107,401).

**11. Information on minority shares**

	Current Period	Prior Period
Balance at the Beginning of the Period	15,764	13,517
Minority interest in net income of consolidated subsidiaries	823	2,254
Increase/(decrease) in minority interest due to disposals	--	--
Other	175	(7)
<b>Balance at the End of the Period</b>	<b>16,762</b>	<b>15,764</b>

**12. Information on revaluation differences of tangible assets**

Revaluation difference of tangible assets amounting to TL 306,054 include the gains on sale of Deniz Emeklilik ve Hayat A.Ş. and Deniz Türev Menkul Değerler A.Ş. amounting to TL 305,198 and the gain on sale of real estate for the remaining amount of TL 856, which are placed to the related reserve account under shareholders' equity with the exemption from corporate tax according to 5/1-e clause of Corporate Tax Law, (31 December 2012: TL 306,054).

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

**1. Information related to off-balance sheet commitments**

**1.1 Type and amount of irrevocable commitments**

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 March 2013, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 13,265,591, TL 5,093,084 and TL 1,423,479, respectively (31 December 2012: TL 12,380,747, TL 4,759,217 and TL 1,350,185, respectively). These items are detailed in the off-balance sheet accounts.

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

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

As of 31 March 2013, DFS Group has letters of guarantee amounting to TL 11,277,582, bills of exchange and acceptances amounting to TL 136,298, and guarantees and sureties on letters of credit amounting to TL 1,508,474. There are also other guarantees and sureties amounting to TL 343,237.

As of 31 December 2012 DFS Group has letters of guarantee amounting to TL 10,249,061, bills of exchange and acceptances amounting to TL 325,728, and guarantees and sureties on letter of credit amounting to TL 1,497,432. There are also other guarantees and sureties amounting to TL 308,526.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	1,202,051	1,102,000
Final Letters of Guarantee	7,394,407	6,893,799
Letters of Guarantee for Advances	1,476,996	1,226,835
Letters of Guarantee given to Customs Offices	232,924	248,985
Other Letters of Guarantee	971,204	777,442
<b>Total</b>	<b>11,277,582</b>	<b>10,249,061</b>

**2. Total amount of non-cash loans**

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	1,666,820	1,979,078
With Original Maturity of 1 Year or Less	606,504	637,515
With Original Maturity of More Than 1 Year	1,060,316	1,341,563
Other Non-Cash Loans	11,598,771	10,401,669
<b>Total</b>	<b>13,265,591</b>	<b>12,380,747</b>

**IV. Explanations and disclosures related to consolidated statement of income**

**1. Interest income**

**1.1 Information on interest income received from loans**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans	372,260	24,190	342,639	21,274
Medium and Long Term Loans	456,253	186,787	376,852	130,472
Loans Under Follow-Up	18,335	--	16,361	--
Premiums Received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>846,848</b>	<b>210,977</b>	<b>735,852</b>	<b>151,746</b>

Also includes fees and commissions from cash loans granted.

**1.2 Information on interest income received from banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	--	--	--	--
Domestic Banks	414	1,222	2,001	1,117
Foreign Banks	267	334	78	1,364
Foreign Head Offices and Branches	--	--	--	--
<b>Total</b>	<b>681</b>	<b>1,556</b>	<b>2,079</b>	<b>2,481</b>

**1.3 Information on interest income received from securities portfolio**

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	48,275	97	14,509	258
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Investment Securities Available-for-Sale	171,318	18,923	143,788	7,411
Investment Securities Held-to-Maturity	7,105	734	60,865	1,123
<b>Total</b>	<b>226,698</b>	<b>19,754</b>	<b>219,162</b>	<b>8,792</b>

**1.4 Information on interest income received from associates and subsidiaries**

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	1,140	616

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**2. Interest expense**

**2.1 Information on interest expense related to funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>28,605</b>	<b>37,396</b>	<b>35,755</b>	<b>43,800</b>
Central Bank of the Republic of Turkey	10	--	11	--
Domestic Banks	11,294	1,401	7,371	513
Foreign Banks	17,301	35,995	28,373	43,287
Foreign Head Offices and Branches	--	--	--	--
<b>Other Institutions</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>28,605</b>	<b>37,396</b>	<b>35,755</b>	<b>43,800</b>

Also includes fees and commissions related to funds borrowed.

