

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

**DENİZBANK
ANONİM ŞİRKETİ AND ITS
FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S
REVIEW REPORT,
CONSOLIDATED INTERIM
FINANCIAL
STATEMENTS AND NOTES
FOR THE NINE MONTH
PERIOD ENDED
30 SEPTEMBER 2012**

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

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

Denizbank A.Ş.
To the Board of Directors
İstanbul

**DENİZBANK ANONİM ŞİRKETİ
AND ITS FINANCIAL SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE PERIOD 1 JANUARY-30 SEPTEMBER 2012**

We have reviewed the consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its subsidiaries (together "the Group") as of 30 September 2012 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors, is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed an audit and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of the Group for the period ended 30 September 2012 in accordance with the prevailing accounting principles and standards set out as per the Article No 37 and 38 of the Banking Act No: 5411, and other regulations, communiqués and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency.

Additional paragraph for convenience translation to English:

As explained in Note 3.I.2, 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 Group'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
İstanbul, 13 November 2012

DENİZBANK A.Ş.
FOR THE NINE MONTHS PERIOD
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 SEPTEMBER 2012

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Büyükdere Caddesi No:106
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E-mail address of the Bank
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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 AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S REVIEW REPORT

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

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

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

13 November 2012

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

CEM DEMİRAĞ
Member of Board of Directors
and Audit Committee

DENİS BUGROV
Member of Board of Directors
and Audit Committee

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

HERMAN GREF
Chairman of Board of
Directors

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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. 0.16% of the Bank's shares are publicly held as of 30 September 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%.

According to the resolution of the Dexia Board of Directors, dated 19 October 2011, Dexia Group CEO was authorized to start the sale process of all shares of Dexia Group in the Parent Bank (99.85% of total) and started the studies for the evaluation. As of 24 May 2012, further to a competitive bidding process with interested buyers, Dexia Participation Belgique SA and Dexia SA ("Dexia Group") and Sberbank of Russia ("Sberbank") have decided to enter into exclusive negotiations with an intention to sell the shares of the Parent Bank. Following the negotiations, on 8 June 2012 Dexia Group and Sberbank have signed a sale and purchase agreement regarding the acquisition of 715,010,291 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. The adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Agreement has been continuing. In this context, the Closing Date statements which shall set out the net asset value of the Parent Bank as at the Closing Date are being prepared. If the Closing Date Net Asset Value, is more than the net asset value as of 31 December 2011, Sberbank shall pay to Dexia Group, an amount in TL, converted into EUR at the exchange rate determined in the sale and purchase agreement. Since the transaction was closed on 28 September 2012, the relevant cap will be maximum TL 433 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	715,010,291	99.85
Publicly traded	1,089,675	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		
Ayfer Yılmaz	Deputy Chairman	0.000002
Hakan Ateş	Member, President and CEO	0.000002
M. Cem Bodur	Member	0.000002
Cem Demirağ	Member	--
Wouter G.M. Van Roste	Member	--
Nikolay Kunetsov	Member	--
Sergey Gorkov	Member	--
Vadim Kulik	Member	--
Denis Bugrov	Member	--
Hasan Hüseyin Uyar	Member	--
Audit Committee		
Cem Demirağ	Member	--
Ayfer Yılmaz	Member	--
Denis Bugrov	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	--
Derya Kumru	Corporate - Commercial Banking, Public Finance 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	--
Frank B.J Plingers (*)	Supervisory Board	--
Ali Murat Dizdar	Chief Legal Advisor	--
Aysun Mercan	Secretary General	--
Murat Çelik	Digital Generation Banking	--

Eric Hermann who was the member of the Board of Directors and the Audit Committee of the Parent Bank resigned as of 2 August 2012. Cem Demirağ was appointed as the member of the Board of Directors and the Audit Committee as of 7 August 2012.

As a result of transfer of the Parent Bank shares owned by Dexia Group (Dexia Belgique SA and Dexia SA) to Sberbank, with the resolution of the Board of Directors of the Parent Bank dated 28 September 2012;

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2012

(Currency: Thousands of TL - Turkish Lira)

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Because of the resignation of Pierre P.F. Mariani, Philippe J.E. Rucheton and Claude E.L.G. Piret, respectively Herman Gref, Denis Bugrov and Vadim Kulik were elected as the members of the Board of Directors. Herman Gref was appointed as the Chairman of Board of Directors, Denis Bugrov was appointed as the member of the Audit Committee.

(*) Frank B.J Plingers resigned as of 15 October 2012.

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	715,010	99.85%	715,010	--

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

As of 30 September 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 599 domestic and 1 foreign branch as of 30 September 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
Accounted for Under Equity
- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED BALANCE SHEETS
(STATEMENTS OF FINANCIAL POSITION)
AS OF 30 SEPTEMBER 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL - Turkish Lira)

