

*(Convenience Translation of Consolidated Financial Report Originally Issued in
Turkish)
(See Note 3.I.2)*

**DENİZBANK
ANONİM ŞİRKETİ AND ITS
FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S
REPORT,
CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE YEAR ENDED
31 DECEMBER 2012**

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

Convenience Translation of the Independent Auditor's 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 REPORT
FOR THE PERIOD 1 JANUARY-31 DECEMBER 2012**

We have audited the accompanying consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its financial subsidiaries ("the Group") as at 31 December 2012, and the related consolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks' Accounting Practices And Maintaining Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette dated 1 November 2006 and numbered 26333, and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2012 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act numbered 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting, and pronouncements made by BRSA.

Additional paragraph for English translation

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Hasan Kılıç
Partner
Istanbul, 22 February 2013

DENİZBANK A.Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2012

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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 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 consolidated financial statements and related disclosures and footnotes that were subject to independent audit, 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**.

22 February 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 Istanbul Stock Exchange ("ISE") since 1 October 2004. 0.15% of the Bank's shares are publicly held as of 31 December 2012.

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

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

Prior Period

Name of the Shareholder	Amount (Full TL)	Share (%)
Dexia Participation Belgique SA	714,945,285	99.84
Publicly traded	1,154,681	0.16
Others shareholders	34	-
Total	716,100,000	100.00

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

Name	Title	Shares owned (%)
President of the Board of Directors		
Herman Gref	Chairman	--
Board of Directors		
Deniz Ülke 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	--
Audit Committee		
Wouter G.M. Van Roste	Member	--
Denis Bugrov	Member	--
Nihat Sevinç	Member	--
Statutory Auditors		
Cem Kadirgan	Member-Auditor	--
Mehmet Uğur Ok	Member-Auditor	--
Executive Vice Presidents		
Mustafa Aydın	Retail, SME and Agricultural Loan Allocation	--
Bora Böcügöz	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	--

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2012

(Currency: Thousands of TL - Turkish Lira)

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In accordance with the resolution of the Board of Directors of the Parent Bank as of 20 September 2012; Nikolay Kuznetsov and Sergey Gorkov were appointed as the members of the Board of Directors.

Pierre P.F. Mariani, Philippe J.E. Rucheton and Claude E.L.G. Piret resigned from the Board as a result of transfer of the Parent Bank shares owned by Dexia Group to Sberbank, and Herman Gref, Denis Bugrov and Vadim Kulik were appointed to the Board of Directors with the resolution of the Board of Directors of the Parent Bank dated 28 September 2012. Herman Gref was appointed as the chairman of the Board of Directors, Denis Bugrov was appointed as the member of the Audit Committee.

Cem Demirağ; who was the member of the Board of Directors of the Parent Bank and the Audit Committee; left his duties as of 14 November 2012 and Alexander Vedyakhin was appointed as the new member of the Board of Directors as of the same date. Cem Demirağ was appointed as the Head of Internal Control Unit and Compliance as of 15 November 2012.

Ayfer Yılmaz and M. Cem Bodur who were serving as the independent members of the Board of Directors have resigned as of 26 December 2012 following the expiry of their service terms.

Hasan Hüseyin Uyar; the member of the Board of Directors; resigned as of 26 December 2012.

In accordance with the resolution of the Extraordinary General Meeting dated 27 December 2012, the number of the members of the Board of Directors of the Parent Bank was specified as 14 and Deniz Ülke Arıboğan, Alexander Morozov, Andrey Donskikh, Igor Kondrashov, Derya Kumru and Nihat Sevinç were appointed as the new members of the Board of Directors.

In accordance with the resolution of the Board of Directors of the Parent Bank as of 28 December 2012; Deniz Ülke Arıboğan was appointed as the Deputy Chairman of the Board of Directors.

Derya Kumru who was the Executive Vice President in charge of the Wholesale Banking was appointed as the member of the Board of Directors as of 26 December 2012 and he has resigned from his recent assignment following his new appointment.

Selim Efe Teoman was appointed as the Executive Vice President in charge of the Corporate and Commercial Loans as of 7 January 2013 and Hayri Cansever was appointed as the Executive Vice President in charge of the Corporate Banking as of 22 January 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 December 2012 the capital structure of Sberbank of Russia is as follows:

Shareholders	Share Percentages
Central Bank of Russia	50.00%
Publicly traded	50.00%
Total	100.00%

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 609 domestic and 1 foreign branch as of 31 December 2012.

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.

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
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- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows
- VII. Consolidated Profit Distribution Tables

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS
(STATEMENTS OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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See Note 3.1.2*

ASSETS	Footnotes	AUDITED CURRENT PERIOD (31/12/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	724,734	4,524,855	5,249,589	1,885,844	2,270,338	4,156,182
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	845,818	133,061	978,879	571,418	321,466	892,884
2.1 Financial Assets Held For Trading		845,818	133,061	978,879	571,418	321,466	892,884
2.1.1 Public Sector Debt Securities		776,930	8,984	785,914	400,738	3,272	404,010
2.1.2 Share Certificates		35,011	543	35,554	22,578	1,832	24,410
2.1.3 Positive Value of Trading Purpose Derivatives		29,975	120,420	150,395	147,587	316,294	463,881
2.1.4 Other Securities		3,902	3,114	7,016	515	68	583
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)	260,197	1,355,936	1,616,133	1,130	877,573	878,703
IV. DUE FROM MONEY MARKETS		512,292	-	512,292	1,237,682	47,232	1,284,914
4.1 Interbank Money Market		338	-	338	250	47,232	47,482
4.2 Istanbul Stock Exchange		-	-	-	26,593	-	26,593
4.3 Reverse Repurchase Agreements		511,954	-	511,954	1,210,839	-	1,210,839
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.1.4)	6,150,145	1,418,944	7,569,089	3,940,807	261,935	4,202,742
5.1 Share Certificates		3,916	12	3,928	3,916	12	3,928
5.2 Public Sector Debt Securities		6,146,229	1,256,360	7,402,589	3,936,891	141,463	4,078,354
5.3 Other Securities		-	162,572	162,572	-	120,460	120,460
VI. LOANS AND RECEIVABLES	(5.1.5)	22,904,887	13,239,167	36,144,054	17,788,257	10,886,112	28,674,369
6.1 Loans and Receivables		22,376,436	13,203,826	35,580,262	17,518,784	10,869,945	28,388,729
6.1.1 Loans Utilized to the Bank's Risk Group		5,019	-	5,019	25	33	58
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		22,371,417	13,203,826	35,575,243	17,518,759	10,869,912	28,388,671
6.2 Loans under Follow-Up		1,337,057	54,733	1,391,790	865,660	28,749	894,409
6.3 Specific Provisions (-)		808,606	19,392	827,998	596,187	12,582	608,769
VII. FACTORING RECEIVABLES		1,161,562	53,196	1,214,758	937,562	41,796	979,358
VIII. INVESTMENT HELD TO MATURITY (Net)	(5.1.6)	141,481	117,329	258,810	787,802	124,303	912,105
8.1 Public Sector Debt Securities		141,481	75,551	217,032	787,802	79,159	866,961
8.2 Other Securities		-	41,778	41,778	-	45,144	45,144
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	9,072	-	9,072	7,432	-	7,432
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		9,072	-	9,072	7,432	-	7,432
9.2.1 Financial Associates		553	-	553	544	-	544
9.2.2 Non-Financial Associates		8,519	-	8,519	6,888	-	6,888
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	5,659	-	5,659	5,649	-	5,649
10.1 Unconsolidated Financial Subsidiaries		10	-	10	-	-	-
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)	364,946	1,077,738	1,442,684	228,900	1,064,256	1,293,156
12.1 Financial Lease Receivables		460,179	1,228,936	1,689,115	286,860	1,211,079	1,497,939
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		95,233	151,198	246,431	57,960	146,823	204,783
XIII. HEDGING PURPOSE DERIVATIVES	(5.1.11)	45,376	24,407	69,783	189,975	31,010	220,985
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		45,376	24,407	69,783	189,975	31,010	220,985
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(5.1.12)	349,765	7,570	357,335	337,393	6,649	344,042
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	93,516	4,830	98,346	66,097	5,894	71,991
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		93,516	4,830	98,346	66,097	5,894	71,991
XVI. INVESTMENT PROPERTIES (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.15)	100,099	523	100,622	58,541	2,283	60,824
17.1 Current Tax Assets		353	208	561	2,543	250	2,793
17.2 Deferred Tax Assets		99,746	315	100,061	55,998	2,033	58,031
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	680,033	184,644	864,677	447,505	320,641	768,146
TOTAL ASSETS		34,352,382	22,142,200	56,494,582	28,494,794	16,261,488	44,756,282

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 DECEMBER 2012 AND 2011
(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	AUDITED CURRENT PERIOD (31/12/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.1)	18,699,788	17,892,666	36,592,454	14,594,522	12,327,085	26,921,607
1.1 Deposits of the Bank's Risk Group		40,091	828	40,919	41,107	4,640	45,747
1.2 Others		18,659,697	17,891,838	36,551,535	14,553,415	12,322,445	26,875,860
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.11.2)	18,411	117,867	136,278	95,262	342,837	438,099
III. FUNDS BORROWED	(5.11.3)	1,511,172	5,491,585	7,002,757	1,293,387	6,316,314	7,609,701
IV. DUE TO MONEY MARKETS		1,729,150	58,660	1,787,810	863,351	47,233	910,584
4.1 Interbank Money Market		190	-	190	-	47,233	47,233
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		1,728,960	58,660	1,787,620	863,351	-	863,351
V. SECURITIES ISSUED (Net)	(5.11.4)	768,932	-	768,932	410,988	-	410,988
5.1 Bills		601,343	-	601,343	384,191	-	384,191
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		167,589	-	167,589	26,797	-	26,797
VI. FUNDS		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. SUNDRY CREDITORS		658,251	142,597	800,848	494,345	235,257	729,602
VIII. OTHER EXTERNAL RESOURCES	(5.11.5)	903,877	865,997	1,769,874	508,965	849,983	1,358,948
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.11.6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.11.7)	89,911	2,271	92,182	75,121	6,358	81,479
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		89,911	2,271	92,182	75,121	6,358	81,479
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(5.11.8)	719,268	42,458	761,726	518,542	15,555	534,097
12.1 General Provisions		443,897	-	443,897	291,975	-	291,975
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		71,509	1,849	73,358	57,608	1,437	59,045
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		203,862	40,609	244,471	168,959	14,118	183,077
XIII. TAX LIABILITIES	(5.11.9)	184,861	44,574	229,435	161,470	19,291	180,761
13.1 Current Tax Liability		184,861	35,134	219,995	161,470	18,652	180,122
13.2 Deferred Tax Liability		-	9,440	9,440	-	639	639
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND		-	-	-	-	-	-
XIV. DISCONTINUED OPERATIONS (Net)	(5.11.10)	-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.11.11)	-	887,662	887,662	-	938,953	938,953
XVI. SHAREHOLDERS' EQUITY	(5.11.12)	5,311,639	352,985	5,664,624	4,305,994	335,469	4,641,463
16.1 Paid-In Capital		716,100	-	716,100	716,100	-	716,100
16.2 Supplementary Capital		686,958	49,670	736,628	109,027	(2,290)	106,737
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		246,413	51,186	297,599	(15,858)	1,655	(14,203)
16.2.4 Revaluation Fund on Tangible Assets	(5.11.14)	306,054	-	306,054	856	-	856
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)		(153,095)	(1,516)	(154,611)	(163,557)	(3,945)	(167,502)
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		2,678,876	94,009	2,772,885	2,110,209	115,106	2,225,315
16.3.1 Legal Reserves		144,542	5,019	149,561	104,739	5,018	109,757
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		2,524,362	11,173	2,535,535	1,995,392	11,171	2,006,563
16.3.4 Other Profit Reserves		9,972	77,817	87,789	10,078	98,917	108,995
16.4 Profit or Loss		1,213,941	209,306	1,423,247	1,357,141	222,653	1,579,794
16.4.1 Prior Periods' Profits / Losses		525,920	179,900	705,820	406,435	111,813	518,248
16.4.2 Current Period Profit / Loss		688,021	29,406	717,427	950,706	110,840	1,061,546
16.5 Minority Shares	(5.11.13)	15,764	-	15,764	13,517	-	13,517
TOTAL LIABILITIES AND EQUITY		30,595,260	25,899,322	56,494,582	23,321,947	21,434,335	44,756,282

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 DECEMBER 2012 AND 2011
(Currency: Thousands of TL- Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.I.2*

	Footnotes	AUDITED CURRENT PERIOD (31/12/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		24,379,702	36,389,996	60,769,698	21,713,293	35,850,261	57,563,554
I. GUARANTEES	(5.III.1)	5,206,112	7,174,635	12,380,747	3,942,055	6,169,285	10,111,340
1.1. Letters of Guarantee		5,196,248	5,052,813	10,249,061	3,940,439	4,103,133	8,043,572
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79,122	169,864	248,986	234,215	103,378	337,593
1.1.3. Other Letters of Guarantee		5,117,126	4,882,949	10,000,075	3,706,224	3,999,755	7,705,979
1.2. Bank Acceptances		8,631	317,097	325,728	999	274,437	275,436
1.2.1. Import Letter of Acceptance		8,631	268,221	276,852	999	274,437	275,436
1.2.2. Other Bank Acceptances		-	48,876	48,876	-	-	-
1.3. Letters of Credit		383	1,497,049	1,497,432	617	1,528,689	1,529,306
1.3.1. Documentary Letters of Credit		266	1,252,926	1,253,192	570	1,269,903	1,270,473
1.3.2. Other Letters of Credit		117	244,123	244,240	47	258,786	258,833
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		850	307,676	308,526	-	263,026	263,026
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	10,621,350	2,751,324	13,372,674	8,857,722	4,172,026	13,029,748
2.1. Irrevocable Commitments		9,435,051	2,751,324	12,186,375	8,837,460	4,172,026	13,009,486
2.1.1. Asset Purchase and Sale Commitments		241,161	1,696,593	1,937,754	868,553	3,234,287	4,102,840
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		120	-	120	1,000	-	1,000
2.1.4. Loan Granting Commitments		3,047,815	250,440	3,298,255	2,748,458	129,894	2,878,352
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		1,350,185	-	1,350,185	990,872	-	990,872
2.1.8. Tax and Fund Obligations from Export Commitments		925	-	925	2,871	-	2,871
2.1.9. Commitments for Credit Card Limits		4,759,217	-	4,759,217	4,189,318	-	4,189,318
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		35,628	804,291	839,919	36,388	807,845	844,233
2.2. Revocable Commitments		1,186,299	-	1,186,299	20,262	-	20,262
2.2.1. Revocable Loan Granting Commitments		1,185,618	-	1,185,618	19,581	-	19,581
2.2.2. Other Revocable Commitments		681	-	681	681	-	681
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	8,552,240	26,464,037	35,016,277	8,913,516	25,508,950	34,422,466
3.1 Hedging Purpose Derivatives		670,110	798,007	1,468,117	644,143	1,179,474	1,823,617
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		670,110	798,007	1,468,117	644,143	1,179,474	1,823,617
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		7,882,130	25,666,030	33,548,160	8,269,373	24,329,476	32,598,849
3.2.1 Forward Foreign Currency Purchases/Sales		511,009	2,814,070	3,325,079	981,442	3,689,481	4,670,923
3.2.1.1 Forward Foreign Currency Purchases		277,093	1,386,445	1,663,538	217,637	2,117,660	2,335,297
3.2.1.2 Forward Foreign Currency Sales		233,916	1,427,625	1,661,541	763,805	1,571,821	2,335,626
3.2.2 Currency and Interest Rate Swaps		2,164,922	16,783,378	18,948,300	3,066,586	13,418,119	16,484,705
3.2.2.1 Currency Swaps-Purchases		589,074	6,478,251	7,067,325	691,043	6,181,221	6,872,264
3.2.2.2 Currency Swaps-Sales		1,575,848	5,157,773	6,733,621	2,375,543	4,462,490	6,838,033
3.2.2.3 Interest Rate Swaps-Purchases		-	2,573,677	2,573,677	-	1,387,204	1,387,204
3.2.2.4 Interest Rate Swaps-Sales		-	2,573,677	2,573,677	-	1,387,204	1,387,204
3.2.3 Currency, Interest Rate and Security Options		5,087,278	5,750,115	10,837,393	4,070,115	7,211,501	11,281,616
3.2.3.1 Currency Options-Purchases		2,284,503	3,094,658	5,379,161	2,150,341	3,429,191	5,579,532
3.2.3.2 Currency Options-Sales		2,742,775	2,587,603	5,330,378	1,919,774	3,644,864	5,564,638
3.2.3.3 Interest Rate Options-Purchases		-	33,927	33,927	-	68,723	68,723
3.2.3.4 Interest Rate Options-Sales		60,000	33,927	93,927	-	68,723	68,723
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		118,921	318,467	437,388	151,230	10,375	161,605
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		132,838,689	31,165,180	164,003,869	89,709,661	31,139,445	120,849,106
IV. ITEMS HELD IN CUSTODY		20,513,435	1,082,972	21,596,407	10,400,016	1,039,186	11,439,202
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		19,383,936	171,841	19,555,777	9,248,066	322,349	9,570,415
4.3. Checks Received for Collection		433,232	710,194	1,143,426	557,250	595,225	1,152,475
4.4. Commercial Notes Received for Collection		695,793	192,679	888,472	594,208	121,106	715,314
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		-	8,258	8,258	250	506	756
4.8. Custodians		474	-	474	242	-	242
V. PLEDGED ITEMS		112,047,714	29,793,074	141,840,788	79,085,294	29,974,887	109,060,181
5.1. Securities		1,939,615	220,255	2,159,870	912,174	976,173	1,888,347
5.2. Guarantee Notes		74,011,769	12,047,367	86,059,136	53,041,037	13,470,173	66,511,210
5.3. Commodities		5,855,316	1,684,076	7,539,392	3,785,901	2,247,412	6,033,313
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		26,801,855	12,028,038	38,829,893	19,826,058	11,213,558	31,039,616
5.6. Other Pledged Items		3,439,159	3,813,338	7,252,497	1,520,124	2,067,571	3,587,695
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		277,540	289,134	566,674	224,351	125,372	349,723
TOTAL OFF BALANCE SHEET ITEMS (A+B)		157,218,391	67,555,176	224,773,567	111,422,954	66,989,706	178,412,660