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	333	453

**2.3 Information on interest expense paid to securities issued**

	Current Period	Prior Period
Interest Paid to Securities Issued	17,495	10,194

**2.4 Maturity structure of the interest expense on deposits**

Account Name	Time Deposits							Total
	Demand Deposits	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year	Cumulative Deposit	
<b>TL</b>								
Bank Deposits	381	6,953	--	--	--	--	--	7,334
Saving Deposits	27	18,094	143,406	14,880	4,813	6,022	341	187,583
Public Sector Deposits	--	538	1,829	223	26	15	--	2,631
Commercial Deposits	7,362	17,849	66,229	8,690	5,452	3,689	--	109,271
Other Deposits	--	1,138	10,196	4,052	690	12	--	16,088
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
<b>Total Turkish Lira</b>	<b>7,770</b>	<b>44,572</b>	<b>221,660</b>	<b>27,845</b>	<b>10,981</b>	<b>9,738</b>	<b>341</b>	<b>322,907</b>
<b>FC</b>								
Foreign Currency Deposits	427	62,264	26,090	5,818	4,613	1,088	1,681	101,981
Bank Deposits	660	1,085	--	--	--	--	--	1,745
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	126	677	178	30	2	2	1,015
<b>Total Foreign Currency</b>	<b>1,087</b>	<b>63,475</b>	<b>26,767</b>	<b>5,996</b>	<b>4,643</b>	<b>1,090</b>	<b>1,683</b>	<b>104,741</b>
<b>Total</b>	<b>8,857</b>	<b>108,047</b>	<b>248,427</b>	<b>33,841</b>	<b>15,624</b>	<b>10,828</b>	<b>2,024</b>	<b>427,648</b>

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**3. Information on trading income / loss**

	Current Period	Prior Period
Income	4,661,106	7,770,299
Capital Market Transactions	234,522	43,636
Derivative Financial Instruments	871,868	364,796
Foreign Exchange Gains	3,554,716	7,361,867
Loss (-)	4,565,945	7,814,950
Capital Market Transactions	109,152	25,367
Derivative Financial Instruments	900,638	712,633
Foreign Exchange Losses	3,556,155	7,076,950
<b>Net Trading Income / Loss</b>	<b>95,161</b>	<b>(44,651)</b>

Net loss from foreign exchange translation differences related to derivative financial instruments is TL 17,542 (net income for the period 1 January - 31 March 2012: TL 47,122).

**4. Information on other operating income**

	Current Period	Prior Period
Reversal of prior periods' provisions	73,281	52,270
Filing fees	22,279	4,186
Communication income	2,899	2,698
Cheque book fees	929	1,085
Other	22,426	22,607
<b>Total</b>	<b>121,814</b>	<b>82,846</b>

**5. Impairment on loans and other receivables**

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	223,007	79,882
<i>Loans and Receivables in Group III</i>	42,638	--
<i>Loans and Receivables in Group IV</i>	70,233	--
<i>Loans and Receivables in Group V</i>	110,136	79,882
Non-performing Commissions and Other Receivables	--	--
General Loan Loss Provisions	44,462	29,780
Free Provision for Probable Risks	12,957	50
Impairment Losses on Securities	27,576	13,102
<i>Financial Assets at Fair Value Through Profit or Loss</i>	2,067	102
<i>Investment Securities Available-for-Sale</i>	25,509	13,000
Impairment Losses on Associates, Subsidiaries, Joint Ventures and		
Investment Securities Held to Maturity	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	--	--
Other	21,074	9,688
<b>Total</b>	<b>329,076</b>	<b>132,502</b>

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**6. Information related to other operational expenses**

	Current Period	Prior Period
Personnel Expenses	206,068	173,530
Reserve for Employee Termination Benefits	2,603	1,986
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	22,658	21,700
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	10,981	7,567
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	724	356
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	153,623	107,278
<i>Operational Leases Expenses</i>	33,592	28,887
<i>Repair and Maintenance Expenses</i>	4,412	2,811
<i>Advertisement Expenses</i>	22,489	10,776
<i>Other Expenses (*)</i>	93,130	64,804
Losses on Sale of Assets	64	215
Other	41,939	36,245
<b>Total</b>	<b>438,660</b>	<b>348,877</b>

(\*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationery, entertainment and representation, heating and lighting, credit card service fee, penalty fine of Competition Authority and others amounting to TL 15,893, TL 10,738, TL 3,909, TL 1,400, TL 5,289, TL 9,870, TL 17,292 and TL 28,739, respectively (1 January - 31 March 2012: TL 15,269, TL 10,196, TL 3,844, TL 1,440, TL 4,411, TL 7,571 and TL 22,073, respectively).

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

As of 31 March 2013, DFS Group has a profit before tax from continuing operations amounting to TL 413,546 (31 March 2012: TL 243,160).

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**8. Information on tax provision for continued and discontinued operations**

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

As 1 January-31 March 2013 the current period taxation charge on continuing operations is TL 56,274 (1 January-31 March 2012: TL 98,235) while deferred tax charge is TL 43,994 (1 January-31 March 2012: TL 34,794 deferred tax benefit).

There are not current period taxation charge on discontinuing operations. ( 31 March 2012-None).