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ASSETS	Footnotes	REVIEWED CURRENT PERIOD (30/09/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.I.1)	1,127,431	3,285,300	4,412,731	1,885,844	2,270,338	4,156,182
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.I.2)	486,465	154,116	640,581	571,418	321,466	892,884
2.1 Financial Assets Held For Trading		486,465	154,116	640,581	571,418	321,466	892,884
2.1.1 Public Sector Debt Securities		368,348	8,082	376,430	400,738	3,272	404,010
2.1.2 Share Certificates		37,357	350	37,707	22,578	1,832	24,410
2.1.3 Positive Value of Trading Purpose Derivatives		69,705	142,697	212,402	147,587	316,294	463,881
2.1.4 Other Securities		11,055	2,987	14,042	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.I.3)	173,494	1,752,467	1,925,961	1,130	877,573	878,703
IV. DUE FROM MONEY MARKETS		272,432	-	272,432	1,237,682	47,232	1,284,914
4.1 Interbank Money Market		250	-	250	250	47,232	47,482
4.2 Istanbul Stock Exchange		9,585	-	9,585	26,593	-	26,593
4.3 Reverse Repurchase Agreements		262,597	-	262,597	1,210,839	-	1,210,839
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.I.4)	5,651,968	1,189,158	6,841,126	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		5,648,052	1,041,430	6,689,482	3,936,891	141,463	4,078,354
5.3 Other Securities		-	147,716	147,716	-	120,460	120,460
VI. LOANS AND RECEIVABLES	(5.I.5)	22,244,329	11,786,830	34,031,159	17,788,257	10,886,112	28,674,369
6.1 Loans and Receivables		21,649,319	11,759,751	33,409,070	17,518,784	10,869,945	28,388,729
6.1.1 Loans Utilized to the Bank's Risk Group		4,914	25	4,939	25	33	58
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		21,644,405	11,759,726	33,404,131	17,518,759	10,869,912	28,388,671
6.2 Loans under Follow-Up		1,283,621	43,393	1,327,014	865,660	28,749	894,409
6.3 Specific Provisions (-)		688,611	16,314	704,925	596,187	12,582	608,769
VII. FACTORING RECEIVABLES		1,004,031	52,079	1,056,110	937,562	41,796	979,358
VIII. INVESTMENT HELD TO MATURITY (Net)	(5.I.6)	132,988	114,821	247,809	787,802	124,303	912,105
8.1 Public Sector Debt Securities		132,988	74,013	207,001	787,802	79,159	866,961
8.2 Other Securities		-	40,808	40,808	-	45,144	45,144
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.I.7)	8,732	-	8,732	7,432	-	7,432
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		8,732	-	8,732	7,432	-	7,432
9.2.1 Financial Associates		544	-	544	544	-	544
9.2.2 Non-Financial Associates		8,188	-	8,188	6,888	-	6,888
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.I.8)	5,649	-	5,649	5,649	-	5,649
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		5,649	-	5,649	5,649	-	5,649
XI. ENTITIES UNDER COMMON CONTROL (JOINT VENT.) (Net)	(5.I.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.I.10)	324,419	1,087,883	1,412,302	228,900	1,064,256	1,293,156
12.1 Financial Lease Receivables		405,921	1,236,246	1,642,167	286,860	1,211,079	1,497,939
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		81,502	148,363	229,865	57,960	146,823	204,783
XIII. HEDGING PURPOSE DERIVATIVES	(5.I.11)	46,621	24,897	71,518	189,975	31,010	220,985
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		46,621	24,897	71,518	189,975	31,010	220,985
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		330,484	7,380	337,864	337,393	6,649	344,042
XV. INTANGIBLE ASSETS (Net)		75,564	5,040	80,604	66,097	5,894	71,991
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		75,564	5,040	80,604	66,097	5,894	71,991
XVI. INVESTMENT PROPERTIES (Net)	(5.I.12)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.I.13)	102,003	3,314	105,317	58,541	2,283	60,824
17.1 Current Tax Assets		251	2,900	3,151	2,543	250	2,793
17.2 Deferred Tax Assets		101,752	414	102,166	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.I.14)	545,970	437,377	983,347	447,505	320,641	768,146
TOTAL ASSETS		32,535,380	19,900,662	52,436,042	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 30 SEPTEMBER 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL - Turkish Lira)

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See Note 3.1.2*

LIABILITIES AND EQUITY	Footnotes	REVIEWED CURRENT PERIOD (30/09/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.1)	18,209,547	16,834,210	35,043,757	14,594,522	12,327,085	26,921,607
1.1 Deposits of the Bank's Risk Group		46,388	4,335	50,723	41,107	4,640	45,747
1.2 Others		18,163,159	16,829,875	34,993,034	14,553,415	12,322,445	26,875,860
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(5.11.2)	28,630	152,131	180,761	95,262	342,837	438,099
III. FUNDS BORROWED	(5.11.3)	1,183,851	5,243,375	6,427,226	1,293,387	6,316,314	7,609,701
IV. DUE TO MONEY MARKETS		1,209,024	51,025	1,260,049	863,351	47,233	910,584
4.1 Interbank Money Market		-	-	-	-	47,233	47,233
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		1,209,024	51,025	1,260,049	863,351	-	863,351
V. SECURITIES ISSUED (Net)	(5.11.4)	605,394	-	605,394	410,988	-	410,988
5.1 Bills		429,491	-	429,491	384,191	-	384,191
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		175,903	-	175,903	26,797	-	26,797
VI. FUNDS		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. SUNDRY CREDITORS		605,151	132,095	737,246	494,345	235,257	729,602
VIII. OTHER EXTERNAL RESOURCES	(5.11.5)	469,210	660,178	1,129,388	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)	78,973	2,214	81,187	75,121	6,358	81,479
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		78,973	2,214	81,187	75,121	6,358	81,479
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(5.11.8)	643,437	22,144	665,581	518,542	15,555	534,097
12.1 General Provisions		389,656	-	389,656	291,975	-	291,975
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		62,391	1,461	63,852	57,608	1,437	59,045
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		191,390	20,683	212,073	168,959	14,118	183,077
XIII. TAX LIABILITIES	(5.11.9)	132,555	38,372	170,927	161,470	19,291	180,761
13.1 Current Tax Liability		132,555	30,721	163,276	161,470	18,652	180,122
13.2 Deferred Tax Liability		-	7,651	7,651	-	639	639
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND		-	-	-	-	-	-
XIV. DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	894,160	894,160	-	938,953	938,953
XVI. SHAREHOLDERS' EQUITY	(5.11.10)	4,925,191	315,175	5,240,366	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		594,225	38,534	632,759	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		134,252	40,413	174,665	(15,858)	1,655	(14,203)
16.2.4 Revaluation Fund on Tangible Assets	(5.11.12)	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)		(133,667)	(1,879)	(135,546)	(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		2,678,920	79,389	2,758,309	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		10,016	63,197	73,213	10,078	98,917	108,995
16.4 Profit or Loss		920,881	197,252	1,118,133	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		394,961	17,352	412,313	950,706	110,840	1,061,546
16.5 Minority Shares	(5.11.11)	15,065	-	15,065	13,517	-	13,517
TOTAL LIABILITIES AND EQUITY		28,090,963	24,345,079	52,436,042	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 30 SEPTEMBER 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL- Turkish Lira)