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS 31 DECEMBER 2012 AND 2011
(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	AUDITED CURRENT PERIOD (01/01-31/12/2012)	AUDITED PRIOR PERIOD (01/01-31/12/2011)
I. INTEREST INCOME	(5.IV.1)	4,806,433	3,535,559
1.1 Interest from Loans		3,871,682	2,845,852
1.2 Interest from Reserve Deposits		-	-
1.3 Interest from Banks		10,243	30,075
1.4 Interest from Money Market Transactions		64,685	32,244
1.5 Interest from Securities Portfolio		726,027	523,123
1.5.1 Trading Securities		71,850	48,633
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		572,770	328,298
1.5.4 Held to Maturity Securities		81,407	146,192
1.6 Interest from Financial Leases		109,871	88,288
1.7 Other Interest Income		23,925	15,977
II. INTEREST EXPENSE	(5.IV.2)	2,336,515	1,655,215
2.1 Interest on Deposits		1,926,834	1,307,645
2.2 Interest on Funds Borrowed		290,563	271,209
2.3 Interest on Money Market Transactions		56,296	43,176
2.4 Interest on Securities Issued		50,930	24,707
2.5 Other Interest Expense		11,892	8,478
III. NET INTEREST INCOME (I - II)		2,469,918	1,880,344
IV. NET FEES AND COMMISSION INCOME /EXPENSE	(5.IV.12)	482,226	425,220
4.1 Fees and Commissions Received		723,302	588,654
4.1.1 Non-Cash Loans		82,108	72,888
4.1.2 Other		641,194	515,766
4.2 Fees and Commissions Paid		241,076	163,434
4.2.1 Non-Cash Loans		1,371	696
4.2.2 Other		239,705	162,738
V. DIVIDEND INCOME	(5.IV.3)	567	2,238
VI. TRADING INCOME/LOSS (Net)	(5.IV.4)	(40,008)	(105,925)
6.1 Profit / Loss on Securities Trading		197,240	11,733
6.2 Profit / Loss on Derivative Financial Transactions		(816,752)	(99,791)
6.3 Foreign Exchange Gains / Losses		579,504	(17,867)
VII. OTHER OPERATING INCOME	(5.IV.5)	268,240	503,769
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3,180,943	2,705,646
IX. PROVISION FOR LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	727,519	452,552
X. OTHER OPERATING EXPENSES (-)	(5.IV.7)	1,497,825	1,336,204
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		955,599	916,890
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. INVESTMENTS PROFIT / LOSS FROM ACCOUNTED FOR UNDER EQUITY METHOD		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(5.IV.8)	955,599	916,890
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(235,918)	(199,534)
16.1 Current Tax		(349,502)	(165,750)
16.2 Deferred Tax		113,584	(33,784)
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	719,681	717,356
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	381,990
18.1 Assets Held for Sale		-	38,357
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	343,633
18.3 Other		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	13,002
19.1 Assets Held for Sale		-	13,002
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.3 Other		-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(5.IV.8)	-	368,988
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.IV.9)	-	(25,535)
21.1 Current Tax		-	(25,487)
21.2 Deferred Tax		-	(48)
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.IV.10)	-	343,453
XXIII. NET PROFIT / LOSS (XVII+XXII)	(5.IV.11)	719,681	1,060,809
23.1 Group's Profit / Loss		717,427	1,061,546
23.2 Minority Shares		2,254	(737)
Earnings / Losses per Share (Per thousand share)		1.00	1.48

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 YEARS 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
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	AUDITED CURRENT PERIOD (01/01-31/12/2012)	AUDITED PRIOR PERIOD (01/01-31/12/2011)
I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	618,917	(156,459)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(21,206)	73,687
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	(20,207)	55,123
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	31,054	(78,132)
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	(125,183)	30,194
X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	483,375	(75,587)
XI. CURRENT PERIOD PROFIT/LOSS	719,681	1,060,809
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	181,561	27,943
1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	(1,673)	(26,781)
1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
1.4 Other	539,793	1,059,647
XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)	1,203,056	985,222

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.I.2*

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	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
AUDITED PRIOR PERIOD (01/01-31/12/2011)																			
I. Balances at the Beginning of Period		716,100	189,164	98,411	-	86,880	-	1,572,755	35,308	614,240	361,549	138,990	-	11	(170,259)	-	3,643,149	16,056	3,659,205
Changes in the Period																			
II. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	(5.V.1)	-	-	-	-	-	-	-	-	-	-	(153,193)	-	-	-	-	(153,193)	-	(153,193)
IV. Hedging Transactions (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	2,757	-	2,757	-	2,757
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	80,889	-	80,889	-	80,889
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(78,132)	-	(78,132)	-	(78,132)
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		-	-	-	-	-	-	-	73,687	-	-	-	-	-	-	-	73,687	-	73,687
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	(5.V.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,802)	(1,802)
XVII. Current Period Net Profit / Loss	(5.V.4)	-	-	-	-	-	-	-	-	1,061,546	-	-	-	-	-	-	1,061,546	(737)	1,060,809
XVIII. Profit Distribution		-	-	-	-	22,877	-	433,808	-	(614,240)	156,699	-	856	-	-	-	-	-	-
18.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves		-	-	-	-	22,877	-	433,808	-	(614,240)	156,699	-	856	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX)		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
AUDITED CURRENT PERIOD (01/01-31/12/2012)																			
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	(5.V.1)	-	-	-	-	-	-	-	-	-	-	311,802	-	-	-	-	311,802	-	311,802
IV. Hedging Transactions (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	12,891	-	12,891	-	12,891
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	(18,163)	-	(18,163)	-	(18,163)
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	31,054	-	31,054	-	31,054
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		-	-	-	-	-	-	-	(21,206)	-	-	-	-	-	-	-	(21,206)	-	(21,206)
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	(5.V.6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
XVII. Current Period Net Profit / Loss	(5.V.4)	-	-	-	-	-	-	-	-	717,427	-	-	-	-	-	-	717,427	2,254	719,681
XVIII. Profit Distribution		-	-	-	-	39,804	-	528,972	-	(1,061,546)	187,572	-	305,198	-	-	-	-	-	-
18.1 Dividend Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves		-	-	-	-	39,804	-	528,972	-	(1,061,546)	187,572	-	305,198	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period ((I+II+III+...+XVI+XVII+XVIII))		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

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

	Footnote	AUDITED CURRENT PERIOD (01/01-31/12/2012)	AUDITED PRIOR PERIOD (01/01-31/12/2011)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)		2,742,961	880,549
1.1.1 Interest Received (+)		4,768,786	3,128,372
1.1.2 Interest Paid (-)		2,353,140	1,554,295
1.1.3 Dividend Received (+)		567	2,238
1.1.4 Fees And Commissions Received (+)		631,434	525,361
1.1.5 Other Income (+)		872,848	11,737
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)		762,865	468,413
1.1.7 Payments to Personnel and Service Suppliers (-)		648,393	578,686
1.1.8 Taxes Paid (-)		280,650	191,034
1.1.9 Other (+/-)	(5.VI.1)	(1,011,356)	(931,557)
1.2 Changes in Operating Assets and Liabilities		(906,934)	2,531,684
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)		266,047	(48,428)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)		-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)		(706,523)	31,517
1.2.4 Net (Increase) Decrease in Loans (+/-)		(9,015,946)	(7,408,144)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)		(2,766,122)	(1,115,074)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)		1,177,343	66,272
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)		8,474,214	6,706,416
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)		336,515	2,465,688
1.2.9 Net Increase (Decrease) in Due Payables (+/-)		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(5.VI.1)	1,327,538	1,833,437
I. Net Cash (Used in)/Provided from Banking Operations (+/-)		1,836,027	3,412,233
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided from / (Used in) Investing Activities (+/-)		(2,395,807)	(769,387)
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)		1,653	1,800
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)		3	437,404
2.3 Fixed Assets Purchases (-)		103,574	138,939
2.4 Fixed Assets Sales (+)		6,641	10,340
2.5 Cash Paid for Purchase of Investments Available for Sale (-)		6,524,392	2,522,938
2.6 Cash Obtained From Sale of Investments Available for Sale (+)		3,569,933	1,437,796
2.7 Cash Paid for Purchase of Investment Securities (-)		-	-
2.8 Cash Obtained from Sale of Investment Securities (+)		-	-
2.9 Other (+/-)	(5.VI.1)	657,235	8,750
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from / (Used in) Financing Activities (+/-)		(549,540)	(1,511,831)
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)		3,561,700	3,645,673
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)		4,111,240	5,157,504
3.3 Capital Increase (+)		-	-
3.4 Dividends Paid (-)		-	-
3.5 Payments for Finance Leases (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)	(5.VI.1)	(85,680)	250,836
V. Net Increase / (Decrease) in Cash and Cash Equivalents		(1,195,000)	1,381,851
VI. Cash and Cash Equivalents at the Beginning of Period (+)	(5.VI.2)	4,788,326	3,406,475
VII. Cash and Cash Equivalents at the End of Period	(5.VI.3)	3,593,326	4,788,326

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED PROFIT DISTRIBUTION TABLES
FOR THE YEARS 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

		AUDITED CURRENT PERIOD (01/01-31/12/2012)	AUDITED PRIOR PERIOD (01/01-31/12/2011)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	-	-
1.2	TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1	Corporate Tax (Income tax)	-	-
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET INCOME FOR THE YEAR (1.1-1.2) (*)	-	-
1.3	PRIOR YEARS LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	-
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	GENERAL RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	-	-
3.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

According to Turkish Commercial Code, profit distribution is based on unconsolidated financial statements.

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the 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 Turkish Banking Law No. 5411 is published in the Official Gazette No. 25983 dated 1 November 2005. The Parent Bank prepared the accompanying consolidated financial statements and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 10 February 2007 which is published in the Official Gazette No. 26430, Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA).

The Additional Clause 1 of the Law No: 2499 were nullified and Public Oversight, Accounting and Auditing Standards Institution (the "Institution") was established with the Statutory Decree No: 660, which was published in the Official Gazette and became effective on 2 November 2011. As per the Provisional Article 1 of the Statutory Decree, prevailing standards and regulations will apply until new standards and regulations to be issued by the Institution are in effect. In this respect, this matter has no effect over the basis of preparation of the financial statements disclosed in the accompanying financial statements as of the reporting date.

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.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2012

(Currency: Thousands of TL - Turkish Lira)

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

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

3.1 Disclosure related to reclassifications made in line with the change in Turkish Accounting Standard No. 39

Due to the change in Turkish Accounting Standard no. 39 and Turkish Financial Reporting Standard No. 7, as published in the Official Gazette No. 27040, dated 31 October 2008, a portion of debt securities amounting to TL 292,553 which had been originally classified in "Trading securities", have been reclassified to "Investment securities available-for-sale", effective from 1 September 2008 and in October for the Bank, 1 July 2008 for CJSC Denizbank, and 3 October 2008 for Deniz Yatırım. As a result of exceptional volatility in the financial markets, such reclassified financial assets have been chosen among securities which have incurred significant losses and those that are not planned to be sold in the near term. The table below summarizes the effects of the aforementioned reclassification on the financial statements:

Financial Assets Subject to Reclassification	Amounts at the Date of Reclassification	Amounts at the Balance Sheet Date	Amounts If Reclassification Was Not Made
Cost	292,553	295,239	292,553
Disposal	--	(289,199)	(285,447)
Cost after Disposal		6,040	7,106
Fair Value	295,239	6,335	6,335
Current Year Profit / (Loss)	--	(1,054)	72
Prior Periods' Profits / (Losses)	(1,082)	1,376	(843)
Effect on Shareholders' Equity	--	(27)	--

3.2 Disclosures related to other reclassifications

Sale of Deniz Emeklilik ve Hayat A.Ş. and Deniz Türev Menkul Değerler A.Ş. were completed in the year 2011; therefore their prior period's income and expense items (1 January-31 December 2011) are presented as profit/loss from discontinued operations in the consolidated statement of income.

There has been a classification between other interest income and interest from financial leases in the consolidated statements of income of the year 2011.

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

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333 and "Communiqué on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 10 February 2007 which is published in the Official Gazette No. 26430, and other regulations, Communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency. Those policies and principles are explained by footnotes II through XXIII below.

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 on foreign currencies other than US Dollar and Euro. If the position taken because of customer based activities exceeds 0.004% 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.

	31 December 2012	31 December 2011
US Dollar	TL 1.7776	TL 1.8889
Euro	TL 2.3452	TL 2.4438

2.2 Foreign exchange gains and losses included in the income statement

Net foreign exchange gain included in the income statement amounts to TL 579,504 (1 January - 31 December 2011: net foreign exchange loss of TL 17,867).

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 twelve 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 December 2012, total foreign exchange differences in equity amount to TL 77,817 (31 December 2011: TL 98,917).

The foreign exchange difference of TL 9,972 (31 December 2011: TL 10,078) 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

The accompanying consolidated financial statements are prepared in accordance with TAS 27 "Consolidated and Separate 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 as explained in detail in footnote 5.1.8.

Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. and Denizbank Kültür Sanat Ticaret A.Ş. which are also the subsidiaries of the Parent Bank, Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. a jointly controlled entity of the Bank, and Pupa Gayrimenkul Kiralama ve Yönetim Hizmetleri A.Ş.(Pupa) a subsidiary of Deniz Leasing 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.

1. Consolidation method

“Full Consolidation” method has been applied in consolidating the financial statements of the Parent Bank with the financial statements of its subsidiaries. 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.

Financial results of the subsidiaries those were disposed of in the current period are included in consolidated statement of income until the date of disposal.

The major principles of consolidation of subsidiaries

- 1.1** 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.
- 1.2** 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 December 2012 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.

2. Associates

There are no financial associates included in the consolidation.

3. Entities under common control (Joint Vent.)

There are no financial entities under common control which are consolidated.

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. Derivatives are initially recognized at cost including the transaction costs. 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 securities are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading securities are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Differences between the fair value and cost of trading securities are also recorded in “financial assets held for trading” line on the balance sheet.

DFS Group recognized the gains and losses arising from the valuation of share certificates and derivative instruments; which are classified within financial assets held for trading; within “net trading income/loss” line on the statement of income.

Interest earned whilst holding trading securities is reported as interest income.

As of the balance sheet date, the fair values of the Turkish Lira government securities are calculated using the Istanbul Stock Exchange (ISE) last day’s weighted average prices for those securities traded on ISE; and for those securities not traded on ISE, the prices announced by the Central Bank of the Republic of Turkey are used. Eurobonds and foreign currency government bonds are initially recognized at cost including transaction costs and subsequent to initial recognition, Eurobonds and foreign currency government bonds are measured at market prices. However, those securities not traded in an active market and whose fair values cannot be reliably measured are valued using amortized cost method based on internal rate of return. For equity securities, closing prices that are listed at the balance sheet date are used. Fair values of derivative instruments are determined by using market prices or pricing models.

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.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available-for-sale is recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity under "Securities revaluation reserve" (Unrealized Gains/Losses on Securities). When investment securities available-for-sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity is transferred to the income statement.

3. Investment securities held-to-maturity

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that DFS Group has the intent and ability to hold until maturity, excluding 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.