**8.2 Deferred tax benefit / (charge) arising from origination or reversal of temporary differences**

Deferred tax benefit/charge arising from temporary differences	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	22,780	26,102
Arising from Reversal of Deductible Temporary Differences (-)	(57,634)	(22,613)
Arising from Origination of Taxable Temporary Differences (-)	(19,231)	(15,492)
Arising from Reversal of Taxable Temporary Differences (+)	10,091	46,797
<b>Total</b>	<b>(43,994)</b>	<b>34,794</b>

**8.3 Deferred tax benefit / (charge) arising from temporary differences, tax losses or unused tax credits**

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	(34,854)	3,489
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	(9,140)	31,305
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>(43,994)</b>	<b>34,794</b>

**9. Information on net profit and loss**

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

Income generated from DFS Group's ordinary banking transactions during the current and prior period are mainly consisted of interest income from loans and marketable securities and income from other banking services. Main expense items are the interest expenses related to deposits and borrowings which are the main funding sources of marketable securities and loans.

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

**9.3 Profit or loss attributable to minority interests**

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	823	1,441

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

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

Other Fees and Commissions Received	Current Period	Prior Period
Credit card clearing and other commissions	48,798	46,547
Contracted merchant / POS commissions	45,016	40,305
Account management fees	26,587	9,714
Intermediary services	13,711	14,390
Insurance services	12,195	9,015
Remittance commissions	6,071	5,489
Expertise fees	2,012	613
Other	27,685	26,643
<b>Total</b>	<b>182,075</b>	<b>152,716</b>

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	34,497	40,032
EFT fees and commissions	763	1,384
Other	18,990	14,124
<b>Total</b>	<b>54,250</b>	<b>55,540</b>



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

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

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

**Current Period**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	206,861	137	--	--	94	4
Balance at the End of the Period	195,166	3,929	49,046	--	109	4
Interest and Commission Income Received	1,148	3	46	--	--	--

**Prior Period**

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	201,779	107	2,401	--	60	4
Balance at the End of the Period	206,861	137	--	--	94	4
Interest and Commission Income Received	616	--	66	14	--	--

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	22,887	17,982	335,616	405,738	16,571	4,129
Balance at the End of the Period	18,892	22,887	1,325,717	335,616	14,580	16,571
Interest and Commission Expenses	333	453	3,481	48	322	90

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes:						
Balance at the Beginning of the Period	--	--	211,068	3,420	--	3,778
Balance at the End of the Period	--	--	121,162	211,068	--	--
Total Income/(Loss)	--	--	(413)	--	--	(429)
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/(Loss)	--	--	--	--	--	--

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

**1.4 Information on benefit provided to Executives**

DFS Group makes payment amounting to TL 19,159 (31 March 2012: TL 11,773) to its Executives as of 31 March 2013

**2. Information on transactions with DFS Group's risk group**

**2.1 *Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties***

DFS Group performs banking transactions with the risk group on an arms-length basis within the market conditions and in compliance with the Banking Law.

**2.2 *In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other***

The pricing policy and other terms of transactions with the risk group entities are set in compliance with the market prices. As of 31 March 2013, cash loans and other receivables of the risk group represent 0.6% of DFS Group's total cash loans and bank deposits granted the deposits and borrowings represent 2.8% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0.03% of the total balance.

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

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

## **SECTION SIX**

### **OTHER DISCLOSURES AND FOOTNOTES**

**I. Other explanations related to DFS Group's operations**

**1. Explanations related to DFS Group's operations**

None.

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

**Moody's (\*)**

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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
Financial Strength Rating	D+(ba1) / Stable

**Fitch Rating's (\*\*)**

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

(\*) As of 16 October 2012

(\*\*) As of 18 April 2013

**3. Subsequent events**

An agreement between the Bank and Citibank A.Ş. (Citi) has been signed on 11 April 2013 in order to purchase retail banking department of Citi by the Bank including retail banking portfolio with Citi Turkey's customers more than 600,000, TL 1.2 billion assets and TL 1.5 billion deposits (as of 31 December 2012) and staff and branches. It is expected to finalize this transaction subject to legal approvals during the third quarter of 2013. Ultimate purchase price of this transaction will be determine after finalize of closing financial statements.

Establish of an Asset Management company for which the Bank's subsidiaries Deniz Investment, Ekspres Investment, Deniz Leasing, Deniz Factoring, and Intertech will be founder shareholders with a paid-in capital amounting to TL 10,000, has been confirmed by BRSA with the decision dated on 28 March 2012 and numbered 5248 and this decision has been declared in written on 9 April 2013. Following to the approval with the application to Ministry of Customs and Trade, establishment process for new company will be finalize and will be apply to BRSA for the operating permission within the Article 6 of Regulation on the Establishment and Operating Principles of Asset Management Companies .

**4. Information about effects of significant changes in foreign exchange rates after balance sheet date that would affect the analysis and decision making process of users and foreign operations of the Parent Bank**

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process of the financial statement users.

## **SECTION SEVEN**

### **INDEPENDENT AUDITORS' REVIEW REPORT**

#### **I. Information on the independent auditors' review report**

DFS Group's consolidated financial statements and footnotes have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Ernst&Young Global Limited) and the independent auditors' review report dated 14 May 2013 is presented in front of the financial statements.

#### **II. Disclosures and footnotes prepared by independent auditor**

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