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

	Footnotes	REVIEWED CURRENT PERIOD (30/09/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		26,361,578	39,097,524	65,459,102	21,713,293	35,850,261	57,563,554
I. GUARANTEES	(5.III.1)	5,004,883	6,869,077	11,873,960	3,942,055	6,169,285	10,111,340
1.1. Letters of Guarantee		4,994,062	4,482,581	9,476,643	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		82,723	180,696	263,419	234,215	103,378	337,593
1.1.3. Other Letters of Guarantee		4,911,339	4,301,885	9,213,224	3,706,224	3,999,755	7,705,979
1.2. Bank Acceptances		10,555	750,016	760,571	999	274,437	275,436
1.2.1. Import Letter of Acceptance		10,555	708,701	719,256	999	274,437	275,436
1.2.2. Other Bank Acceptances		-	41,315	41,315	-	-	-
1.3. Letters of Credit		266	1,399,793	1,400,059	617	1,528,689	1,529,306
1.3.1. Documentary Letters of Credit		266	1,178,674	1,178,940	570	1,269,903	1,270,473
1.3.2. Other Letters of Credit		-	221,119	221,119	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		-	236,687	236,687	-	263,026	263,026
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	12,123,498	5,009,564	17,133,062	8,857,722	4,172,026	13,029,748
2.1. Irrevocable Commitments		9,564,869	5,009,564	14,574,433	8,837,460	4,172,026	13,009,486
2.1.1. Asset Purchase and Sale Commitments		753,430	4,287,843	5,041,273	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		-	-	-	1,000	-	1,000
2.1.4. Loan Granting Commitments		2,918,917	125,111	3,044,028	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		1,390,722	-	1,390,722	990,872	-	990,872
2.1.8. Tax and Fund Obligations from Export Commitments		1,024	-	1,024	2,871	-	2,871
2.1.9. Commitments for Credit Card Limits		4,450,190	-	4,450,190	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		50,586	596,610	647,196	36,388	807,845	844,233
2.2. Revocable Commitments		2,558,629	-	2,558,629	20,262	-	20,262
2.2.1. Revocable Loan Granting Commitments		2,557,948	-	2,557,948	19,581	-	19,581
2.2.2. Other Revocable Commitments		681	-	681	-	-	681
III. DERIVATIVE FINANCIAL INSTRUMENTS		9,233,197	27,218,883	36,452,080	8,913,516	25,508,950	34,422,466
3.1 Hedging Purpose Derivatives		625,310	756,577	1,381,887	644,143	1,179,474	1,823,617
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		625,310	756,577	1,381,887	644,143	1,179,474	1,823,617
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		8,607,887	26,462,306	35,070,193	8,269,373	24,329,476	32,598,849
3.2.1 Forward Foreign Currency Purchases/Sales		722,451	3,124,979	3,847,430	981,442	3,689,481	4,670,923
3.2.1.1 Forward Foreign Currency Purchases		345,802	1,573,096	1,918,898	217,637	2,117,660	2,335,297
3.2.1.2 Forward Foreign Currency Sales		376,649	1,551,883	1,928,532	763,805	1,571,821	2,335,626
3.2.2 Currency and Interest Rate Swaps		2,570,109	15,575,658	18,145,767	3,066,586	13,418,119	16,484,705
3.2.2.1 Currency Swaps-Purchases		428,267	7,020,687	7,448,954	691,043	6,181,221	6,872,264
3.2.2.2 Currency Swaps-Sales		2,141,842	4,412,439	6,554,281	2,375,543	4,462,490	6,838,033
3.2.2.3 Interest Rate Swaps-Purchases		-	2,071,266	2,071,266	-	1,387,204	1,387,204
3.2.2.4 Interest Rate Swaps-Sales		-	2,071,266	2,071,266	-	1,387,204	1,387,204
3.2.3 Currency, Interest Rate and Security Options		5,213,251	6,868,368	12,081,619	4,070,115	7,211,501	11,281,616
3.2.3.1 Currency Options-Purchases		2,405,465	3,604,510	6,009,975	2,150,341	3,429,191	5,579,532
3.2.3.2 Currency Options-Sales		2,807,786	3,187,524	5,995,310	1,919,774	3,644,864	5,564,638
3.2.3.3 Interest Rate Options-Purchases		-	38,167	38,167	-	68,723	68,723
3.2.3.4 Interest Rate Options-Sales		-	38,167	38,167	-	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		102,076	893,301	995,377	151,230	10,375	161,605
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		114,906,024	26,275,105	141,181,129	89,709,661	31,139,445	120,849,106
IV. ITEMS HELD IN CUSTODY		11,069,311	813,000	11,882,311	10,400,016	1,039,186	11,439,202
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		10,178,014	171,492	10,349,506	9,248,066	322,349	9,570,415
4.3. Checks Received for Collection		284,004	496,750	780,754	557,250	595,225	1,152,475
4.4. Commercial Notes Received for Collection		607,013	144,392	751,405	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		-	366	366	250	506	756
4.8. Custodians		280	-	280	242	-	242
V. PLEDGED ITEMS		103,570,925	25,271,530	128,842,455	79,085,294	29,974,887	109,060,181
5.1. Securities		1,635,737	234,771	1,870,508	912,174	976,173	1,888,347
5.2. Guarantee Notes		70,309,683	10,346,303	80,655,986	53,041,037	13,470,173	66,511,210
5.3. Commodities		5,829,434	1,768,422	7,597,856	3,785,901	2,247,412	6,033,313
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		24,031,745	11,196,237	35,227,982	19,826,058	11,213,558	31,039,616
5.6. Other Pledged Items		1,764,326	1,725,797	3,490,123	1,520,124	2,067,571	3,587,695
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		265,788	190,575	456,363	224,351	125,372	349,723
TOTAL OFF BALANCE SHEET ITEMS (A+B)		141,267,602	65,372,629	206,640,231	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 PERIODS ENDED 30 SEPTEMBER 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	REVIEWED CURRENT PERIOD (01/01-30/09/2012)	REVIEWED PRIOR PERIOD (01/01-30/09/2011)	REVIEWED CURRENT PERIOD (01/07-30/09/2012)	REVIEWED PRIOR PERIOD (01/07-30/09/2011)
I.	INTEREST INCOME	(5.IV.1)	3,540,615	2,483,851	1,174,481	925,332
1.1	Interest from Loans		2,852,325	2,021,898	1,005,067	754,163
1.2	Interest from Reserve Deposits		-	-	-	-
1.3	Interest from Banks		7,761	26,892	1,317	4,156
1.4	Interest from Money Market Transactions		63,426	6,270	8,871	295
1.5	Interest from Securities Portfolio		521,222	353,133	123,986	141,514
1.5.1	Trading Securities		57,338	39,612	30,077	25,540
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3	Available for Sale Securities		391,793	225,759	91,186	88,020
1.5.4	Held to Maturity Securities		72,091	87,762	2,729	27,954
1.6	Interest from Financial Leases		75,062	59,927	27,687	20,979
1.7	Other Interest Income		20,819	15,731	7,553	4,225
II.	INTEREST EXPENSE	(5.IV.2)	1,774,121	1,153,752	589,706	465,607
2.1	Interest on Deposits		1,470,279	915,527	500,091	370,032
2.2	Interest on Funds Borrowed		225,379	190,934	69,053	74,458
2.3	Interest on Money Market Transactions		30,858	25,046	6,782	10,810
2.4	Interest on Securities Issued		36,475	14,709	12,857	9,459
2.5	Other Interest Expense		11,130	7,536	923	848
III.	NET INTEREST INCOME (I - II)		1,766,494	1,330,099	584,775	459,725
IV.	NET FEES AND COMMISSION INCOME /EXPENSE	(5.IV.10)	356,204	319,977	114,796	107,457
4.1	Fees and Commissions Received		540,635	434,678	180,564	147,207
4.1.1	Non-Cash Loans		60,110	55,019	21,582	20,976
4.1.2	Other		480,525	379,659	158,982	126,231
4.2	Fees and Commissions Paid		184,431	114,701	65,768	39,750
4.2.1	Non-Cash Loans		1,016	526	334	146
4.2.2	Other		183,415	114,175	65,434	39,604
V.	DIVIDEND INCOME		517	2,238	230	233
VI.	TRADING INCOME/LOSS (Net)	(5.IV.3)	(152,517)	(57,074)	(36,114)	(27,145)
6.1	Profit / Loss on Securities Trading		62,397	15,784	19,157	(4,614)
6.2	Profit / Loss on Derivative Financial Transactions		(804,980)	85,088	(198,552)	69,076
6.3	Foreign Exchange Gains / Losses		590,066	(157,946)	143,281	(91,607)
VII.	OTHER OPERATING INCOME	(5.IV.4)	155,581	433,518	28,435	169,885
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		2,126,279	2,028,758	692,122	710,155
IX.	PROVISION FOR LOANS AND OTHER RECEIVABLES (-)	(5.IV.5)	480,780	389,399	222,627	180,196
X.	OTHER OPERATING EXPENSES (-)	(5.IV.6)	1,078,335	916,783	356,242	324,233
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		567,164	722,576	113,253	205,726
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.7)	567,164	722,576	113,253	205,726
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.8)	(153,303)	(152,637)	(33,598)	(47,608)
16.1	Current Tax		(239,895)	(74,820)	(61,341)	(14,855)
16.2	Deferred Tax		86,592	(77,817)	27,743	(32,753)
XVII.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.9)	413,861	569,939	79,655	158,118
XVIII.	PROFIT FROM DISCONTINUED OPERATIONS		-	380,881	-	355,863
18.1	Assets Held for Sale		-	38,357	-	13,339
18.2	Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	342,524	-	342,524
18.3	Other		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	13,002	-	5,247
19.1	Assets Held for Sale		-	13,002	-	5,247
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.7)	-	367,879	-	350,616
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.IV.8)	-	(25,479)	-	(22,010)
21.1	Current Tax		-	(24,474)	-	(21,038)
21.2	Deferred Tax		-	(1,005)	-	(972)
XXII.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.IV.9)	-	342,400	-	328,606
XXIII.	NET PROFIT / LOSS (XVII+XXII)	(5.IV.9)	413,861	912,339	79,655	486,724
23.1	Group's Profit / Loss		412,313	912,492	79,252	487,159
23.2	Minority Shares		1,548	(153)	403	(435)
Earnings / Losses per Share (Per thousand share)			0.58	1.27	0.11	0.68