Investment securities held-to-maturity, loans and receivables are initially recognized at cost, and subsequently carried at "amortized cost" using the "internal rate of return method"; and provision is made for impairment if any.

Interest earned on held-to-maturity securities are recognized as interest income and 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.

Purchases/sales of held-to-maturity securities are recognized and accounted for on a settlement date basis.

4. Loans and specific provisions

Loans and receivables represent financial assets which have been recognized through supply of money, commodity or service to the debtor.

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

Foreign currency loans are re-measured to reflect the changes in the currency exchange rates. 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.

Specific allowances are made against the carrying amount of loans under follow-up 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.

IX. Explanations on offsetting financial instruments

When the fair values of the listed equity instruments that are classified as “trading purpose” fall below their costs, impairment provision is booked for them which is offset against their book values in the consolidated financial statements.

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”, the Bank provides specific provisions for its loans under follow-up. Those provisions are deducted from the balance of the loans under follow-up in the assets of the consolidated balance sheet.

Other than those expressed above, financial assets and liabilities are offset when there is legally enforceable 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, no offsetting is made.

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 presented 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”. The funds received on such transactions and the accrued interest expenses are presented within “Funds Provided under Repurchase Agreements” on the liability side of the accompanying consolidated balance sheet.

XI. Explanations on assets held for sale and discontinued operations

A non-current asset shall be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. 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 December 2012, DFS Group does not have non-current assets held for sale and a discontinued operation (31 December 2011: 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.

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 2% for properties and 2% - 50% for tangible assets owned or held under financial leasing.

As of 31 December 2012 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. Expenditures that extend the capacity of the tangible assets or those that extend the useful life and service capacity of the asset, or enhance the quality of the service, or decrease the cost of services are capitalized.

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

XIV. Explanations on leasing activities

The maximum period of the lease contracts is mostly 4 years. 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.

In the event that the lease contracts are terminated before the lease period expires, penalty required to be paid to the lessor is expensed in the period in which the lease is terminated. There are no lease contracts that were terminated before the end of the lease period.

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. Periodical financial leasing revenues, total financial leasing investments, unearned finance lease revenues and lease revenues are accounted for during the whole leasing period using the net investment method.

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; specific provisions are also provided for the financial lease receivables deemed doubtful but not yet due.

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 1,515 lawsuits against DFS Group with total risks amounting to TL 74,288, US Dollar 3,675,469 and Euro 4,449,969 as of 31 December 2012. There are also 5,933 follow-up cases amounting to TL 180,000 and Euro 1,275,319 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 18,549 for the continuing lawsuits (31 December 2011: TL 7,580).

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, is still continuing. Considering the stage and uncertainty of the investigation, no provision is deemed necessary as of 31 December 2012.

XVI. Explanations on obligations for employee benefits

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

In accordance with existing legislation in Turkey, DFS Group is required to make certain payments to each employee whose employment is terminated due to retirement or due to reasons other than resignation or misconduct. The retirement pay is calculated on the basis of 30 days’ pay per year of employment within the Group or the official retirement pay ceiling and the notice pay is calculated for the relevant notice period as determined based on year of employment.

Employee termination benefits calculated by an independent actuary have been recognized in the consolidated financial statements.

There are no employees with definite employment term contract whose contracts will terminate within more than twelve months from the balance sheet date.

Vacation accruals have been calculated upon employees’ unused vacation days and recognized in the consolidated financial statements.

There are no foundations, pensions or similar associations which DFS Group’s employees are members of.

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 100,061 (31 December 2011: TL 58,031) and deferred tax liabilities of TL 9,440 (31 December 2011: TL 639) have been recognized in the accompanying financial statements.

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

XVIII. Additional explanations on borrowings

Instruments representing the borrowings are initially recognized at cost and measured at amortized cost based on the internal rate of return. 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 borrow funds in the forms of syndication loans and securitization loans from foreign institutions. Financial instruments representing borrowings are measured at amortised cost based on the internal rate of return subsequent to recognition.

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

XIX. Explanations on shares and share issue

Transactions related to issuance of share certificates are explained in footnote 5.II.12.8. 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 X.

XXIII. Explanations on other matters

None.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

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 13.09% as of 31 December 2012 (unconsolidated capital adequacy ratio: 14.62%). 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.

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2. Consolidated and unconsolidated capital adequacy ratios

	Risk Weighted Assets								
	Consolidated								
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Credit Risk Base									
Risk classifications									
Conditional and unconditional receivables from central governments or central banks	11,829,391	--	--	208	--	308,177	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	407,512	28,368	--	31,143	--	--	--
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	--	--	44,397	467,229	--	337,572	44	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	27,206,531	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	11,651,628	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	3,886,913	--	--	--	--	--
Past due receivables	--	--	--	--	--	399,299	115,841	--	--
Receivables defined in high risk category by BRSA	--	--	--	6,005	--	35,916	1,234,015	1,627,624	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	1,261,066	74,888	--	43,518	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	1,118,699	--	13	--	--	1,122,061	--	--	--
Total Credit Risk Mitigation Effect	12,948,090	--	1,712,988	4,463,611	11,651,628	29,484,218	1,349,900	1,627,624	--
Total Risk Weighted Assets	--	--	342,598	2,231,806	8,738,721	29,484,218	2,024,850	3,255,248	--

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Risk Weighted Assets									
The Parent Bank									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Credit Risk Base									
Risk classifications									
Conditional and unconditional receivables from central governments or central banks	10,610,110	--	--	--	--	308,166	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	407,511	134	--	392	--	--	--
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	--	--	20,604	395,922	--	45,062	44	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	17,807,289	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	11,345,285	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	3,886,913	--	--	--	--	--
Past due receivables	--	--	--	--	--	362,753	58,979	--	--
Receivables defined in high risk category by BRSA	--	--	--	6,000	--	33,472	1,217,687	1,627,624	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	625,584	14,969	--	41,787	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	1,039,380	--	13	--	--	2,010,927	--	--	--
Total Credit Risk Mitigation Effect	11,649,490	--	1,053,712	4,303,938	11,345,285	20,609,849	1,276,710	1,627,624	--
Total Risk Weighted Assets	--	--	210,742	2,151,969	8,508,963	20,609,849	1,915,065	3,255,248	--

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

	Consolidated	The Parent Bank
	Current Period	Current Period
Capital Requirement for Credit Risk	3,686,195	2,932,147
Capital Requirement for Market Risk	68,371	48,889
Capital Requirement for Operational Risk	331,456	279,947
Equity	6,683,721	5,958,550
Equity / (CRCR+CRMR+CROR)*12,5*100	13.09%	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
CORE CAPITAL	
Paid-in Capital	716,100
Nominal Capital	716,100
Capital Commitments (-)	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189,164
Share Premium	98,411
Share Cancellation Profit	--
Legal Reserves	2,772,885
Adjustment to Legal Reserves	--
Profit	1,423,247
Current Period Profit	717,427
Prior Periods' Profits	705,820
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	74,351
Gains on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital	306,054
Primary Subordinated Loans	--
Minority Interest	15,764
Losses that is not covered with reserves (-)	--
Net Current Period Loss	--
Prior Periods' Losses	--
Operating Lease Development Costs (-)	90,969
Intangible Assets (-)	98,346
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--
Amount Excess of Article 56/3 of the Law (-)	--
Consolidation Goodwill (Net) (-)	--
Total Core Capital	5,406,661
SUPPLEMENTARY CAPITAL	--
General Reserves	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
Primary Subordinated Loans Excluded from the Core Capital	--
Secondary Subordinated Loans	737,134
45% of Value Increase Fund of Financial Assets Available for Sale and Associates and Subsidiaries	133,920
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal reserves)	--

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Minority Interest	--
Total Supplementary Capital	1,314,962
CAPITAL	6,721,623
DEDUCTIONS FROM CAPITAL	37,902
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	35,350
Securitization Positions - Adopting the Method of Deducting from Equity	--
Others	2,552
TOTAL SHAREHOLDERS' EQUITY	6,683,721

II. Explanations related to the consolidated credit risk

1. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

Credit risk is the risk that the counterparties of the Parent Bank and consolidated subsidiaries and associates may be unable to meet in full or part their commitments arising from contracts and cause to incur losses.

Credit risk limits of the customers are determined based on the customers' financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice president responsible from loans, the general manager, the credit committee and the Board of Directors; on condition that they are in compliance with the related regulations.

Credit risk limits are determined for debtors or group of debtors. Credit risk limits of the debtors, group of debtors and sectors are monitored on a weekly basis.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis:

Risk limits and allocations relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are monitored by on-site and off-site investigations.

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables:

The Group targets a healthy loan portfolio and in order to meet its target there are process instructions, follow-up and control procedures, close monitoring procedures and risk classifications for loans in accordance with the banking legislation.

In order to prevent the loans becoming non-performing either due to cyclical changes or structural problems, the potential problematic customers are determined through the analysis of early warning signals, and the probable performance problems are aimed to be resolved at an early stage.

Care is given to obtain collaterals against loans. It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities, bills of exchange and sureties of the persons and companies.

Descriptions of past due and impaired loans as per the accounting practices

Loans which were transferred to second group loans based on the "Regulation on Procedures and principles for Determination of Qualifications of Loans and Other Receivables By Banks and Provisions to be Set Aside" and whose principal and interest payments were not realized at the relevant due dates are regarded as past due loans by the Parent Bank. Loans whose principal and interest payments were late for more than 90 days and the loans whose debtors have suffered deterioration in their creditworthiness as per the Bank's evaluations are regarded as impaired loans.

Methods and approaches regarding valuation adjustments and provisions

Based on the "Regulation on Procedures and principles for Determination of Qualifications of Loans and Other Receivables By Banks and Provisions to be Set Aside" the Parent Bank calculates general provision for past due loans and specific provision for impaired loans.

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Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types

Corporate and commercial credit risks are evaluated according to the Group's internal assessment ("rating") system; which complies with the Basel II model; and classified according to their probability of default.

Rating/Scoring Grades	Current Period	Prior Period
Above Average	50%	51%
Average	35%	34%
Below Average	8%	10%
Unrated	7%	5%

Group applies a different assessment method ("scoring") for consumer and SME credit risks. Ratings compatible with Basel II model is presented below:

Rating/Scoring Grades	Current Period	Prior Period
Above Average	38%	38%
Average	31%	30%
Below Average	31%	32%

Risk classifications	Current Period (*)	Average (**)
Conditional and unconditional receivables from central governments or central banks	12,137,776	11,555,452
Conditional and unconditional receivables from regional or local governments	467,023	417,147
Conditional and unconditional receivables from administrative units and non-commercial enterprises	1	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	863,463	755,292
Conditional and unconditional receivables from corporates	28,674,173	26,933,356
Conditional and unconditional retail receivables	11,759,662	12,196,080
Conditional and unconditional receivables secured by mortgages	3,886,914	3,690,575
a) Receivables secured by residential mortgages	2,749,114	2,599,512
b) Receivables secured by commercial mortgages	1,137,800	1,091,063
Past due receivables	534,490	482,330
Receivables defined in high risk category by BRSA	2,926,132	2,866,126
Securities collateralized by mortgages	--	--
Securitization positions	--	--
Short-term receivables from banks, brokerage houses and corporates	1,379,472	1,482,215
Investments similar to collective investment funds	--	--
Other receivables	2,240,773	2,147,623
Total	64,869,879	62,526,197

(*)Includes risk amounts in banking book before the effect of credit risk mitigation but after the credit conversions.

(**) Arithmetical average of the amounts in quarterly reports prepared after the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank dated 28 June 2012.

2. **Information on the control limits of the Group for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions**

The Group has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.

3. **Information on whether the Group decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not**

Forward transactions can be realized at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.

4. **Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not**

Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.

Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

Loans that are renewed and rescheduled are included in a new rating group as determined by the risk management system, other than the follow-up plan defined in the banking regulations.

Long term commitments are accepted as having more risk than short term commitments which results in a diversification of risk and are monitored periodically.

5. Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

There is no significant credit risk since the Parent Bank's foreign operations and credit transactions are conducted in OECD and EU member countries in considering their economic climate.

Evaluation of the Bank's competitive credit risk as being an active participant in the international banking transactions market

Being an active participant in the international banking transactions market, the Parent Bank does not have significant credit risk as compared to other financial institutions.

6. DFS Group's

a) The share of the top 100 and 200 cash loan customers in the total cash loans portfolio

The share of the top 100 cash loan customers comprises 21% of the total cash loans portfolio (31 December 2011: 20%), the share of the top 200 cash loan customers comprises 29% of the total cash loans portfolio (31 December 2011: 30%).

b) The share of the top 100 and 200 non-cash loan customers in the total loan non-cash loans portfolio

The share of the top 100 non-cash loan customers comprises 44% of the total non-cash loans portfolio (31 December 2011: 44%), the share of the top 200 non-cash loan customers comprises 59% of the total non-cash loans portfolio (31 December 2011: 59%)

c) The share of the total cash and non-cash loan balance of the top 100 and 200 loan customers in the total assets and off-balance sheet items

The Bank's total cash and non-cash loans from its top 100 loan customers comprise 16% of the total assets and off-balance sheet items (31 December 2011: 14%), the Bank's total cash and non-cash loans from its top 200 loan customers comprise 22% of the total on and off-balance sheet items (31 December 2011: 22%)

7. DFS Group's general loan provision for its loans

As at 31 December 2012, DFS Group's general loan provision amounts to TL 443,897 (31 December 2011: TL 291,975).

8. Profile of significant exposures in major regions

Current Period	Risk Classifications(*)(***)																Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
Domestic	10,921,838	433,868	--	--	--	321,399	20,902,034	9,209,976	3,738,735	527,707	2,920,283	--	--	526,230	--	2,102,028	51,604,098
European Union Countries	1,215,730	28,369	--	--	--	162,592	477,777	41,183	40,318	6,547	4,862	--	--	572,973	--	55,233	2,605,584
OECD Countries (**)	--	--	--	--	--	--	98	2,357	3,329	63	251	--	--	3,914	--	--	10,012
Off-Shore Banking Regions	--	--	--	--	--	--	10,936	2,701	583	--	137	--	--	18	--	--	14,375
USA, Canada	--	--	--	--	--	11,730	36,287	898	2,518	--	--	--	--	171,402	--	--	222,835
Other Countries	208	--	--	--	--	65,961	565,537	23,396	21,430	173	599	--	--	86,252	--	65,985	829,541
Subsidiaries, associates and jointly controlled companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17,513	17,513
Unallocated Assets/Liabilities	--	4,786	1	--	--	301,781	6,681,504	2,479,151	80,001	--	--	--	--	18,683	--	14	9,565,921
Total	12,137,776	467,023	1	--	--	863,463	28,674,173	11,759,662	3,886,914	534,490	2,926,132	--	--	1,379,472	--	2,240,773	64,869,879

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- A: Conditional and unconditional receivables from central governments or central banks
B: Conditional and unconditional receivables from regional or local governments
C: Conditional and unconditional receivables from administrative units and non-commercial enterprises
D: Conditional and unconditional receivables from multilateral development banks
E: Conditional and unconditional receivables from international organizations
F: Conditional and unconditional receivables from banks and brokerage houses
G: Conditional and unconditional receivables from corporates
H: Conditional and unconditional retail receivables

- I: Conditional and unconditional receivables secured by mortgages
J: Past due receivables
K: Receivables defined in high risk category by BRSA
L: Securities collateralized by mortgages
M: Securitization positions
N: Short-term receivables from banks, brokerage houses and corporates
O: Investments similar to collective investment funds
P: Other receivables

(**) OECD countries except for EU countries, USA and Canada

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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9. Risk Profile by Sectors or Counterparties