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF RECOGNIZED
PROFITS AND LOSSES ACCOUNTED FOR
UNDER EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

	REVIEWED CURRENT PERIOD (01/01-30/09/2012)	REVIEWED PRIOR PERIOD (01/01-30/09/2011)
I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	327,499	(99,579)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(35,782)	83,265
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	(12,696)	28,770
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	42,698	(86,469)
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	(66,725)	20,027
X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	254,994	(53,986)
XI. CURRENT PERIOD PROFIT/LOSS	413,861	912,339
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	71,625	19,697
1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	(1,673)	(23,323)
1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
1.4 Other	343,909	915,965
XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)	668,855	858,353

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

	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
CHANGES IN SHAREHOLDERS' EQUITY																		
REVIEWED PRIOR PERIOD (01/01-30/09/2011)																		
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	-	-	-	-	-	-	-	-	-	-	(99,367)	-	-	-	-	(99,367)	-	(99,367)
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,258)	-	(34,258)	-	(34,258)
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	52,211	-	52,211	-	52,211
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(86,469)	-	(86,469)	-	(86,469)
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	-	-	-	-	-	-	-	83,265	-	-	-	-	-	-	-	83,265	-	83,265
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	(15)	-	-	-	-	-	(15)	-	(15)
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	912,492	-	-	-	-	-	-	912,492	(153)	912,339
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+.....+XVII+XIX+XX)	716,100	189,164	98,411	-	109,757	-	2,006,563	118,573	912,492	518,233	39,623	856	11	(204,517)	-	4,505,266	15,903	4,521,169
REVIEWED CURRENT PERIOD (01/01-30/09/2012)																		
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	-	-	-	-	-	-	-	-	-	-	188,868	-	-	-	-	188,868	-	188,868
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	31,956	-	-	31,956	-	31,956
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	(10,742)	-	-	(10,742)	-	(10,742)
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	42,698	-	-	42,698	-	42,698
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	-	-	-	-	-	-	-	(35,782)	-	-	-	-	-	-	-	(35,782)	-	(35,782)
IX. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. The Effect of Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	412,313	-	-	-	-	-	-	412,313	1,548	413,861
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	73,213	412,313	705,820	174,665	306,054	11	(135,546)	-	5,225,301	15,065	5,240,366

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

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

(Currency: Thousands of TL - Turkish Lira)

	REVIEWED CURRENT PERIOD (01/01-30/09/2012)	REVIEWED PRIOR PERIOD (01/01-30/09/2011)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)	1,870,170	285,262
1.1.1 Interest Received (+)	3,430,890	2,092,352
1.1.2 Interest Paid (-)	1,669,525	1,021,556
1.1.3 Dividend Received (+)	517	2,238
1.1.4 Fees And Commissions Received (+)	463,854	429,682
1.1.5 Other Income (+)	803,847	567,794
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)	505,645	377,925
1.1.7 Payments to Personnel and Service Suppliers (-)	477,919	454,034
1.1.8 Taxes Paid (-)	214,527	95,372
1.1.9 Other (+/-)	(972,612)	(1,613,767)
1.2 Changes in Operating Assets and Liabilities	663,706	2,852,579
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)	(21,763)	(260,646)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)	-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)	(39,304)	1,178,596
1.2.4 Net (Increase) Decrease in Loans (+/-)	(6,234,437)	(7,758,880)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(1,258,406)	(1,944,770)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)	1,001,962	55,470
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)	7,022,455	7,760,142
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)	111,046	2,093,799
1.2.9 Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	82,153	1,728,868
I. Net Cash (Used in)/Provided from Banking Operations (+/-)	2,533,876	3,137,841
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from / (Used in) Investing Activities (+/-)	(2,036,877)	(481,133)
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)	1,300	1,800
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)	-	397
2.3 Fixed Assets Purchases (-)	61,761	80,212
2.4 Fixed Assets Sales (+)	5,697	6,919
2.5 Cash Paid for Purchase of Investments Available for Sale (-)	5,846,445	1,697,292
2.6 Cash Obtained From Sale of Investments Available for Sale (+)	3,388,849	1,281,963
2.7 Cash Paid for Purchase of Investment Securities (-)	-	-
2.8 Cash Obtained from Sale of Investment Securities (+)	-	-
2.9 Other (+/-)	478,083	8,892
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from / (Used in) Financing Activities (+/-)	(1,098,921)	(320,225)
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)	1,075,706	3,267,869
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	2,174,627	3,588,094
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 (+/-)	(127,214)	280,252
V. Net Increase / (Decrease) in Cash and Cash Equivalents	(729,136)	2,616,735
VI. Cash and Cash Equivalents at the Beginning of Period (+)	4,788,326	3,406,475
VII. Cash and Cash Equivalents at the End of Period	4,059,190	6,023,210

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).

2. Additional paragraph for convenience translation to English

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

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

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	--	(289,249)	(285,419)
Cost after Disposal		5,990	7,134
Fair Value	295,239	6,054	6,054
Current Year Profit / (Loss)	--	(1,189)	(236)
Prior Periods' Profits / (Losses)	(1,082)	1,381	(844)
Effect on Shareholders' Equity	--	(128)	--

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-30 September 2011) are presented as profit/loss from discontinued operations in the consolidated statement of income.

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.

	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2011</u>
US Dollar	TL 1.7847	TL 1.8889	TL 1.8512
Euro	TL 2.3085	TL 2.4438	TL 2.5007

2.2 Foreign exchange gains and losses included in the income statement

Net foreign exchange gain included in the income statement amounts to TL 590,066 (1 January - 30 September 2011: net foreign exchange loss of TL 157,946).

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 nine 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 30 September 2012, total foreign exchange differences in equity amount to TL 63,197 (31 December 2011: TL 98,917).

The foreign exchange difference of TL 10,016 (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.

The subsidiaries of the Parent Bank; 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 30 September 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 of 30 September 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 are carried at their historical cost, less any currency difference and financing expenses capitalized.

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 30 September 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 1,442 lawsuits against DFS Group with total risks amounting to TL 104,782, US Dollar 1,808,272 and Euro 4,182,369 as of 30 September 2012. There are also 5,541 follow-up cases amounting to TL 111,727, US Dollar 251,468 and Euro 1,299,416 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 17,414 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 30 September 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 102,166 (31 December 2011: TL 58,031) and deferred tax liabilities of TL 7,651 (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 issued

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

XX. Explanations on acceptances

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

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

XXI. Explanations on government grants

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

XXII. Explanations on segment reporting

Segment reporting is presented in Section Four, Footnote VI.

XXIII. Explanations on other matters

None.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Explanations related to the consolidated capital adequacy standard ratio

As per the revised “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” effective from 1 July 2012, the consolidated capital adequacy ratio is 13.37% as of 30 September 2012 (unconsolidated capital adequacy ratio: 15.24%). 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 are used. Such accounting data is included in the calculation of credit and market risks subsequent to their designation as “trading book” and “banking book” according to the regulation.

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

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

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

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

2. Consolidated and unconsolidated capital adequacy ratios

Risk Weighted Assets									
Consolidated									
	0%	10%	20%	50%	75%	100%	150%	200%	1250%
Credit Risk Base									
Risk classifications									
Conditional and unconditional receivables from central governments or central banks	10,771,750	--	--	212	--	201,166	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	338,510	27,933	--	385	--	--	--
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	--	--	73,390	380,609	--	178,813	26	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	23,822,431	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	12,535,684	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	3,494,238	--	--	--	--	--
Past due receivables	--	--	--	--	--	304,729	107,751	--	--
Receivables defined in high risk category by BRSA	--	--	--	9,624	--	85,287	1,277,714	1,415,868	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	1,357,104	167,861	--	59,993	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	1,003,480	--	258	--	--	1,050,735	--	--	--
Total Risk Weighted Assets	11,775,230	--	1,769,262	4,080,477	12,535,684	25,703,540	1,385,491	1,415,868	--

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	9,588,679	--	--	--	--	201,166	--	--	--
Conditional and unconditional receivables from regional or local governments	--	--	338,510	145	--	385	--	--	--
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	--	--	50,293	318,645	--	23,410	--	--	--
Conditional and unconditional receivables from corporates	--	--	--	--	--	15,166,472	--	--	--
Conditional and unconditional retail receivables	--	--	--	--	11,636,266	--	--	--	--
Conditional and unconditional receivables secured by mortgages	--	--	--	3,378,628	--	--	--	--	--
Past due receivables	--	--	--	--	--	273,020	56,070	--	--
Receivables defined in high risk category by BRSA	--	--	--	13,402	--	78,128	1,265,846	1,415,868	--
Securities collateralized by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short-term receivables from banks, brokerage houses and corporates	--	--	370,193	154,154	--	57,479	--	--	--
Investments similar to collective investment funds	--	--	--	--	--	--	--	--	--
Other receivables	967,764	--	258	--	--	1,919,490	--	--	--
Total Risk Weighted Assets	10,556,443	--	759,254	3,864,974	11,636,266	17,719,551	1,321,916	1,415,868	--

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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	3,392,749	2,667,656
Capital Requirement for Market Risk	69,908	51,145
Capital Requirement for Operational Risk	331,965	279,947
Equity	6,343,708	5,713,349
Equity / (CRCR+CRMR+CROR)*12.5*100	13.37%	15.24%

CRCR: Capital Requirement for Credit Risk (Risk Weighted Assets * 0.008)

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	2,758,309
Adjustment to Legal Reserves	--
Profit	1,118,133
Current Period Profit	412,313
Prior Periods' Profits	705,820
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	76,763
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	15,065
Losses that is not covered with reserves (-)	--
Net Current Period Loss	--
Prior Periods' Losses	--
Operating Lease Development Costs (-)	87,962
Intangible Assets (-)	80,604
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	5,109,433
SUPPLEMENTARY CAPITAL	
General Reserves	389,656
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	780,147
45% of Value Increase Fund of Financial Assets Available for Sale and Associates and Subsidiaries	78,599

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Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal reserves)	--
Minority Interest	--
Total Supplementary Capital	1,248,413
CAPITAL	6,357,846
DEDUCTIONS FROM CAPITAL	14,138
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	11,507
Securitization Positions - Adopting the Method of Deducting from Equity	--
Others	2,631
TOTAL SHAREHOLDERS' EQUITY	6,343,708