Sectors/ Counterparties	Risk classifications(*)(**)																		Total
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	TP	YP	
Agricultural	--	--	--	--	--	--	724,524	1,938,765	426,705	46,779	4,170	--	--	--	--	--	2,764,153	376,790	3,140,943
Farming and Cattle	--	--	--	--	--	--	712,679	1,930,444	425,792	46,592	4,142	--	--	--	--	--	2,750,078	369,571	3,119,649
Forestry	--	--	--	--	--	--	4,056	5,337	396	80	25	--	--	--	--	--	9,627	267	9,894
Fishing	--	--	--	--	--	--	7,789	2,984	517	107	3	--	--	--	--	--	4,448	6,952	11,400
Manufacturing	--	2	--	--	--	--	9,053,676	671,456	135,224	59,080	5,263	--	--	--	--	--	2,936,496	6,988,205	9,924,701
Mining	--	2	--	--	--	--	1,510,421	43,875	18,062	4,158	617	--	--	--	--	--	325,183	1,251,952	1,577,135
Production	--	--	--	--	--	--	6,330,849	622,131	112,822	54,906	4,556	--	--	--	--	--	2,474,264	4,651,000	7,125,264
Utilities (Electric, gas and water)	--	--	--	--	--	--	1,212,406	5,450	4,340	16	90	--	--	--	--	--	137,049	1,085,253	1,222,302
Construction	--	53,461	--	--	--	--	4,831,345	372,232	258,466	60,680	5,412	--	--	--	--	--	2,629,695	2,951,901	5,581,596
Services	4,542,205	62	--	--	--	458,498	11,297,728	2,293,704	505,405	150,126	20,805	--	--	773,820	--	7,461	7,777,038	12,272,776	20,049,814
Wholesale and retail trade	--	1	--	--	--	--	4,245,678	1,729,948	270,035	51,388	15,781	--	--	--	--	--	4,086,566	2,226,265	6,312,831
Hotel, food and beverage services	--	--	--	--	--	--	2,485,563	123,575	131,864	2,350	1,709	--	--	--	--	--	555,343	2,189,718	2,745,061
Transportation and telecommunication	--	61	--	--	--	--	2,190,824	323,288	41,340	11,630	2,853	--	--	--	--	2,800	1,047,433	1,525,363	2,572,796
Financial institutions	4,542,205	--	--	--	--	458,498	827,126	24,795	17,628	274	55	--	--	773,820	--	4,661	1,292,654	5,356,408	6,649,062
Real estate and letting services	--	--	--	--	--	--	569,318	29,413	7,700	914	251	--	--	--	--	--	76,875	530,721	607,596
Self-employment services	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Education services	--	--	--	--	--	--	481,857	16,524	20,514	254	31	--	--	--	--	--	345,045	174,135	519,180
Health and social services	--	--	--	--	--	--	497,362	46,161	16,324	83,316	125	--	--	--	--	--	373,122	270,166	643,288
Other	7,595,571	413,498	1	--	--	404,965	2,766,900	6,483,505	2,561,114	217,825	2,890,482	--	--	605,652	--	2,233,312	22,109,045	4,063,780	26,172,825
Total	12,137,776	467,023	1	--	--	863,463	28,674,173	11,759,662	3,886,914	534,490	2,926,132	--	--	1,379,472	--	2,240,773	38,216,427	26,653,452	64,869,879

(*) Exposure categories are as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks:

- A: Conditional and unconditional receivables from central governments or central banks
B: Conditional and unconditional receivables from regional or local governments
C: Conditional and unconditional receivables from administrative units and non-commercial enterprises
D: Conditional and unconditional receivables from multilateral development banks
E: Conditional and unconditional receivables from international organizations
F: Conditional and unconditional receivables from banks and brokerage houses
G: Conditional and unconditional receivables from corporates
H: Conditional and unconditional retail receivables

- I: Conditional and unconditional receivables secured by mortgages
J: Past due receivables
K: Receivables defined in high risk category by BRSA
L: Securities collateralized by mortgages
M: Securitization positions
N: Short-term receivables from banks, brokerage houses and corporates
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(**) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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10. Analysis of maturity-bearing exposures according to remaining maturities

Risk classifications	Undistributed	1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Conditional and unconditional receivables from central governments or central banks	508,740	3,818,977	403,400	42,046	154,731	7,209,882
Conditional and unconditional receivables from regional or local governments	--	1,324	6,757	2,312	10,993	445,637
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	--	11,893	--	197,372	234,544	419,654
Conditional and unconditional receivables from corporates	14	2,138,723	3,403,607	2,332,258	3,879,490	16,920,081
Conditional and unconditional retail receivables	126,534	2,262,321	685,597	895,840	3,686,012	4,103,358
Conditional and unconditional receivables secured by mortgages	--	75,749	115,449	136,391	161,183	3,398,142
Past due receivables	439,168	28,634	1,554	5,486	7,868	51,780
Receivables defined in high risk category by BRSA	64,688	217,434	--	--	--	2,644,010
Securities collateralized by mortgages	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	298,501	979,641	101,330	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--
Other receivables	2,118,070	1,597	--	--	--	121,106
Total Amount	3,555,715	9,536,293	4,717,694	3,611,705	8,134,821	35,313,651

11. Risk Classifications

Credit ratings of International Credit Rating Agencies (CRA); Fitch, Moody's and Standard and Poors are used in the process of determining the risk weights as per the Article 6 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

The scope of credit rating notes is valid for the non-residents and is limited to the receivables from Central Governments or Central Banks, and receivables from Banks and Brokerage Houses. When the credit ratings given by two different CRA for a particular receivable balance corresponding to different risk weights, the higher risk weight is taken into account; when the credit ratings given by more than two CRA corresponding to different risk weights then the higher of the lowest two risk weights is taken into account. According to the regulation credit ratings of the international CRA is not applicable for the receivables from the residents.

Credit Quality Grade	Risk Rating			Risk Classifications		
	Fitch	Moody's	S&P	Receivables from Central Governments or Central Banks*	Receivables from Banks and Brokerage Houses	
					Receivables with Remaining Maturities Less Than 3 Months	Receivables with Remaining Maturities More Than 3 Months
1	AAA	Aaa	AAA	0%	20%	20%
	AA+	Aa1	AA+			
	AA	Aa2	AA			
	AA-	Aa3	AA-			
2	A+	A1	A+	20%	20%	50%
	A	A2	A			
	A-	A3	A-			
3	BBB+	Baa1	BBB+	50%	20%	50%
	BBB	Baa2	BBB			
	BBB-	Baa3	BBB-			
4	BB+	Ba1	BB+	100%	50%	100%
	BB	Ba2	BB			
	BB-	Ba3	BB-			
5	B+	B1	B+	100%	50%	100%
	B	B2	B			
	B-	B3	B-			
6	CCC	Caa1	CCC+	150%	150%	150%
		Caa2	CCC			
		Caa3	CCC-			
	CC	Ca	CC			
	C	C	C			
	D		D			

12. Exposures by risk weights

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	Deductions from Equity
Exposures before Credit Risk Mitigation	12,948,090	--	1,712,988	604,948	14,909,070	31,694,602	1,358,427	1,641,754	227,217
Exposures after Credit Risk Mitigation	12,948,090	--	1,712,988	4,463,611	11,651,628	29,484,218	1,349,900	1,627,624	227,217

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13. Information by major sectors and type of counterparties

Impaired Loans; are the loans either overdue for more than 90 days or loans regarded as impaired due to their creditworthiness. For such loans, “specific provisions” are allocated as per the Provisioning Regulation.

Past Due Loans; are the loans those are overdue up to 90 days but not impaired. For such loans, “general provisions” are allocated as per the Provisioning Regulation.

Important Sectors / Counterparties	Loans		Value Adjustments(*)	Provisions(**)
	Impaired	Past Due		
Agricultural	165,945	158,178	3,462	107,960
Farming and Cattle	159,368	157,130	3,439	102,025
Forestry	2,897	83	2	2,346
Fishing	3,680	965	21	3,589
Manufacturing	127,997	310,091	9,976	78,880
Mining	12,470	4,974	109	8,057
Production	111,375	249,417	8,754	66,772
Utilities (Electric, gas and water)	4,152	55,700	1,113	4,051
Construction	132,817	36,339	839	69,135
Services	310,111	400,473	12,819	165,171
Wholesale and retail trade	114,872	83,035	1,957	69,070
Hotel, food and beverage services	6,870	117,918	4,383	3,627
Transportation and telecommunication	38,286	166,858	5,142	29,083
Financial institutions	1,522	7,279	337	1,379
Real estate and letting services	1,139	1,797	37	553
Self-employment services	13,791	--	--	9,874
Education services	702	17,790	845	512
Health and social services	132,929	5,796	118	51,073
Other	654,920	706,187	29,196	406,852
Total	1,391,790	1,611,268	56,292	827,998

(*) Representing the general provision of past due loans.

(**) Representing specific provision amounts.

Movements in valuation adjustments and provisions

	Opening Balance	Charge for the period	Releases of provisions	Other adjustments(*)	Ending Balance
Specific provisions	608,769	490,691	(80,007)	(191,455)	827,998
General provisions	291,975	151,922	--	--	443,897

(*) Representing sales from the impaired loans portfolio.

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14. Distribution of credit risk according to the operational segments

Current Period	Commercial Loans (*)	Consumer Loans	Credit Cards	Other	Total
Standard Loans	26,899,393	7,566,634	1,980,225	15,294	36,461,546
Closely Monitored Loans	1,142,177	556,872	77,109	--	1,776,158
Non-performing Loans	798,364	440,830	152,596	--	1,391,790
Specific Provision (-)	462,784	270,144	95,070	--	827,998
Total	28,377,150	8,294,192	2,114,860	15,294	38,801,496

(*) Commercial loans include commercial, corporate and SME loans.

Prior Period	Commercial Loans (*)	Consumer Loans	Credit Cards	Other	Total
Standard Loans	21,011,406	6,779,498	1,530,535	14,062	29,335,501
Closely Monitored Loans	918,055	360,482	47,205	--	1,325,742
Non-performing Loans	590,743	219,332	84,062	272	894,409
Specific Provision (-)	401,539	144,403	62,557	270	608,769
Total	22,118,665	7,214,909	1,599,245	14,064	30,946,883

(*) Commercial loans include commercial, corporate and SME loans.

The loans of DFS Group amounting to TL 29,135,381 (31 December 2011: TL 18,410,190) are collateralized by cash, mortgage, cheques and notes obtained from customers.

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III. 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	18,627
(II) Capital Obligation against Specific Risk - Standard Method	1,979
Capital Obligation against Specific Risk of Securitization Positions- Standard Method	--
(III) Capital Obligation against Currency Risk - Standard Method	32,961
(IV) Capital Obligation against Commodity Risk - Standard Method	231
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk - Standard Method	42
(VII) Capital Obligation against Counterparty Credit Risk - Standard Method	14,531
(VIII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
(IX) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI+VII)	68,371
(X) Value-At-Market-Risk (12,5 x VIII) or (12,5 x IX)	854,638

2. Average market risk

	Current Period		
	Average	Maximum	Minimum
Interest Rate Risk	15,653	17,974	13,332
Share Certificate Risk	1,409	2,632	186
Currency Risk	34,834	36,706	32,961
Commodity Risk	206	231	181
Clearing Risk	--	--	--
Option Risk	183	324	42
Counterparty Credit Risk	16,855	19,179	14,531
Total Value-At-Risk	69,140	77,046	61,233

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2.1 Quantitative information on counterparty risk

In counterparty credit risk calculations, the fair value methodology is used according to the Appendix-2, Part 3 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". Positions arising from existing netting contracts are not taken into account for capital adequacy calculations.

Transactions related to the credit derivatives do not have hedging purposes and details based on the type of transaction are as follows:

	Amount
Interest-Rate Contracts	49,923
Foreign-Exchange-Rate Contracts	361,526
Commodity Contracts	3,427
Equity-Shares Related Contracts	9,008
Other	--
Gross Positive Fair Values	423,884
Netting Benefits	--
Net Current Exposure Amount	423,884
Collaterals Received	--
Net Derivative Position	423,884

IV. Explanations related to the consolidated operational risk

DFS Group used the "Basic Indicators Approach" in computation of its operational risk. In accordance with the 4th section (Computation of the Operational Risk) which is valid after 1 June 2007, of the "Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks", published in the Official Gazette dated 1 November 2006 and numbered 26333, operational risk is computed using the gross income of DFS Group for the years ended 2011, 2010 and 2009. As explained in detail in footnote I of this section, value at operational risk within the context of "Capital Adequacy Ratio" and operational risk capital liabilities are TL 4,143,196 and TL 331,456, respectively. Market risk measurements are performed monthly.

	31.12.2009	31.12.2010	31.12.2011	Total / No. of Years of Positive GI	Rate (%)	Total
Gross Income (GI)	2,190,523	2,080,916	2,357,674	2,209,704	15	331,456
Value at Operational Risk (Total*12,5)						4,143,196

V. 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.

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 1.7776
Euro purchase rate as at the balance sheet date TL 2.3452

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 December 2012	1.7877	2.3586
26 December 2012	1.7848	2.3566
27 December 2012	1.7829	2.3657
28 December 2012	1.7826	2.3517
31 December 2012	1.7776	2.3452

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 December 2012 are TL 1.7796 and TL 2.3333, respectively.

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6. Information on currency risk

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,691,807	2,167,825	665,223	4,524,855
Due from Banks and Other Financial Institutions	1,001,856	239,213	114,867	1,355,936
Financial Assets at Fair Value Through Profit or Loss	43,635	89,423	3	133,061
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	980,562	309,478	128,904	1,418,944
Loans (*)	4,709,413	9,891,067	332,874	14,933,354
Investments in Subsidiaries and Associates	--	--	--	--
Investment Securities Held-to-Maturity	111,074	6,255	--	117,329
Hedging Purpose Financial Derivatives	--	24,407	--	24,407
Tangible Assets	5,991	79	1,500	7,570
Intangible Assets	2,034	49	2,747	4,830
Other Assets (**)	749,590	706,024	60,273	1,515,887
Total Assets	9,295,962	13,433,820	1,306,391	24,036,173
Liabilities				
Bank Deposits	758,693	321,252	10,777	1,090,722
Foreign Currency Deposits	9,263,534	6,831,502	706,908	16,801,944
Interbank Money Markets	--	--	58,660	58,660
Funds Borrowed from Other Financial Institutions	3,022,332	3,315,159	41,756	6,379,247
Marketable Securities Issued	--	--	--	--
Miscellaneous Payables	39,290	80,253	23,054	142,597
Hedging Purpose Financial Derivatives	--	2,271	--	2,271
Other Liabilities (***)	433,763	634,169	2,964	1,070,896
Total Liabilities	13,517,612	11,184,606	844,119	25,546,337
Net "On Balance Sheet Position"	(4,221,650)	2,249,214	462,272	(1,510,164)
Net "Off-Balance Sheet Position"	4,517,876	(1,881,279)	(362,317)	2,274,280
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
Prior Period				
Total Assets	7,181,316	10,140,861	847,725	18,169,902
Total Liabilities	10,639,100	9,842,506	617,260	21,098,866
Net "On Balance Sheet Position"	(3,457,784)	298,355	230,465	(2,928,964)
Net "Off-Balance Sheet Position"	3,542,844	(350,423)	(160,968)	3,031,453
Financial Derivatives (Assets)	6,588,746	8,378,359	920,240	15,887,345
Financial Derivatives (Liabilities)	3,045,902	8,728,782	1,081,208	12,855,892
Non-Cash Loans	1,831,208	4,249,749	88,328	6,169,285

(*) : Foreign currency indexed loans amounting to TL 1,694,187 are included.

(**) : Foreign currency indexed factoring receivables amounting to TL 199,786 are included.

(***) : Equity in foreign currencies, amounting to TL 352,985 is excluded.

6.1 *Currency risk exposure*

The table below demonstrates prospective increase and decrease in equities and the statement of income as of 31 December 2012 and 2011 (excluding tax effect) on condition that 10 percent devaluation of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, to be constant.

	Current Period		Prior Period	
	Period Profit Loss	Equity (*)	Period Profit Loss	Equity (*)
US Dollar	(13,171)	(10,576)	(15,594)	(16,831)
Euro	30,018	33,490	25,416	25,190
Total (Net)	16,847	22,914	9,822	8,359

(*) Equity effect in the table also includes income statement effect of 10 per cent devaluation of TL against other currencies.

VI. **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.

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	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
Total Assets	10,799,268	6,045,595	8,553,418	15,203,331	8,120,962	7,772,008	56,494,582
Liabilities							
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
Total Liabilities	18,203,923	9,426,588	7,417,898	4,626,035	1,200,256	15,619,882	56,494,582
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	--	--	--	2,937,955
Off-Balance Sheet Short Position	--	--	--	(2,319,805)	(123,451)	--	(2,443,256)
Total Interest Sensitivity Gap	(6,891,921)	(1,510,434)	1,690,182	8,257,491	6,797,255	(7,847,874)	494,699

(*) 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 5,659, TL 121,438, and TL 742,759 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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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	4,156,182	4,156,182
Due from Banks and Other Fin. Inst.	432,552	13,316	--	--	--	432,835	878,703
Financial Assets at Fair Value Through Profit or Loss	85,385	366,839	324,622	76,955	14,174	24,909	892,884
Interbank Money Market Placements	1,284,914	--	--	--	--	--	1,284,914
Investment Securities Av.-for-Sale	166,287	1,022,221	1,753,679	1,242,171	14,456	3,928	4,202,742
Loans	4,758,956	3,618,099	5,340,611	10,157,420	4,513,643	285,640	28,674,369
Investment Securities Held-to-Mat.	50,276	837,013	24,816	--	--	--	912,105
Other Assets (*)	179,263	394,753	916,994	898,324	115,378	1,249,671	3,754,383
Total Assets	6,957,633	6,252,241	8,360,722	12,374,870	4,657,651	6,153,165	44,756,282
Liabilities							
Bank Deposits	117,943	4,214	34,063	92,871	--	173,538	422,629
Other Deposits	12,932,881	4,799,418	3,418,839	1,196,595	9,571	4,141,674	26,498,978
Interbank Money Market Placements	910,584	--	--	--	--	--	910,584
Miscellaneous Payables	2,991	263	33,197	15,056	--	678,095	729,602
Marketable Securities Issued	--	--	410,988	--	--	--	410,988
Funds Borrowed from Other Fin. Inst.	979,246	1,512,291	4,359,193	886,357	811,567	--	8,548,654
Other Liabilities (**)	250,117	264,852	573,575	235,782	12,667	5,897,854	7,234,847
Total Liabilities	15,193,762	6,581,038	8,829,855	2,426,661	833,805	10,891,161	44,756,282
On Balance Sheet Long Position							
On Balance Sheet Long Position	--	--	--	9,948,209	3,823,846	--	13,772,055
On Balance Sheet Short Position	(8,236,129)	(328,797)	(469,133)	--	--	(4,737,996)	(13,772,055)
Off-Balance Sheet Long Position	759,488	1,194,158	--	--	--	--	1,953,646
Off-Balance Sheet Short Position	--	--	(593,862)	(1,105,819)	--	--	(1,699,681)
Total Interest Sensitivity Gap	(7,476,641)	865,361	(1,062,995)	8,842,390	3,823,846	(4,737,996)	253,965

(*) 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 344,042, TL 71,991, TL 10,232, TL 60,824, TL 5,649, TL 48,219, and TL 708,714 respectively.

(**) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions and other liabilities with balances of TL 4,641,463, TL 180,761, TL 534,097, and TL 541,533 respectively.

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4. Average interest rates applied to monetary financial instruments

	EUR %	USD %	JPY %	TL %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	0.57	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
Liabilities				
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
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	1.29	0.09	--	12.18
Financial Assets at Fair Value Through Profit or Loss	4.81	6.97	--	10.34
Interbank Money Market Placements	--	3.50	--	11.38
Investment Securities Available-for-Sale	3.27	4.55	--	10.53
Loans	5.67	5.26	5.40	16.69
Investment Securities Held-to-Maturity	4.12	8.56	--	17.65
Liabilities				
Bank Deposits	1.33	2.38	--	10.59
Other Deposits	3.09	4.45	0.77	11.22
Interbank Money Market Placements	--	4.00	--	6.13
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	10.52
Funds Borrowed from Other Financial Institutions	2.15	1.82	2.81	7.48

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

		Shocks Applied		
		(+/- basis points)	Gains/Losses	Gains/Equity-Losses/Equity
Type of Currency				
1	TL	(+) 500 bps	(1,088,820)	18.27%
2	TL	(-) 400 bps	1,092,154	18.33%
3	EURO	(+) 200 bps	(598)	0.01%
4	EURO	(-) 200 bps	15,422	0.26%
5	USD	(+) 200 bps	(74,086)	1.24%
6	USD	(-) 200 bps	96,864	1.63%
Total (of negative shocks)			1,204,440	20.22%
Total (of positive shocks)			(1,163,504)	19.52%

6. Position risk of equity shares on banking book

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

Equities	Comparison		
	Carrying Value	Fair Value	Market Value
1) Securities Held for Trading	36,652	--	36,652
Quoted on Stock Exchange	36,652	--	36,652
2) Securities Available for Sale	3,928	--	--
Quoted on Stock Exchange	--	--	--
3) Associates	9,072	--	--
Quoted on Stock Exchange	--	--	--
4) Subsidiaries	5,659	--	--
Quoted on Stock Exchange	--	--	--
5) Joint Ventures	2,800	--	--
Quoted on Stock Exchange	--	--	--

Equity shares taken part in the portfolio are evaluated with final quotation of Istanbul Stock Exchange by the end of day.

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

Portfolio	Realized gains (losses) in the current period	Revaluation surpluses in the fair value		Unrealized gains and losses		
		Total	Included in supplementary capital	Total	Included in total core capital	Included in supplementary capital
Private Equity Investments	--	--	--	--	--	--
Quoted Shares	24,952	--	--	196	196	--
Other Share	--	--	--	--	--	--
Total	24,952	--	--	196	196	--

VII. 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 12% of the balance sheet is allocated to cash and balances with banks, 9% 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 12% of balance sheet is allocated to cash balances, 9% 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 ISE 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.

- 5. Liquidity Ratios of the Group**

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks" 26333 numbered official gazette dated on 1 November 2006, liquidity ratio is required to be 80 % for foreign currency assets/liabilities and 100 % for total assets/liabilities in the calculation of the banks weekly and monthly reporting. Liquidity ratios, prepared based on non-consolidated financial statements of the Bank, for 2012 are as below:

	First Maturity Slice (Weekly)		Second Maturity Slice (Monthly)	
	FC	FC + TL	FC	FC + TL
Average (%)	121,88	153,62	112,24	112,01
Max. (%)	143,89	177,40	126,50	120,85
Min. (%)	103,83	133,01	95,81	102,95

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See Note 3.1.2*

6. 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
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,587,893	3,661,696	--	--	--	--	--	5,249,589
Due from Banks and Other Fin.Inst.	480,019	839,073	1	295,966	1,074	--	--	1,616,133
Financial Assets at Fair Value Through Profit or Loss	539	78,221	18,124	241,394	565,578	38,913	36,110	978,879
Interbank Money Market Placements	--	512,292	--	--	--	--	--	512,292
Investment Securities Av.-for-Sale	--	86,418	197,635	922,590	3,035,109	3,323,409	3,928	7,569,089
Loans	563,792	4,381,163	2,011,284	7,214,493	13,737,289	8,236,033	--	36,144,054
Investment Securities Held-to-Mat.	--	--	--	141,481	53,388	63,941	--	258,810
Other Assets	815,845	153,524	861,069	359,845	1,216,157	137,110	622,186	4,165,736
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
Liabilities								
Bank Deposits	207,049	599,354	104,775	15,363	681,332	--	--	1,607,873
Other Deposits	7,034,243	15,330,323	6,404,420	2,948,803	3,181,660	85,132	--	34,984,581
Funds Borrowed from Other Fin.Inst.	--	251,365	1,378,540	2,515,901	1,932,404	1,812,209	--	7,890,419
Interbank Money Market Placements	--	1,787,810	--	--	--	--	--	1,787,810
Marketable Securities Issued	--	--	212,225	451,970	104,737	--	--	768,932
Miscellaneous Payables	754,086	1,072	3,159	34,866	7,665	--	--	800,848
Other Liabilities	963,100	165,830	348,490	550,064	126,978	15,489	6,484,168	8,654,119
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
Net Liquidity Gap	(5,510,390)	(8,423,367)	(5,363,496)	2,658,802	12,573,819	9,886,576	(5,821,944)	--
Prior Period								
Total Assets	3,969,492	7,244,422	3,718,079	8,104,508	14,561,691	6,578,949	579,141	44,756,282
Total Liabilities	5,527,109	15,099,000	5,601,806	7,929,798	3,382,807	2,015,575	5,200,187	44,756,282
Net Liquidity Gap	(1,557,617)	(7,854,578)	(1,883,727)	174,710	11,178,884	4,563,374	(4,621,046)	--

(*) 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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7. Securitization exposures

None.

8. 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; they have no effect in the risk mitigation calculations.

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	12,124,846	--	--	--
Conditional and unconditional receivables from regional or local governments	484,606	--	--	--
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	904,393	28,443	--	--
Conditional and unconditional receivables from corporates	35,552,342	1,528,068	--	--
Conditional and unconditional retail receivables	18,815,256	136,187	--	--
Conditional and unconditional receivables secured by mortgages	3,955,592	--	3,955,592	--
a) Receivables secured by residential mortgages	2,773,647	--	2,773,647	--
b) Receivables secured by commercial mortgages	1,181,945	--	1,181,945	--
Past due receivables	1,286,494	19,350	--	--
Receivables defined in high risk category by BRSA	3,002,126	22,573	--	--
Securities collateralized by mortgages	--	--	--	--
Securitization positions	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	1,176,586	--	--	--
Investments similar to collective investment funds	--	--	--	--
Other receivables	2,240,784	--	--	--
Total	79,543,028	1,734,621	3,955,592	--

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

9. 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. 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. In this context, risk measurement models are designed, implemented and regularly revised.

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.

VIII. Presentation of financial assets and liabilities at their fair value

1. Calculation of financial assets and liabilities at their fair value

The fair value of held-to-maturity assets are determined based on market prices, or when they are not available, based on market prices quoted for other securities subject to similar terms of interest, maturity and other conditions.

The expected fair value of the demand deposits represents the amount to be paid upon request. The fair value of the overnight deposits and floating rate placements represent their carrying value. The expected fair value of the fixed rate deposits are determined by calculating the discounted cash flows using the market interest rates of similar instruments.

The expected fair value of fixed rate loans and receivables are determined by calculating the discounted cash flows using the current market interest rates. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The following table summarizes the carrying value and fair value of financial assets and liabilities. The carrying value represents the sum of the acquisition costs and interest accruals of financial assets and liabilities.

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	Carrying value		Fair value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	48,757,820	38,225,347	48,819,149	37,585,563
Interbank money market placements	512,292	1,284,914	512,292	1,284,904
Due from banks	1,616,133	878,703	1,616,105	878,432
Investment securities available-for-sale	7,569,089	4,202,742	7,569,089	4,202,742
Investment securities held-to-maturity	258,810	912,105	268,637	936,105
Loans and Other Receivables	38,801,496	30,946,883	38,853,026	30,283,380
Financial Liabilities	47,840,463	37,521,435	47,693,621	37,360,539
Bank deposits	1,607,873	422,629	1,606,917	421,504
Other deposits	34,984,581	26,498,978	35,024,081	26,522,833
Funds borrowed from other financial institutions	7,890,419	8,548,654	7,703,204	8,365,302
Interbank money market borrowings	1,787,810	910,584	1,787,810	910,587
Securities Issued	768,932	410,988	770,761	410,711
Miscellaneous payables	800,848	729,602	800,848	729,602

2. Classification of fair value

TFRS 7 sets classification of valuation techniques according to the inputs used in valuation techniques based on fair value calculations which are whether observable or not.

Fair value levels of financial assets and liabilities that are carried at fair value in DFS Group's financial statements are given below:

Current Period-31 December 2012	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	828,484	150,395	--	978,879
<i>Public Sector Debt Securities</i>	785,914	--	--	785,914
<i>Share Certificates</i>	35,554	--	--	35,554
<i>Trading Purpose Derivatives</i>	--	150,395	--	150,395
<i>Other Securities</i>	7,016	--	--	7,016
Financial Assets Available for Sale (*)	7,565,161	--	--	7,565,161
<i>Public Sector Debt Securities</i>	7,402,589	--	--	7,402,589
<i>Other Securities</i>	162,572	--	--	162,572
Hedging Purpose Derivatives	--	69,783	--	69,783
Total Assets	8,393,645	220,178	--	8,613,823
Derivative Financial Liabilities Held for Trading	--	136,278	--	136,278
Hedging Purpose Derivatives	--	92,182	--	92,182
Total Liabilities	--	228,460	--	228,460

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Prior Period-31 December 2011	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss	429,003	463,881	--	892,884
<i>Public Sector Debt Securities</i>	404,010	--	--	404,010
<i>Share Certificates</i>	24,410	--	--	24,410
<i>Trading Purpose Derivatives</i>	--	463,881	--	463,881
<i>Other Securities</i>	583	--	--	583
Financial Assets Available for Sale(*)	4,198,814	--	--	4,198,814
<i>Public Sector Debt Securities</i>	4,078,354	--	--	4,078,354
<i>Other Securities</i>	120,460	--	--	120,460
Hedging Purpose Derivatives	--	220,985	--	220,985
Total Assets	4,627,817	684,866	--	5,312,683
Derivative Financial Liabilities Held for Trading	--	438,099	--	438,099
Hedging Purpose Derivatives	--	81,479	--	81,479
Total Liabilities	--	519,578	--	519,578

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Unobservable inputs

(*) Share certificates amounting TL 3,928, classified in financial assets available for sale that do not have quoted market prices in an active market or whose fair value cannot be measured, are carried at cost.

No transition has been made between Level 1 and Level 2 during the year.

IX. Transactions carried out on behalf and account of other parties and fiduciary transactions

1. Information on whether the Group performs sales, purchase, management, consultancy and custody services on behalf and account of others, or not

DFS Group performs sales, purchase, management, consultancy and custody services on behalf and account of others.

2. Transactions directly realized with other financial institutions depending on fiduciary contracts and probability of material effect of such transactions on the financial position of the Bank.

None.

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X. Explanations related to the consolidated segment reporting

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

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.

Corporate 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.

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

Segment information of the Group as of 31 December 2012 is presented in the following table:

Current Period (01.01.2012-31.12.2012)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	322,486	456,021	695,963	611,571	383,877	2,469,918
Net fee and commission income	46,322	61,240	152,199	233,987	(11,522)	482,226
Other income/expense, net	30,248	58,516	116,685	107,035	(83,685)	228,799
Total segment income	399,056	575,777	964,847	952,593	288,670	3,180,943
Other operating expenses	(123,878)	(222,232)	(548,416)	(560,029)	(43,270)	(1,497,825)
Provision for loan losses and other receivables	(11,436)	(170,865)	(188,943)	(355,862)	(413)	(727,519)
Tax charge						(235,918)
Net profit from continuing operations	263,742	182,680	227,488	36,702	244,987	719,681
Net profit from discontinued operations	--	--	--	--	--	--
Net profit	263,742	182,680	227,488	36,702	244,987	719,681
Current 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
Total assets						56,494,582
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
Total liabilities						56,494,582

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Prior Period (01.01.2011-31.12.2011)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	222,850	302,991	524,404	425,320	404,779	1,880,344
Net fee and commission income	41,900	49,681	133,784	209,062	(9,207)	425,220
Other income/expense, net	27,195	83,008	209,011	205,095	(124,227)	400,082
Total segment income	291,945	435,680	867,199	839,477	271,345	2,705,646
Other operating expenses	(102,900)	(199,760)	(490,640)	(516,965)	(25,939)	(1,336,204)
Provision for loan losses and other Receivables	(11,082)	(66,278)	(122,537)	(238,625)	(14,030)	(452,552)
Tax charge						(199,534)
Net profit from continuing operations	177,963	169,642	254,022	83,887	231,376	717,356
Net profit from discontinued operations	--	164	5,858	14,239	323,192	343,453
Net profit	177,963	169,806	259,880	98,126	554,568	1,060,809
Prior Period (31.12.2011)						
Segment assets	7,095,180	9,399,970	6,305,765	8,145,968	12,548,515	43,495,398
Subsidiaries and associates						15,881
Undistributed assets						1,245,003
Total assets						44,756,282
Segment liabilities	3,746,548	6,036,589	3,828,145	13,421,996	10,812,230	37,845,508
Undistributed liabilities						2,269,311
Shareholders' equity						4,641,463
Total liabilities						44,756,282

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	396,536	536,919	279,517	328,435
Central Bank of the Republic of Turkey	328,198	3,987,923	1,606,327	1,941,878
Other (*)	--	13	--	25
Total	724,734	4,524,855	1,885,844	2,270,338

(*) Includes TL 13 of cheques purchased (31 December 2011: TL 25).

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	185,924	319,574	1,606,327	351,470
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	142,274	3,668,349	--	1,590,408
Total	328,198	3,987,923	1,606,327	1,941,878

1.2 Information on Central Bank of the Republic of Turkey

As of 31 December 2012, all banks operating in Turkey should provide a reserve in a range of 5% to 11% depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 6% to 11.5% in US Dollars and 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	9,327	1,040	9,677	208
Other	--	--	--	--
Total	9,327	1,040	9,677	208

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

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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	--	--	--	--
Total	350,823	--	--	--

2.3 Positive value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	5,668	12,452	1,622	68,440
Swap Transactions	21,883	87,897	141,923	58,220
Futures Transactions	--	--	--	--
Options	2,424	20,071	4,042	189,634
Other	--	--	--	--
Total	29,975	120,420	147,587	316,294

3. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	260,095	314,389	868	329,048
Foreign	102	1,041,547	262	548,525
Foreign head offices and branches	--	--	--	--
Total	260,197	1,355,936	1,130	877,573

3.1 Foreign banks

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	742,339	353,532	--	--
USA, Canada	180,838	146,159	--	--
OECD Countries (*)	5,342	6,573	--	--
Off shore zones	40	148	--	--
Other	113,090	42,375	--	--
Total	1,041,649	548,787	--	--

(*) OECD countries except for EU countries, USA and Canada

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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

Investment securities available-for-sale given as collateral are government bonds and Eurobonds with carrying value of TL 1,508,424 (31 December 2011: TL 49,657).