II. Explanations related to the consolidated market risk

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

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

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

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

1. Market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	11,557
(II) Capital Obligation against Specific Risk - Standard Method	1,961
Capital Obligation against Specific Risk of Securitization Positions- Standard Method	--
(III) Capital Obligation against Currency Risk - Standard Method	36,706
(IV) Capital Obligation against Commodity Risk - Standard Method	181
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk - Standard Method	324
(VII) Capital Obligation against Counterparty Credit Risk - Standard Method	19,179
(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+VIII)	69,908
(X) Value-At-Market-Risk (12,5 x VIII) or (12,5 x IX)	873,850

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

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

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

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

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

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

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

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 1.7847
Euro purchase rate as at the balance sheet date	TL 2.3085

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
24 September 2012	1.7915	2.3145
25 September 2012	1.7859	2.3074
26 September 2012	1.7852	2.2964
27 September 2012	1.7820	2.2929
28 September 2012	1.7847	2.3085

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 September 2012 are TL 1.7940 and TL 2.3059, 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	1,989,464	638,461	657,375	3,285,300
Due from Banks and Other Financial Institutions	1,317,348	374,837	60,282	1,752,467
Financial Assets at Fair Value Through Profit or Loss	14,838	138,922	356	154,116
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	880,429	193,879	114,850	1,189,158
Loans (*)	4,502,522	8,619,574	373,677	13,495,773
Investments in Subsidiaries and Associates	--	--	--	--
Investment Securities Held-to-Maturity	108,637	6,184	--	114,821
Hedging Purpose Financial Derivatives	--	24,897	--	24,897
Tangible Assets	5,947	74	1,359	7,380
Intangible Assets	2,187	62	2,791	5,040
Other Assets (**)	781,902	673,510	263,725	1,719,137
Total Assets	9,603,274	10,670,400	1,474,415	21,748,089
Liabilities				
Bank Deposits	797,633	117,819	107,765	1,023,217
Foreign Currency Deposits	9,565,156	5,638,490	607,347	15,810,993
Interbank Money Markets	--	--	51,025	51,025
Funds Borrowed from Other Financial Institutions	3,014,990	3,074,120	48,425	6,137,535
Marketable Securities Issued	--	--	--	--
Miscellaneous Payables	64,484	62,684	4,927	132,095
Hedging Purpose Financial Derivatives	--	2,214	--	2,214
Other Liabilities (***)	175,805	694,540	2,480	872,825
Total Liabilities	13,618,068	9,589,867	821,969	24,029,904
Net "On Balance Sheet Position"	(4,014,794)	1,080,533	652,446	(2,281,815)
Net "Off-Balance Sheet Position"	4,142,931	(716,073)	(541,948)	2,884,910
Financial Derivatives (Assets)	7,106,638	9,017,125	1,072,055	17,195,818
Financial Derivatives (Liabilities)	2,963,707	9,733,198	1,614,003	14,310,908
Non-Cash Loans	2,089,147	4,513,542	266,388	6,869,077
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 1,708,943 are included.

(**) : Foreign currency indexed factoring receivables amounting to TL 138,484 are included.

(***) : Equity in foreign currencies, amounting to TL 315,175 is excluded.

IV. Explanations related to the consolidated interest rate risk

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

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

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

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

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

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	4,412,731	4,412,731
Due from Banks and Other Fin. Inst.	1,264,531	70,144	25,371	500	--	565,415	1,925,961
Financial Assets at Fair Value Through Profit or Loss	84,515	66,793	156,457	207,752	86,357	38,707	640,581
Interbank Money Market Placements	272,432	--	--	--	--	--	272,432
Investment Securities Av.-for-Sale	955,152	276,180	2,955,048	1,748,409	902,409	3,928	6,841,126
Loans	5,897,212	4,482,537	6,295,839	11,762,309	4,971,173	622,089	34,031,159
Investment Securities Held-to-Mat.	11,569	--	236,240	--	--	--	247,809
Other Assets (*)	186,195	478,154	924,386	851,455	101,280	1,522,773	4,064,243
Total Assets	8,671,606	5,373,808	10,593,341	14,570,425	6,061,219	7,165,643	52,436,042
Liabilities							
Bank Deposits	225,839	244,574	7,047	668,908	--	282,470	1,428,838
Other Deposits	16,387,644	6,273,242	2,838,204	2,357,471	58,894	5,699,464	33,614,919
Interbank Money Market Placements	1,260,049	--	--	--	--	--	1,260,049
Miscellaneous Payables	12,159	286	10,164	4,243	--	710,394	737,246
Marketable Securities Issued	318,853	26,420	260,788	(667)	--	--	605,394
Funds Borrowed from Other Fin. Inst.	2,444,685	2,414,651	1,029,575	666,591	765,884	--	7,321,386
Other Liabilities (**)	117,433	246,704	361,463	112,171	20,024	6,610,415	7,468,210
Total Liabilities	20,766,662	9,205,877	4,507,241	3,808,717	844,802	13,302,743	52,436,042
On Balance Sheet Long Position	--	--	6,086,100	10,761,708	5,216,417	--	22,064,225
On Balance Sheet Short Position	(12,095,056)	(3,832,069)	--	--	--	(6,137,100)	(22,064,225)
Off-Balance Sheet Long Position	375,444	1,895,324	--	--	--	--	2,270,768
Off-Balance Sheet Short Position	--	--	(348,334)	(1,903,514)	--	--	(2,251,848)
Total Interest Sensitivity Gap	(11,719,612)	(1,936,745)	5,737,766	8,858,194	5,216,417	(6,137,100)	18,920

(*) 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 337,864, TL 80,604, TL 11,532, TL 105,317, TL 5,649, TL 75,262, and TL ve 906,545 respectively.