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	570,688	937,736	15,017	34,640
Other	--	--	--	--
Total	570,688	937,736	15,017	34,640

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,572,538	--	638,892	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	32,460	--	--
Asset Backed Securities	--	--	--	--
Other	--	35,933	--	--
Total	1,572,538	68,393	638,892	--

4.5 Information on available-for-sale securities

	Current Period	Prior Period
Debt instruments	7,573,339	4,234,259
Quoted on Stock Exchange	7,573,339	4,234,259
Unquoted on Stock Exchange	--	--
Share certificates	3,928	3,928
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	3,928	3,928
Impairment provision (-)	8,178	35,445
Total	7,569,089	4,202,742

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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	44,262	4	39,600	16
Total	49,218	4	39,600	16

5.2 Information about 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		
	Loans and Other Receivables (Total)	Agreement conditions modified		Loans and Other Receivables (Total)	Agreement conditions modified	
		Extension of Payment Plan	Other		Extension of Payment Plan	Other
Cash Loans						
Non-specialized Loans	31,800,324	239,819	--	1,145,638	333,604	--
Working Capital Loans	8,123,509	122,505	--	132,667	50,008	--
Export Loans	525,593	407	--	41,017	--	--
Import Loans	477	--	--	--	--	--
Loans Given to Financial Sector	105,169	--	--	--	--	--
Consumer Loans	7,506,714	59,919	--	540,603	16,269	--
Credit Cards	1,980,225	--	--	77,109	--	--
Other	13,558,637	56,988	--	354,242	267,327	--
Specialization Loans	1,912,650	908	--	124,245	7,781	--
Other Receivables	15,293	--	--	--	--	--
Total	33,728,267	240,727	--	1,269,883	341,385	--

	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring (*)
Number of modifications made to extend payment plan		
Extended by 1 or 2 times	240,727	329,676
Extended by 3,4 or 5 times	--	11,709
Extended by more than 5 times	--	--
Total	240,727	341,385

	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring (*)
Extended period of time		
0-6 Months	105	503
6-12 Months	2,210	7,454
1-2 Years	8,758	74,275
2-5 Years	51,299	47,311
5 Year and Over	178,355	211,842
Total	240,727	341,385

(*) 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.

5.3 Information on loans according to maturity structure concentration

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term loans and other receivables	10,466,546	2,332	363,293	14,658
Non-specialized loans	9,381,347	1,955	297,835	11,571
Specialized loans	1,069,906	377	65,458	3,087
Other receivables	15,293	--	--	--
Medium and Long-term loans and other receivables	23,261,721	238,395	906,590	326,727
Non-specialized loans	22,418,977	237,864	847,803	322,033
Specialized loans	842,744	531	58,787	4,694
Other receivables	--	--	--	--
Total	33,728,267	240,727	1,269,883	341,385

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5.4 Information on consumer loans, individual credit cards and personnel credit cards

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	206,848	7,418,373	7,625,221
Real estate Loans	1,977	3,290,798	3,292,775
Vehicle Loans	5,272	475,302	480,574
General Purpose Loans	195,512	3,652,273	3,847,785
Other	4,087	--	4,087
Consumer Loans-Indexed to FC	57	148,953	149,010
Real estate Loans	57	145,879	145,936
Vehicle Loans	--	41	41
General Purpose Loans	--	3,033	3,033
Other	--	--	--
Consumer Loans-FC	1,508	27,078	28,586
Real estate Loans	--	16,448	16,448
Vehicle Loans	--	--	--
General Purpose Loans	1,508	767	2,275
Other	--	9,863	9,863
Individual Credit Cards-TL	1,809,616	113,774	1,923,390
Installment	732,101	113,774	845,875
Non installment	1,077,515	--	1,077,515
Individual Credit Cards-FC	562	--	562
Installment	28	--	28
Non installment	534	--	534
Loans Given to Employees-TL	2,323	22,553	24,876
Real estate Loans	--	2,661	2,661
Vehicle Loans	21	169	190
General Purpose Loans	2,302	19,723	22,025
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	40	139	179
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	30	30
Other	40	109	149
Personnel Credit Cards - TL	17,358	330	17,688
Installment	7,506	330	7,836
Non installment	9,852	--	9,852
Personnel Credit Cards - FC	21	--	21
Installment	--	--	--
Non installment	21	--	21
Overdraft Loans-TL (Real Persons) (*)	295,510	--	295,510
Overdraft Loans-FC (Real Persons)	123	--	123
Total	2,333,966	7,731,200	10,065,166

(*) Overdrafts used by the personnel of the Parent Bank are TL 1,498 (31 December 2011: TL 1,371).

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5.5 Information on installment commercial loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	257,739	2,625,423	2,883,162
Real estate Loans	329	133,466	133,795
Vehicle Loans	11,415	290,767	302,182
General Purpose Loans	245,551	2,023,266	2,268,817
Other	444	177,924	178,368
Installment Commercial Loans - Indexed to FC	18,759	481,760	500,519
Real estate Loans	--	15,032	15,032
Vehicle Loans	354	50,588	50,942
General Purpose Loans	18,405	416,140	434,545
Other	--	--	--
Installment Commercial Loans - FC	--	69,341	69,341
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	644	644
Other	--	68,697	68,697
Corporate Credit Cards - TL	115,372	51	115,423
Installment	45,190	51	45,241
Non installment	70,182	--	70,182
Corporate Credit Cards - FC	250	--	250
Installment	9	--	9
Non installment	241	--	241
Overdraft Loans-TL (Legal Entities)	289,332	--	289,332
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	681,452	3,176,575	3,858,027

5.6 Loan concentration according to counterparty

	Current Period	Prior Period
Public	545,467	413,873
Private	35,034,795	27,974,856
Total	35,580,262	28,388,729

5.7 Domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	34,447,567	27,114,322
Foreign Loans	1,132,695	1,274,407
Total	35,580,262	28,388,729

5.8 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	--	--
Total	4,956	--

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5.9 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	62,996	57,684
Loans and Receivables with Doubtful Collectability	225,339	81,577
Uncollectible Loans and Receivables	539,663	469,508
Total	827,998	608,769

5.10 Information on non-performing loans (Net)

5.10.1 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	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
Prior Period	4,255	1,697	7,466
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	4,255	1,697	7,466

5.10.2 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	138,954	156,154	599,301
Additions (+)	1,057,016	245,383	130,275
Transfers from Other Categories of Non-Performing Loans (+)	--	561,759	301,846
Transfers to Other Categories of Non-Performing Loans (-)	561,759	301,846	--
Collections (-)	368,195	175,432	198,880
Write-offs (-) (*)	527	5,428	186,831
Corporate and Commercial Loans	526	5,144	84,387
Retail Loans	--	13	54,940
Credit Cards	1	--	35,401
Other	--	271	12,103
Balances at End of the Period	265,489	480,590	645,711
Specific Provisions (-)	62,996	225,339	539,663
Net Balance on Balance Sheet	202,493	255,251	106,048

(*) The Parent Bank sold TL 38,827 of retail loans, credit cards and corporate loans portfolio which were under legal follow up to Girişim Varlık Yönetim A.Ş. for TL 6,208 with the sales agreement dated 29 March 2012.

The Parent Bank sold TL 78,552 of retail, corporate and commercial loans portfolio which were under legal follow up to LBT Varlık Yönetimi A.Ş. and Efes Varlık Yönetimi A.Ş. for TL 7,250 with the sales agreement dated 28 June 2012.

The Parent Bank sold TL 75,136 of retail, corporate and commercial loans portfolio which were under legal follow up to LBT Varlık Yönetimi A.Ş. and Final Varlık Yönetimi A.Ş. for TL 7,200 with the sales agreement dated 28 September 2012.

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of the Period End	12,840	25,310	16,583
Specific Provisions (-)	2,008	9,964	7,420
Net Balance on Balance Sheet	10,832	15,346	9,163
Prior Period			
Balance as of the Period End	5,780	9,036	13,933
Specific Provisions (-)	643	8,096	3,843
Net Balance on Balance Sheet	5,137	940	10,090

5.10.4 Information on non-performing loans according to beneficiary group

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	202,493	255,251	106,048
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	--
Prior Period (Net)	81,270	74,577	129,793
Loans Granted to Real Persons and Legal Entities (Gross)	138,954	156,154	599,301
Specific provisions (-)	57,684	81,577	469,508
Loans Granted to Real Persons and Legal Entities (Net)	81,270	74,577	129,793
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

5.11 Liquidation policy for uncollectible loans and receivables

For uncollectible loans and receivables, the Bank tries to solve the issue with the customer. If no result is obtained, all legal actions are taken. Such actions are completed when the insufficiency of collaterals is documented or a certificate of insolvency is obtained.

5.12 Information on write-off from assets policy

Unrecoverable non-performing loans are written off with the decision of the Board of Directors on condition that receivable of the Group is not material compared to the costs to be incurred for the preparation of necessary documentation. The amount written-off is TL 271 in 2012 (31 December 2011: TL 2,441).

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 2011: TL 367,088).

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	139,259	11,730	269,519	--
Other	--	--	--	--
Total	139,259	11,730	269,519	--

6.2 Information on government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	217,032	866,961
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	217,032	866,961

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6.3 Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	258,810	912,105
Quoted on Stock Exchange	228,763	879,187
Unquoted on Stock Exchange	30,047	32,918
Impairment (-)	--	--
Total	258,810	912,105

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	912,105	831,959
Foreign exchange differences (*)	3,940	88,896
Purchases	--	--
Disposals/Redemptions	(657,235)	(8,750)
Impairment losses (-)	--	--
Balance at the end of the period	258,810	912,105

(*) 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 731.

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	65,250	58,309	32,379	1,517	--	24,043	18,566	--
2	266,971	263,295	3,855	12,004	--	5,098	997	--
3	11,776	10,092	9,390	193	--	(1,058)	152	--

(*) Information on the financial statements is presented as of the period ended 30 September 2012.

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

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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.

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

	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	15,803	2,621	1,978	177	--	34	(100)	--	--
2	1,576	1,295	227	--	--	(12)	--	--	--
3	137,305	(70,855)	128,385	545	--	(1,472)	(38,460)	--	--

Information on the financial statements is presented as of the period ended 31 December 2012.

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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.	İstanbul/Turkey	--	56	Full consolidation

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	9,985,692	906,488	8,026	442,751	25,562	105,864	50,375	--
2	1,473,043	7,560	113	101,876	--	494	2,419	--
3	82,216	72,006	1,057	6,306	454	11,496	7,745	--
4	16,004	13,258	191	2,577	1,579	70	3,587	--
5	701,906	115,372	4,247	32,896	8,250	17,939	12,632	--
6	3,081	2,330	65	158	13	42	148	--
7	1,760,700	412,511	611	111,547	--	21,380	48,533	--
8	1,260,206	201,230	322	154,194	--	58,049	35,418	--
9	32,171	32,068	--	1,532	5,007	5,083	(1,692)	--

Information on the financial statements is presented as of the period ended 31 December 2012.

8.3.1 Movement of consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	838,689	567,353
Movements during the Period	294,992	271,336
Purchases	96,147	283,826
Bonus Shares Received	199,739	--
Dividends from Current Year Profit	--	--
Sales	--	(17,799)
Revaluation Increase, Effect of Inflation and F/X Difference	(894)	5,309
Other	--	--
Allowance for impairment	--	--
Balance at the End of the Period	1,133,681	838,689
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	616,321	542,211
Insurance Companies	--	--
Factoring Companies	138,107	26,107
Leasing Companies	303,929	226,929
Finance Companies	--	--
Other Subsidiaries	75,324	43,442
Total	1,133,681	838,689

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	12,551	9,551
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 Istanbul Stock Exchange ("ISE") since 30 October 1995.

8.3.4 *Consolidated subsidiaries disposed during the current period*

None.

8.3.5 *Consolidated subsidiaries acquired during the current period*

None.

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9. Entities Under Common Control (Joint Ventures)

9.1 Information on non-consolidated entities under common control

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	11,081	7,625	535	7,545	(5,400)

Information on the financial statements is presented as of the period ended 31 December 2012.

9.2 Information on consolidated entities under common control (Joint Ventures)

There are no entities under common control which are consolidated.

10. Information on lease receivables

10.1 Maturity analysis of finance lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	100,646	96,573	469,568	381,579
Between 1-4 years	1,103,203	963,148	869,936	808,292
Over 4 years	485,266	382,963	158,435	103,285
Total	1,689,115	1,442,684	1,497,939	1,293,156

10.2 Information on net investments in finance lease receivables

	Current Period	Prior Period
Gross finance lease receivable	1,689,115	1,497,939
Unearned finance income (-)	246,431	204,783
Cancelled leasing agreements (-)	--	--
Net investment on finance leases	1,442,684	1,293,156

10.3 Information on finance lease agreements of the Parent Bank

None.

11. Information on hedging purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	--	--	--	--
Cash Flow Hedge	45,376	24,407	189,975	31,010
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	45,376	24,407	189,975	31,010

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12. Information on tangible assets

Current Period End:	Land and buildings	Fixed assets under finance lease	Vehicles	Other tangible fixed assets	Total
Net book value at the beginning of the period	49,499	194,120	1,185	442,198	687,002
Additions	9,162	8,956	1,004	84,452	103,574
Inter-account transfer	--	(319)	--	(204)	(523)
Disposals	--	--	(25)	(6,616)	(6,641)
Net FX difference from foreign subsidiaries	--	--	(15)	(600)	(615)
Net book value at the end of the period	58,661	202,757	2,149	519,230	782,797
Accumulated depreciation at the beginning of the period (-)	10,496	137,237	693	194,534	342,960
Disposals	--	--	(26)	(5,025)	(5,051)
Inter-account transfer	--	(319)	--	(204)	(523)
Net FX difference from foreign subsidiaries	--	--	(7)	(333)	(340)
Depreciation	1,003	15,525	174	71,714	88,416
Current period accumulated depreciation (-)	11,499	152,443	834	260,686	425,462
Closing net book value	47,162	50,314	1,315	258,544	357,335
Prior Period End:					
Net book value at the beginning of the period	48,791	183,895	1,499	321,634	555,819
Additions	708	11,719	37	126,475	138,939
Disposals	--	(1,494)	(424)	(8,422)	(10,340)
Net FX difference from foreign subsidiaries	--	--	73	2,511	2,584
Net book value at the end of the period	49,499	194,120	1,185	442,198	687,002
Accumulated depreciation at the beginning of the period (-)	9,614	120,993	941	143,595	275,143
Disposals	--	(1,379)	(421)	(6,472)	(8,272)
Net FX difference from foreign subsidiaries	--	--	36	1,529	1,565
Depreciation	882	17,623	137	55,882	74,524
Prior period accumulated depreciation (-)	10,496	137,237	693	194,534	342,960
Closing net book value	39,003	56,883	492	247,664	344,042

12.1 *If the amount of an allowance for the decrease in the value of a specific asset or the reversal from an allowance for the decrease in the value of a specific asset is significant in the financial statements*

12.1.1 *Events and conditions that resulted in an allowance or the reversal of an allowance for the decrease in the value of the asset*

Value of the buildings has decreased due to fluctuations in the real estate market in prior years.

12.1.2 *Amount recorded or reversed in the financial statements*

The Parent Bank has booked an impairment loss provision of TL 4,402 for three of its buildings in prior years.

12.2 *Current year charge recorded in the financial statements as an allowance for the decrease in the value of a group of assets or income from the reversal of an allowance for the decrease in the value of a group of assets and events and conditions that resulted in them*

None.

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13. Information on intangible assets

13.1 Useful lives and amortization rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

13.2 Amortization methods

The Parent Bank uses straight line amortization method for intangibles purchased before 1 January 2003 and after 31 December 2006. Assets purchased in other periods are amortized using declining amortization method.

13.3 Movement of intangible assets

Current Period End:	Rights	Other	Total
Net book value at the beginning of the period	178,395	2,650	181,045
Additions	60,099	--	60,099
Inter-account transfer	523	--	523
Disposals	(3,066)	--	(3,066)
Net FX difference from foreign subsidiaries	(714)	--	(714)
Net book value at the end of the period	235,237	2,650	237,887
Accumulated depreciation at the beginning of the period (-)	106,404	2,650	109,054
Disposals	(3,030)	--	(3,030)
Inter-account transfer	523	--	523
Net FX difference from foreign subsidiaries	(559)	--	(559)
Depreciation	33,553	--	33,553
Current period accumulated depreciation (-)	136,891	2,650	139,541
Closing net book value	98,346	--	98,346

Prior Period End:			
Net book value at the beginning of the period	124,213	2,650	126,863
Additions	54,237	--	54,237
Inter-account transfer	36	--	36
Disposals	(3,490)	--	(3,490)
Net FX difference from foreign subsidiaries	3,399	--	3,399
Net book value at the end of the period	178,395	2,650	181,045
Accumulated depreciation at the beginning of the period (-)	82,619	2,650	85,269
Disposals	(2,234)	--	(2,234)
Net FX difference from foreign subsidiaries	2,443	--	2,443
Depreciation	23,576	--	23,576
Prior period accumulated depreciation (-)	106,404	2,650	109,054
Closing net book value	71,991	--	71,991

13.4 The carrying value, description and remaining useful life of significant intangible assets, if any

None.

- 13.5** *Information on intangible assets that have been purchased by government grants and originally have been accounted for by using the fair value principle*
None.
- 13.6** *Subsequent periods' valuation methodology for intangible assets that have been purchased by government grants in the past and originally have been accounted for by using the fair value principle*
None.
- 13.7** *Carrying value of intangible assets that are pledged or restricted in usage*
None.
- 13.8** *Amount of any commitments granted for the purchase of intangible assets*
None.
- 13.9** *In case of a revaluation, information on an asset by asset basis for intangible assets*
None.
- 13.10** *Total amount charged to income statement as research and development expense, if any*
None.
- 13.11** *Goodwill or negative goodwill arising from consolidated investments*
None.
- 14.** *Information on investment properties*
None.

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15. Information on deferred tax asset

15.1 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 100,061 (31 December 2011: TL 58,031) and deferred tax liability is TL 9,440 (31 December 2011: TL 639). These balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax bases:

	Current Period	Prior Period
Deferred Tax Assets:		
Miscellaneous Provisions	42,611	33,932
Valuation Differences of Financial Assets	--	6,334
Provision for Employee Benefits	14,330	11,232
Valuation Differences of Derivatives	6,901	--
Unearned Income	31,742	13,913
Other	13,240	22,897
	108,824	88,308
Deferred Tax Liabilities:		
Valuation Differences of Tangible Assets	(5,989)	(292)
Valuation Differences of Derivatives	--	(25,463)
Valuation Differences of Financial Assets	(12,214)	(5,161)
	(18,203)	(30,916)
Net Deferred Tax Assets	90,621	57,392

15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet

None.

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

DFS Group has no assets held for sale or discontinued operations during the current period.

17. Information on other assets

17.1 Information on prepaid expense, taxes and similar items

DFS Group's total prepaid expenses are TL 148,241 (31 December 2011: TL 63,915).

17.2 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	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	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	--	--	--	--	--	--	--	--	--
Total	7,241,292	--	4,710,525	15,662,917	1,772,410	1,824,006	5,361,225	20,079	36,592,454

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	641,595	--	625,219	6,644,917	298,930	51,629	48,427	8,726	8,319,443
Foreign Currency Deposits	2,169,081	--	918,256	3,236,373	656,680	2,195,179	2,576,547	382	11,752,498
Residents in Turkey	1,157,923	--	850,004	3,040,462	444,629	170,667	353,299	353	6,017,337
Residents Abroad	1,011,158	--	68,252	195,911	212,051	2,024,512	2,223,248	29	5,735,161
Public Sector Deposits	77,189	--	32,975	171,423	131,790	225	283	--	413,885
Commercial Deposits	966,052	--	790,367	2,357,335	787,002	124,720	217,128	--	5,242,604
Other Ins. Deposits	31,667	--	49,695	345,295	13,087	79	16,075	--	455,898
Precious Metal Deposits	256,090	--	5,605	47,913	4,931	--	111	--	314,650
Bank Deposits	173,538	--	88,242	31,313	346	35,222	93,968	--	422,629
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	98,068	--	110	945	--	--	1,078	--	100,201
Foreign Banks	14,984	--	88,132	30,368	346	35,222	92,890	--	261,942
Special Finan. Inst.	60,486	--	--	--	--	--	--	--	60,486
Other	--	--	--	--	--	--	--	--	--
Total	4,315,212	--	2,510,359	12,834,569	1,892,766	2,407,054	2,952,539	9,108	26,921,607

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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	3,373,808	2,984,884	6,549,009	5,215,703
Foreign Currency Saving Deposits	948,153	783,326	3,301,359	2,336,772
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	4,321,961	3,768,210	9,850,368	7,552,475

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	101,677	63,378
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	29,136	11,818
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	89,922	81,334
Total	220,735	156,530

2. Information on trading purpose derivatives

2.1 Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	60	17,235	2,565	50,222
Swap Transactions	18,008	76,666	88,780	100,668
Futures Transactions	--	--	--	--
Options	343	23,966	3,917	191,947
Other	--	--	--	--
Total	18,411	117,867	95,262	342,837

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3. Information on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	--	--	--	--
Domestic Bank and Institutions	844,363	318,714	530,879	114,383
Foreign Bank, Institutions and Funds	666,809	5,172,871	762,508	6,201,931
Total	1,511,172	5,491,585	1,293,387	6,316,314

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 December 2012, the outstanding balance of the loan is USD Dollar 157.5 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	1,233,397	2,897,752	918,379	3,250,261
Medium and Long-Term	277,775	2,593,833	375,008	3,066,053
Total	1,511,172	5,491,585	1,293,387	6,316,314

3.2 Additional information on concentrations of the Bank's liabilities

As at 31 December 2012, the Bank's liabilities comprise; 65% deposits, 18% funds borrowed, due to money markets, securities issued and subordinated loans (31 December 2011: 60%, 22%, respectively).

4. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	167,589	--	26,797	--
Bills	601,343	--	384,191	--
Total	768,932	--	410,988	--

Nominal value of TL 150,337 (31 December 2011: TL 10,305) of the securities issued were repurchased by the Parent Bank and offset in the financial statements.

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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. Criteria used in the determination of lease installments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

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	89,911	2,271	75,121	6,358
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	89,911	2,271	75,121	6,358

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8. Information on provisions

8.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	347,910	233,329
Additional Provision for Loans with Extended Maturities	14,495	2,603
Provisions for Loans and Receivables in Group II	56,292	27,668
Additional Provision for Loans with Extended Maturities	17,538	4,233
Provisions for Non Cash Loans	39,695	30,978
Other	--	--
Total	443,897	291,975

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	10,312	1,708

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".

As of 31 December 2012, TL 47,348 of provision for employment termination benefits (31 December 2011: TL 34,127) and TL 26,010 of unused vacation accruals (31 December 2011: TL 24,918) were reflected to the consolidated financial statements.

	Current Period	Prior Period
Discount rate	3.62%	4.66%
Interest Rate	8.80%	10.00%
Expected rate of salary/limit increase	5.00%	5.10%

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	137,234	135,028

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 87,874 (31 December 2011: TL 39,694) of other provisions consists of provisions for non-cash loans that are not indemnified and converted into cash. TL 18,549 (31 December 2011: TL 7,580) consists of provisions for lawsuits pending against DFS Group and TL 814 (31 December 2011: TL 775) consists of other provisions.

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9. Information on taxation

9.1 Information on current taxes

9.1.1 Information on current tax liability

As of 31 December 2012, the current tax liability of DFS Group is TL 350,038 (31 December 2011: TL 187,905), and it has been offset with advance taxes amounting to TL 208,352 (31 December 2011: TL 80,147).

As of 31 December 2012, DFS Group's total liability related to taxes and premiums is TL 219,995 (31 December 2011: TL 180,122).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	141,686	107,758
Taxation on securities	24,782	19,358
Capital gains taxes on property	1,372	1,070
Banking Insurance Transaction Tax (BITT)	26,011	20,463
Taxes on foreign exchange transactions	--	--
Value added taxes payable	1,480	919
Other	10,421	10,507
Total	205,752	160,075

9.1.3 Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	4,738	9,011
Social security premiums- employer share	4,880	9,195
Bank pension fund premium- employee share	137	--
Bank pension fund premium- employer share	167	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	338	645
Unemployment insurance- employer share	653	1,188
Other	3,330	8
Total	14,243	20,047

9.2 Information on deferred tax liabilities

Deferred tax liability calculated on the basis of related regulation is TL 9,440 (31 December 2011: TL 639). Information on deferred taxes is disclosed in footnote 15 of "explanations and disclosures related to consolidated assets".

10. Information on payables related to assets held for sale

None.

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11. Information on subordinated loans

On 28 December 2006, the Parent Bank obtained a EUR 90 million subordinated loan from Dexia Credit Local. The loan has a maturity of 10 years which is repayable after 5 years.

On 28 June 2007, the Parent Bank obtained a USD 50 million subordinated loan from Dexia Credit Local. The loan has a maturity of 10 years which is repayable after 5 years.

On 27 September 2007, the Parent Bank obtained a USD 130 million subordinated loan from Dexia Credit Local. The loan has a maturity of 10 years which is repayable after 5 years.

On 27 February 2008, the Parent Bank obtained a USD 200 million subordinated loan from Dexia Credit Local. The loan has a maturity of 10 years which is repayable after 5 years.

	Current Period		Prior Period	
	TL	FC	TL	FC
Domestic banks	--	--	--	--
Other domestic institutions	--	--	--	--
Foreign banks	--	887,662	--	938,953
Other foreign institutions	--	--	--	--
Total	--	887,662	--	938,953

12. Information on shareholders' equity

12.1 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 December 2012, the Parent Bank has "other capital reserves" amounting to TL 189,164 (31 December 2011: TL 189,164) arising from the effect of inflation restatement of the paid-in capital.

12.2 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.

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

None.

12.4 Information on share capital increases from revaluation funds

None.

12.5 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.

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12.6 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.

12.7 Information on the privileges given to stocks representing the capital

The Parent Bank does not have any preferred stocks.

12.8 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.

12.9 Securities revaluation reserve

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	--	--	--	--
Valuation Difference	246,413	51,186	(15,858)	1,655
Foreign Exchange Difference	--	--	--	--
Total	246,413	51,186	(15,858)	1,655

12.10 Information on hedging funds

12.10.1 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 47,210 (31 December 2011: TL 29,047), has been disclosed in hedging reserves under equity.

12.10.2 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 107,401 as of 31 December 2012 (31 December 2011: TL 138,455).

13. Information on minority shares

	Current Period	Prior Period
Balance at the Beginning of the Period	13,517	16,056
Minority interest in net income of consolidated subsidiaries	2,254	(737)
Increase/(decrease) in minority interest due to disposals	--	--
Other	(7)	(1,802)
Balance at the End of the Period	15,764	13,517

14. 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 and Deniz Türev 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 2011: Entire amount of TL 856 is the gain on sale of real estate).

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 December 2012, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 12,380,747, TL 4,759,217 and TL 1,350,185, respectively (31 December 2011: TL 10,111,340, TL 4,189,318 and TL 990,872, 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 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 letters of credit amounting to TL 1,497,432. There are also other guarantees and sureties amounting to TL 308,526.

As of 31 December 2011 DFS Group has letters of guarantee amounting to TL 8,043,572, bills of exchange and acceptances amounting to TL 275,436, and guarantees and sureties on letter of credit amounting to TL 1,529,306. There are also other guarantees and sureties amounting to TL 263,026.

1.2.2 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	1,102,000	488,475
Final Letters of Guarantee	6,893,799	6,164,219
Letters of Guarantee for Advances	1,226,835	952,005
Letters of Guarantee given to Customs Offices	248,985	337,593
Other Letters of Guarantee	777,442	101,280
Total	10,249,061	8,043,572

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	1,979,078	648,854
With Original Maturity of 1 Year or Less	637,515	246,685
With Original Maturity of More Than 1 Year	1,341,563	402,169
Other Non-Cash Loans	10,401,669	9,462,486
Total	12,380,747	10,111,340

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3. Sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	128,017	2.46	74,074	1.03	102,040	2.59	90,867	1.47
Farming and Raising Livestock	127,438	2.45	74,074	1.03	101,639	2.58	90,835	1.47
Forestry	128	0.00	--	--	283	0.01	32	--
Fishing	451	0.01	--	--	118	--	--	--
Manufacturing	772,667	14.84	2,330,439	32.48	605,951	15.37	2,229,477	36.14
Mining	223,898	4.30	753,946	10.51	130,479	3.31	738,705	11.97
Production	439,287	8.44	1,225,664	17.08	380,446	9.65	1,020,893	16.55
Electric, gas and water	109,482	2.10	350,829	4.89	95,026	2.41	469,879	7.62
Construction	1,840,794	35.36	2,151,083	29.98	1,367,795	34.70	2,022,293	32.78
Services	1,879,371	36.10	2,075,172	28.93	1,483,291	37.62	1,452,016	23.53
Wholesale and retail trade	1,080,543	20.76	1,101,198	15.35	942,639	23.91	655,176	10.62
Hotel, food and beverage Services	156,969	3.01	157,795	2.20	103,831	2.63	227,815	3.69
Transportation and telecommunication	295,956	5.68	360,928	5.03	213,569	5.42	327,499	5.31
Financial institutions	166,319	3.19	403,120	5.62	103,011	2.61	196,191	3.18
Real estate and renting Services	6,638	0.13	7,305	0.10	6,776	0.17	5,693	0.09
Self-employment services	--	--	--	--	--	--	81	--
Education services	10,775	0.21	12,699	0.18	12,608	0.32	15,973	0.26
Health and social services	162,171	3.12	32,127	0.45	100,857	2.56	23,588	0.38
Other	585,263	11.24	543,867	7.58	382,978	9.72	374,632	6.08
Total	5,206,112	100.00	7,174,635	100.00	3,942,055	100.00	6,169,285	100.00

4. Information about the first and second group of non-cash loans

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	5,134,128	5,023,941	62,120	28,872
Bank acceptances	8,631	316,293	--	804
Letters of credit	383	1,497,049	--	--
Endorsements	--	--	--	--
Underwriting commitments	--	--	--	--
Factoring commitments	--	--	--	--
Other commitments and contingencies	850	307,676	--	--
Total	5,143,992	7,144,959	62,120	29,676

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5. Information related to derivative financial instruments

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 year	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total hedging Purpose						
Derivative Transactions	44,620	--	283,105	969,418	170,974	1,468,117
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	44,620	--	283,105	969,418	170,974	1,468,117
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of trading transactions						
Foreign currency related derivative transactions (I)	14,189,795	6,297,303	6,708,736	583,178	56,552	27,835,564
Forward FC Call transactions	666,227	602,273	395,038	--	--	1,663,538
Forward FC Put transactions	663,912	601,977	395,652	--	--	1,661,541
Swap FC Call transactions	4,765,212	1,191,555	793,586	288,696	28,276	7,067,325
Swap FC Put transactions	4,435,706	1,188,813	792,130	288,696	28,276	6,733,621
Options FC Call transactions	1,852,552	1,364,635	2,159,081	2,893	--	5,379,161
Options FC Put transactions	1,806,186	1,348,050	2,173,249	2,893	--	5,330,378
Futures FC Call transactions	--	--	--	--	--	--
Futures FC Put transactions	--	--	--	--	--	--
Total of interest derivative transactions (II)	696,482	4,936	64,468	4,246,191	263,131	5,275,208
Swap Interest Call transactions	318,241	2,468	32,234	2,072,896	147,838	2,573,677
Swap Interest Put transactions	318,241	2,468	32,234	2,105,441	115,293	2,573,677
Options Interest Call transactions	--	--	--	33,927	--	33,927
Options Interest Put transactions	60,000	--	--	33,927	--	93,927
Securities Interest Call transactions	--	--	--	--	--	--
Securities Interest Put transactions	--	--	--	--	--	--
Futures Interest Call transactions	--	--	--	--	--	--
Futures Interest Put transactions	--	--	--	--	--	--
Other types of trading transactions (III)	396,661	39,690	1,037	--	--	437,388
B. Total types of trading transactions (I+II+III)	15,282,938	6,341,929	6,774,241	4,829,369	319,683	33,548,160
Total Derivative Transactions (A+B)	15,327,558	6,341,929	7,057,346	5,798,787	490,657	35,016,277

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Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 year	More than 5 years	Total
Hedging Purpose Derivative Transactions						
A. Total hedging Purpose Derivative Transactions	--	56,140	815,170	952,307	--	1,823,617
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	56,140	815,170	952,307	--	1,823,617
Net Foreign Investment Hedge Transactions	--	--	--	--	--	--
Types of trading transactions						
Foreign currency related derivative transactions (I)	12,519,885	7,390,292	8,953,035	589,634	72,544	29,525,390
Forward FC Call transactions	707,999	1,104,864	511,100	11,334	--	2,335,297
Forward FC Put transactions	701,953	1,111,443	510,136	12,094	--	2,335,626
Swap FC Call transactions	4,561,294	1,501,218	490,377	283,103	36,272	6,872,264
Swap FC Put transactions	4,571,963	1,462,218	484,477	283,103	36,272	6,838,033
Options FC Call transactions	993,312	1,105,328	3,480,892	--	--	5,579,532
Options FC Put transactions	983,364	1,105,221	3,476,053	--	--	5,564,638
Futures FC Call transactions	--	--	--	--	--	--
Futures FC Put transactions	--	--	--	--	--	--
Total of interest derivative transactions (II)	9,444	29,692	52,304	2,018,600	801,814	2,911,854
Swap Interest Call transactions	4,722	14,846	8,966	957,763	400,907	1,387,204
Swap Interest Put transactions	4,722	14,846	8,966	957,763	400,907	1,387,204
Options Interest Call transactions	--	--	17,186	51,537	--	68,723
Options Interest Put transactions	--	--	17,186	51,537	--	68,723
Securities Interest Call transactions	--	--	--	--	--	--
Securities Interest Put transactions	--	--	--	--	--	--
Futures Interest Call transactions	--	--	--	--	--	--
Futures Interest Put transactions	--	--	--	--	--	--
Other types of trading transactions (III)	126,893	13,343	21,369	--	--	161,605
B. Total types of trading transactions (I+II+III)	12,656,222	7,433,327	9,026,708	2,608,234	874,358	32,598,849
Total Derivative Transactions (A+B)	12,656,222	7,489,467	9,841,878	3,560,541	874,358	34,422,466

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Contingent assets and liabilities

None.