(**) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions , and Other Liabilities with balances of TL 5,240,366, TL 170,927, TL 665,581, and TL 533,541 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	--	--	--	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

Current Period	EUR %	USD %	JPY %	TL %
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	0.27	0.83	--	8.92
Financial Assets at Fair Value Through Profit or Loss	2.74	3.97	--	7.59
Interbank Money Market Placements	--	--	--	9.58
Investment Securities Available-for-Sale	0.87	3.56	--	10.35
Loans	5.73	5.70	5.45	16.31
Investment Securities Held-to-Maturity	2.48	8.52	--	19.55
Liabilities				
Bank Deposits	0.95	2.00	--	8.70
Other Deposits	2.86	3.34	0.10	9.29
Interbank Money Market Placements	--	--	--	5.78
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	9.74
Funds Borrowed from Other Financial Institutions	1.76	2.22	--	5.71
Prior Period	EUR %	USD %	JPY %	TL %
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

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
1 TL	(+) 500 bps	(985,977)	17.26%
2 TL	(-) 400 bps	976,660	17.09%
3 EURO	(+) 200 bps	(13,230)	0.23%
4 EURO	(-) 200 bps	19,194	0.34%
5 USD	(+) 200 bps	(56,083)	0.98%
6 USD	(-) 200 bps	41,576	0.73%
Total (of negative shocks)		1,037,430	18.16%
Total (of positive shocks)		(1,055,290)	18.47%

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	37,707	--	37,707
Quoted on Stock Exchange	37,707	--	37,707
2) Securities Available for Sale	3,928	--	--
Quoted on Stock Exchange	--	--	--
3) Associates	8,732	--	--
Quoted on Stock Exchange	--	--	--
4) Subsidiaries	5,649	--	--
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	16,128	--	--	(1,400)	(1,400)	--
Other Share	--	--	--	--	--	--
Total	16,128	--	--	(1,400)	(1,400)	--

V. Explanations related to the consolidated liquidity risk

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

Liquidity risk arises from maturity mismatch between assets and liabilities. Maturity mismatch between assets and liabilities is kept under control based on certain criteria set by DFS Group. DFS Group maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 12% of the balance sheet is allocated to cash and balances with banks, 10% to investment securities which are easily convertible into cash and the available borrowing limits are not used intensively. DFS Group's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

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

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

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

Approximately 12% of balance sheet is allocated to cash balances, 10% to investment securities which are easily convertible into cash in order to meet any urgent liquidity needs. The available borrowing limits (such as Central Bank of the Republic of Turkey and 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.

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

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,858,311	2,554,420	--	--	--	--	--	4,412,731
Due from Banks and Other Fin.Inst.	565,415	1,241,279	--	118,737	500	30	--	1,925,961
Financial Assets at Fair Value Through Profit or Loss	--	79,958	59,294	155,345	220,706	86,571	38,707	640,581
Interbank Money Market Placements	--	272,432	--	--	--	--	--	272,432
Investment Securities Av.-for-Sale	--	7,176	97,154	1,042,298	2,770,966	2,919,604	3,928	6,841,126
Loans	622,089	4,663,887	2,331,530	7,264,887	12,903,172	6,245,594	--	34,031,159
Investment Securities Held-to-Mat.	--	--	--	132,986	52,445	62,378	--	247,809
Other Assets	787,384	264,762	476,577	922,798	855,374	101,280	656,068	4,064,243
Total Assets	3,833,199	9,083,914	2,964,555	9,637,051	16,803,163	9,415,457	698,703	52,436,042
Liabilities								
Bank Deposits	282,470	225,838	244,574	7,048	668,908	--	--	1,428,838
Other Deposits	5,699,464	16,647,762	5,997,247	2,848,465	2,363,087	58,894	--	33,614,919
Funds Borrowed from Other Fin.Inst.	--	2,255,712	585,558	793,790	2,014,169	1,672,157	--	7,321,386
Interbank Money Market Placements	--	1,260,049	--	--	--	--	--	1,260,049
Marketable Securities Issued	--	318,853	26,420	156,992	103,129	--	--	605,394
Miscellaneous Payables	710,394	12,159	286	10,164	4,243	--	--	737,246
Other Liabilities	515,102	188,500	302,250	361,463	112,171	20,024	5,968,700	7,468,210
Total Liabilities	7,207,430	20,908,873	7,156,335	4,177,922	5,265,707	1,751,075	5,968,700	52,436,042
Net Liquidity Gap	(3,374,231)	(11,824,959)	(4,191,780)	5,459,129	11,537,456	7,664,382	(5,269,997)	--
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.

6. Securitization exposures

None.

7. Credit risk mitigation techniques

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

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

In the credit risk mitigation process, collaterals such as cash, deposit blockage and debt securities are taken into consideration. Physical collaterals are only used for determination of the risk classification according to commercial and residential mortgages; 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	10,906,613	--	--	-
Conditional and unconditional receivables from regional or local governments	454,427	887	--	-
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	966,083	28,586	--	-
Conditional and unconditional receivables from corporates	33,799,296	1,474,216	--	-
Conditional and unconditional retail receivables	19,318,125	135,906	--	-
Conditional and unconditional receivables secured by mortgages	3,560,580	--	3,560,580	-
Past due receivables	1,001,162	17,689	--	-
Receivables defined in high risk category by BRSA	2,940,050	17,626	--	-
Securities collateralized by mortgages	--	--	--	-
Securitization positions	--	--	--	-
Short-term receivables from banks, brokerage houses and corporates	1,605,292	--	--	-
Investments similar to collective investment funds	--	--	--	-
Other receivables	2,054,473	--	--	-
Total	76,606,104	1,674,910	3,560,580	--

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

8. Risk management objectives and policies

The Risk Management Strategy is based on consistently monitoring risk levels and capital requirement and maintaining the balance between long and short term goals and capital structure. 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.

VI. 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 (demand, time, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without a need of physically visiting the branches. Overdraft accounts, automated bill payment, checkbooks and rental safes are among products that meet every day needs of customers.

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, foreign trade finance, project finance, structured finance, corporate finance, deposit products and cash management services.

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

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Segment information of the Group as of 30 September 2012 is presented in the following table:

Current Period (01.01.2012-30.09.2012)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	220,775	311,522	552,400	427,877	253,920	1,766,494
Net fee and commission income	34,704	43,829	90,631	187,040	--	356,204
Other income/expense, net	28,343	32,819	79,950	48,517	(186,048)	3,581
Total segment income	283,822	388,170	722,981	663,434	67,872	2,126,279
Other operating expenses	(89,461)	(161,337)	(391,186)	(405,515)	(30,836)	(1,078,335)
Provision for loan losses and other receivables	(19,890)	(101,100)	(122,518)	(226,936)	(10,336)	(480,780)
Tax charge						(153,303)
Net profit from continuing operations	174,471	125,733	209,277	30,983	26,700	413,861
Net profit from discontinued operations	--	--	--	--	--	--
Net profit	174,471	125,733	209,277	30,983	26,700	413,861
Current Period (30.09.2012)						
Segment assets	7,443,754	12,091,655	7,935,231	9,028,932	14,412,157	50,911,729
Subsidiaries and associates						17,181
Undistributed assets						1,507,132
Total assets						52,436,042
Segment liabilities	6,505,770	6,288,355	5,052,649	16,433,727	10,877,614	45,158,115
Undistributed liabilities						2,037,561
Shareholders' equity						5,240,366
Total liabilities						52,436,042