8. Activities carried out on behalf and account of other persons

The Bank provides trading, custody, management and consultancy services to its customers.

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IV. Explanations and disclosures related to consolidated statement of income

1. Interest income

1.1 Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans	1,554,432	73,663	1,066,657	72,324
Medium and Long Term Loans	1,608,898	570,774	1,218,242	432,100
Loans Under Follow-Up	63,915	--	56,525	4
Premiums Received from Resource Utilization Support Fund	--	--	--	--
Total	3,227,245	644,437	2,341,424	504,428

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	2,351	1,931	8,328	11,145
Foreign Banks	1,093	4,868	2,731	7,871
Foreign Head Offices and Branches	--	--	--	--
Total	3,444	6,799	11,059	19,016

1.3 Information on interest income received from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	70,058	1,792	47,775	858
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Investment Securities Available-for-Sale	533,076	39,694	313,044	15,254
Investment Securities Held-to-Maturity	78,001	3,406	141,697	4,495
Total	681,135	44,892	502,516	20,607

1.4 Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	6,447	9,832

2. Interest expense

2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	122,851	167,712	112,432	158,777
Central Bank of the Republic of Turkey	46	--	30	--
Domestic Banks	43,382	4,463	35,086	3,035
Foreign Banks	79,423	163,249	77,316	155,742
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	122,851	167,712	112,432	158,777

Also includes fees and commissions related to funds borrowed.

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2.2 Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	2,120	1,248

2.3 Information on interest expense paid to securities issued

	Current Period	Prior Period
Interest Paid to Securities Issued	50,930	24,707

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	1 year and over	Accum. Deposits	
TL								
Bank Deposits	357	32,559	--	--	--	--	--	32,916
Saving Deposits	93	71,857	758,145	42,847	7,663	5,229	740	886,574
Public Sector Deposits	--	2,917	6,920	2,637	24	47	--	12,545
Commercial Deposits	36	80,825	286,575	43,105	81,266	10,489	--	502,296
Other Deposits	--	3,871	58,054	6,056	524	20	--	68,525
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
Total Turkish Lira	486	192,029	1,109,694	94,645	89,477	15,785	740	1,502,856
FC								
Foreign Currency Deposits	10	245,997	136,970	19,467	3,649	4,847	6,244	417,184
Bank Deposits	131	4,696	--	--	--	--	--	4,827
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--
Precious Metal Deposits	1	272	1,469	204	16	2	3	1,967
Total Foreign Currency	142	250,965	138,439	19,671	3,665	4,849	6,247	423,978
Total	628	442,994	1,248,133	114,316	93,142	20,634	6,987	1,926,834

3. Dividend income

	Current Period	Prior Period
Trading Securities	533	257
Financial Assets at Fair Value Through Profit or Loss	--	--
Investment Securities Available-for-Sale	1	47
Other (from Subsidiaries and Associates)	33	1,934
Total	567	2,238

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4. Information on trading income / loss

	Current Period	Prior Period
Income	20,830,742	29,598,813
Capital Market Transactions	391,184	82,618
Derivative Financial Instruments	729,135	1,441,051
Foreign Exchange Gains	19,710,423	28,075,144
Loss (-)	20,870,750	29,704,738
Capital Market Transactions	193,944	70,885
Derivative Financial Instruments	1,545,887	1,540,842
Foreign Exchange Losses	19,130,919	28,093,011
Net Trading Income / Loss	(40,008)	(105,925)

Net income from foreign exchange translation differences related to derivative financial instruments is TL 48,181 (net income for the period 1 January - 31 December 2011: TL 125,770).

5. Information on other operating income

	Current Period	Prior Period
Reversal of prior periods' provisions	104,095	287,224
Filing fees	58,972	101,396
Communication income	10,815	10,061
Cheque book fees	4,314	4,462
Other	90,044	100,626
Total	268,240	503,769

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	490,690	312,885
<i>Loans and Receivables in Group III</i>	196,172	--
<i>Loans and Receivables in Group IV</i>	127,546	--
<i>Loans and Receivables in Group V</i>	166,972	312,885
Non-performing Commissions and Other Receivables	--	--
General Loan Loss Provisions	151,922	108,902
Free Provision for Probable Risks	5,921	691
Impairment Losses on Securities:	413	14,044
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	8,923
<i>Investment Securities Available-for-Sale</i>	413	5,121
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	78,573	16,030
Total	727,519	452,552

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7. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	724,944	670,082
Reserve for Employee Termination Benefits	13,322	9,064
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	88,416	74,524
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	33,553	23,576
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	1,588	1,132
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	506,799	424,731
Operational Leases Expenses	123,033	98,137
Repair and Maintenance Expenses	18,134	14,980
Advertisement Expenses	84,372	61,730
Other Expenses (*)	281,260	249,884
Losses on Sale of Assets	1,253	1,517
Other	127,950	131,578
Total	1,497,825	1,336,204

(*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationery, entertainment and representation, heating and lighting, credit card service fee and others amounting to TL 60,220, TL 43,485, TL 17,456, TL 7,081, TL 18,800, TL 31,559, and TL 102,659, respectively (1 January - 31 December 2011: TL 51,388, TL 36,915, TL 18,015, TL 5,740, TL 15,849, TL 33,878 and TL 88,099, respectively).

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8. Information on profit / loss before tax from continuing operations and discontinued operations

As of 31 December 2012, DFS Group does not have profit before tax from discontinued operations (31 December 2011: TL 368,988). As of 31 December 2012, DFS Group has a profit before tax from continuing operations amounting to TL 955,599 (31 December 2011: TL 916,890).

9. Information on tax provision for continued and discontinued operations

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

As 1 January-31 December 2012 the current period taxation charge on continuing operations is TL 349,502 (1 January-31 December 2011: TL 165,750) while deferred tax benefit is TL 113,584 (1 January-31 December 2011: TL 33,784 deferred tax charge). As 1 January-31 December 2012 there are no tax reserve from discontinued operations (1 January-31 December 2011: TL 25,487 the current period taxation charge on discontinued operations, TL 48 deferred tax charge).

9.2 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 (+)	120,133	62,558
Arising from Reversal of Deductible Temporary Differences (-)	(52,019)	(62,314)
Arising from Origination of Taxable Temporary Differences (-)	(16,492)	(40,130)
Arising from Reversal of Taxable Temporary Differences (+)	61,962	6,054
Total	113,584	(33,832)

9.3 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	68,114	244
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	45,470	(34,076)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	113,584	(33,832)

10. Information on continuing and discontinued operations net profit/loss

Income and expenses from continuing and discontinued operations for the years 31 December 2012 and 2011 as below:

10.1 Net profit/loss from continuing operations

	Current Period	Prior Period
Profit before tax from continuing operations	955,599	916,890
Tax provisions for continuing operations	(235,918)	(199,534)
Continuing operations profit/loss	719,681	717,356

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10.2 Net profit/loss from discontinued operations

	Current Period	Prior Period
Profit before tax from discontinued operations	--	368,988
Tax provisions for discontinued operations	--	(25,535)
Discontinued operations profit/loss	--	343,453

11. Information on net profit and loss

11.1 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.

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

11.3 Profit or loss attributable to minority interests

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	2,254	(737)

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

12. 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	195,279	142,983
Contracted merchant / POS commissions	178,338	110,822
Intermediary services	53,776	75,514
Account management fees	50,154	32,219
Insurance services	39,744	32,696
Remittance commissions	22,768	19,062
Expertise fees	4,392	13,156
Other	96,743	89,314
Total	641,194	515,766

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	169,390	121,999
EFT fees and commissions	4,783	2,503
Other	65,532	38,236
Total	239,705	162,738

V. Explanations and disclosures related to consolidated statement of changes in shareholders' equity

1. Changes due to valuation of investments available-for-sale

The amount of net increases/decreases from revaluation of investments available-for-sale of DFS Group has been TL 311,802 as of 31 December 2012 (31 December 2011: TL (153,193)). This amount has been reflected to "Valuation Differences of Securities" in the balance sheet.

As of 31 December 2012, an additional valuation increase of TL 181,561 has been realized from redemption/sale of other item in "investments available-for-sale" portfolio (31 December 2011: TL 27,943)

2. Reconciliation of the beginning and end of the year balances of foreign exchange differences

Foreign exchange differences resulting from the Bahrain branch of the Bank and from the translation of the financial statements of the consolidated foreign subsidiaries amounted to TL 87,789 (31 December 2011: TL 108,995) and included in shareholders' equity as "other profit reserves".

3. Dividend information

3.1 *Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statements*

None.

3.2 *Net profit per share decided to be distributed after the balance sheet date*

None.

4. Amounts transferred to legal reserves

The Parent Bank transferred TL 39,804 (31 December 2011: TL 22,877) to legal reserves and TL 528,972 (31 December 2011: TL 433,808) to extraordinary reserves from prior period profits in 2012.

5. Information on issuance of common stock

5.1 *Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital*

None.

6. Explanations for other increases in consolidated statements of changes in shareholders' equity

None.

VI. Explanations and disclosures related to consolidated cash flow statement

1. Disclosures for “other” items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents

“Other” item amounting to TL (1,011,356) (31 December 2011: TL (931,557)) before “changes in operating assets and liabilities” comprise other operating expenses, fees and commissions paid and net trading loss. As a result of these changes in the cash flow statement, the balance of cash and cash equivalents has changed from TL 4,788,326 (31 December 2011: TL 3,406,475) to TL 3,593,326 in 2012 (31 December 2011: TL 4,788,326).

“Other liabilities” item included in “change in assets and liabilities arising from banking activities”, amounting to TL 1,327,538 (31 December 2011: TL 1,833,437) comprise changes in sundry creditors, taxes and duties payable, and other external resources.

The effect of foreign currency exchange rates on cash and cash equivalents is reflected in foreign exchange gains and losses, which is presented as a separate line item as “effect of change in foreign currency exchange rates on cash and cash equivalents”.

2. Information on cash and cash equivalents at the beginning of the period

	Current Period 01.01.2012	Prior Period 01.01.2011
Cash	607,951	483,074
Interbank Money Market Placements	1,284,157	1,232,636
Trading Securities (Net)	140,503	98,886
Banks	2,755,715	1,591,879
Cash Equivalents	4,788,326	3,406,475

3. Information on cash and cash equivalents at the end of the period

	Current Period 31.12.2012	Prior Period 31.12.2011
Cash	933,455	607,951
Interbank Money Market Placements	511,400	1,284,157
Trading Securities (Net)	814,735	140,503
Banks	1,333,736	2,755,715
Cash Equivalents	3,593,326	4,788,326

4. Information on cash and cash equivalent assets of DFS Group that are not available for free use due to legal restrictions or other reasons

None (31 December 2011: None).

5. Additional information

5.1 Restrictions on the line of unused credit facilities to be used in banking operations and in fulfilling capital commitments, if any

None.

VII. 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

As of 31 December 2012, DFS Group's own risk group balances are:

Cash loans, finance lease receivables, other asset, deposits, funds borrowed, other liabilities and non-cash loans amounting to TL 5,019, TL 201,513, TL 423, TL 40,919, TL 328,865, TL 5,290 and TL 141 respectively.

As a result of the transactions with the risk group, the DFS Group has recorded net interest and commission expense, and derivative transaction loss amounting to TL 16,932 and TL 14,960 respectively.

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	201,779	107	2,401	--	60	4
Balance at the End of the Period	206,861	137	--	--	94	4
Interest and Commission Income Received	6,457	1	164	40	1	--

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	163,341	9	82,293	700	54,062	304
Balance at the End of the Period	201,779	107	2,401	--	60	4
Interest and Commission Income Received	9,832	--	1,694	45	2,900	5

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

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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	17,982	14,553	405,738	4,304,425	4,129	10,316
Balance at the End of the Period	22,887	17,982	335,616	405,738	16,571	4,129
Interest and Commission Expenses	2,120	1,248	20,583	52,210	892	980

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

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	--	--	3,420	4,646,499	3,778	62,875
Balance at the End of the Period	--	--	211,068	3,420	--	3,778
Total Income/Loss	--	--	(14,449)	264	(511)	(422)
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	276,768	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	8,954	--	--

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

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 December 2012, cash loans and other receivables of the risk group represent 0.5% of DFS Group's total cash loans and bank deposits granted, the deposits and borrowings represent 0.8% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0.001% of the total balance.

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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.

VIII. Domestic, foreign and off-shore banking branches and foreign representatives of the Parent Bank

1. Information relating to the Parent Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic branch	609	10,274			
			Country of Incorporations		
Foreign representation	--	--	--		
				Total Assets	Statutory Share Capital
Foreign branch	--	--	--	--	--
Off shore banking region branches	1	6	1-Bahrain	2,595,975	--

2. Explanations on the Parent Bank's branch and agency openings or closings

The Parent Bank opened 22 new branches in 2012.

3. The branches of associates and subsidiaries

There are fourteen branches of Denizbank AG, which headquarter is located centrally in Vienna, Austria. Six of the branches are located in Vienna, one each in Bregenz, Frankfurt, Linz, Graz, Innsbruck, Neustadt, Baden and Salzburg.

CJSC Denizbank Moscow, which headquarter is located in Moscow, operates through one branch.

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. Other explanations related to DFS Group’s operations

1. Explanations related to DFS Group’s operations

In the meeting of the Board of Directors of the Parent Bank dated 30 May 2012, it was decided to authorize General Management to issue bills and/or bonds amounting up to TL 2,700 million. With respect to the decision taken, on 7 June 2012 required applications have been made by the Parent Bank to the Capital Markets Board, the Banking Regulation and Supervision Agency and Istanbul Stock Exchange for the domestic issue of bills and/ or bonds with different maturities, amounting up to TL 2,100 million. The respective bank bills and/or bonds are registered with the BRSA as of 17 August 2012.

On 14 November 2012; the Parent Bank applied to the Capital Markets Board to issue asset backed securities denominated in TL equivalent of Euro 300 million, with fixed and/or floating rates to be determined in accordance with the market conditions at the date of the issue and with various orders and maturities to be sold to the corporate investors within the scope of private placement method during one year period via one or more than one issue.

The Parent Bank obtained syndication loan with one year maturity from the international markets with contribution of 37 banks from 20 countries under the coordination of Wells Fargo and Standard Chartered. The syndication loan consists of two tranches; amounting to USD 221 million and Euro 392,5 million, bearing interest at Euribor/ Libor+1.35%.

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2. Summary information about ratings of the Banks which has been performed by the international risk rating institution

Moody's (*)

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

Fitch Rating's ()**

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 2 October 2012

3. Subsequent events

On 30 January 2013; the Parent Bank issued bank bills with TL 65,225 nominal value, 105 days maturity and 6.25% simple interest rate and bank bills with TL 46,625 nominal value, 168 days maturity and 6.51% simple interest rate, and bonds with TL 88,150 nominal value, 1,120 days maturity and coupon payment in every 35 days, 0.74% periodic coupon interest rate relating to first three coupon payments.

In the meeting of the Board of the Directors of the Parent Bank on 14 January 2013, it was decided to authorize the general management of Deniz Yatırım Ortaklığı; the subsidiary of the Group operating as a securities investment trust; to make necessary applications to transform the subsidiary into a real-estate investment trust according to the Appendix 9 of the Communiqué Serial: VI No. 11 of the Capital Markets Law. In the meeting of the Board of Directors dated 22 January 2013, as part of the process of transforming Deniz Yatırım Ortaklığı to a real-estate investment trust, it was decided to apply to the Capital Markets Board to raise the registered share capital of Deniz Yatırım Ortaklığı from TL 25,000 to TL 200,000. Application to the Capital Markets Board in order to raise the registered share capital was made on 22 January 2013, and the application for the statute change of Deniz Yatırım Ortaklığı was made on 23 January 2013.

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' REPORT

I. Information on the independent auditors' report

DFS Group's consolidated financial statements and footnotes as of 31 December 2012 have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' report dated 22 February 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.