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Prior Period (01.01.2011-30.09.2011)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	185,732	239,957	396,714	324,856	182,840	1,330,099
Net fee and commission income	38,169	31,571	90,831	159,396	10	319,977
Other income/expense, net	20,517	67,354	176,916	216,422	(102,527)	378,682
Total segment income	244,418	338,882	664,461	700,674	80,323	2,028,758
Other operating expenses	(71,162)	(136,259)	(334,182)	(357,382)	(17,798)	(916,783)
Provision for loan losses and other receivables	(16,282)	(46,852)	(95,026)	(180,806)	(50,433)	(389,399)
Tax charge						(152,637)
Net profit from continuing operations	156,974	155,771	235,253	162,486	12,092	569,939
Net profit from discontinued operations						342,400
Net profit	156,974	155,771	235,253	162,486	12,092	912,339
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	329,163	336,733	279,517	328,435
Central Bank of the Republic of Turkey	798,268	2,948,309	1,606,327	1,941,878
Other (*)	--	258	--	25
Total	1,127,431	3,285,300	1,885,844	2,270,338

(*) Includes TL 258 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	797,634	393,889	1,606,327	351,470
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	634	2,554,420	--	1,590,408
Total	798,268	2,948,309	1,606,327	1,941,878

1.2 Information on Central Bank of the Republic of Turkey

As of 30 September 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% 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	7,311	208	9,677	208
Other	--	--	--	--
Total	7,311	208	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

None.

2.3 Positive value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	4,749	18,753	1,622	68,440
Swap Transactions	60,898	92,686	141,923	58,220
Futures Transactions	--	--	--	--
Options	4,058	31,258	4,042	189,634
Other	--	--	--	--
Total	69,705	142,697	147,587	316,294

3. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	173,319	311,798	868	329,048
Foreign	175	1,440,669	262	548,525
Foreign head offices and branches	--	--	--	--
Total	173,494	1,752,467	1,130	877,573

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 1,172,430 (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	467,962	704,468	15,017	34,640
Other	--	--	--	--
Total	467,962	704,468	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	1,254,103	--	638,892	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	33,858	--	--
Asset Backed Securities	--	--	--	--
Other	--	25,095	--	--
Total	1,254,103	58,953	638,892	--

4.5 Information on available-for-sale securities

	Current Period	Prior Period
Debt instruments	6,855,365	4,234,259
Quoted on Stock Exchange	6,855,365	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 (-)	18,167	35,445
Total	6,841,126	4,202,742

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	--	--	--	--
Loans Granted to Employees	46,367	11	39,600	16
Total	46,367	11	39,600	16

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

	Performing Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
		Agreement conditions modified			Agreement conditions modified	
		Extension of Payment Plan	Other		Extension of Payment Plan	Other
Cash Loans	Loans and Other Receivables (Total)			Loans and Other Receivables (Total)		
Non-specialized Loans	29,656,171	172,361	--	1,098,628	292,201	--
Working Capital Loans	448,263	85,470	--	23,188	60,913	--
Export Loans	722,102	606	--	43,307	--	--
Import Loans	958	--	--	--	--	--
Loans Given to Financial Sector	365,434	--	--	--	--	--
Consumer Loans	6,956,500	36,558	--	656,870	41,529	--
Credit Cards	1,881,505	--	--	72,381	--	--
Other	19,281,409	49,727	--	302,882	189,759	--
Specialization Loans	2,096,270	3,899	--	66,842	8,911	--
Other Receivables	13,787	--	--	--	--	--
Total	31,766,228	176,260	--	1,165,470	301,112	--

Number of modifications made to extend payment plan	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring
Extended by 1 or 2 times	161,731	251,211
Extended by 3,4 or 5 times	--	2,652
Extended by more than 5 times	--	--

Extended period of time	Performing Loans and Other Receivables (*)	Loans and Other Receivables Under Close Monitoring
0-6 Months	40	895
6-12 Months	8,486	9,305
1-2 Years	9,624	71,182
2-5 Years	28,950	39,605
5 Year and Over	114,631	132,876

(*) 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 consumer loans, individual credit cards and personnel credit cards

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	213,703	6,955,469	7,169,172
Real estate Loans	1,606	2,969,022	2,970,628
Vehicle Loans	4,175	410,046	414,221
General Purpose Loans	187,077	3,576,401	3,763,478
Other	20,845	--	20,845
Consumer Loans-Indexed to FC	63	171,045	171,108
Real estate Loans	63	167,087	167,150
Vehicle Loans	--	49	49
General Purpose Loans	--	3,909	3,909
Other	--	--	--
Consumer Loans-FC	884	26,778	27,662
Real estate Loans	--	16,342	16,342
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	884	10,436	11,320
Individual Credit Cards-TL	1,716,288	111,080	1,827,368
Installment	650,114	111,080	761,194
Non installment	1,066,174	--	1,066,174
Individual Credit Cards-FC	381	--	381
Installment	23	--	23
Non installment	358	--	358
Loans Given to Employees-TL	2,532	22,950	25,482
Real estate Loans	--	2,807	2,807
Vehicle Loans	--	57	57
General Purpose Loans	2,532	20,086	22,618
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	145	73	218
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	37	37
Other	145	36	181
Personnel Credit Cards - TL	18,907	329	19,236
Installment	7,337	329	7,666
Non installment	11,570	--	11,570
Personnel Credit Cards - FC	15	--	15
Installment	--	--	--
Non installment	15	--	15
Overdraft Loans-TL (Real Persons) (*)	297,680	--	297,680
Overdraft Loans-FC (Real Persons)	135	--	135
Total	2,250,733	7,287,724	9,538,457

(*) Overdrafts used by the personnel of the Parent Bank are TL 1,416 (31 December 2011: TL 1,371).

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5.4 Information on installment commercial loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	227,664	2,402,708	2,630,372
Real estate Loans	1,119	126,444	127,563
Vehicle Loans	4,489	273,286	277,775
General Purpose Loans	221,313	1,857,412	2,078,725
Other	743	145,566	146,309
Installment Commercial Loans - Indexed to FC	19,823	484,733	504,556
Real estate Loans	--	17,631	17,631
Vehicle Loans	637	47,707	48,344
General Purpose Loans	19,186	419,395	438,581
Other	--	--	--
Installment Commercial Loans - FC	--	33,572	33,572
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	440	440
Other	--	33,132	33,132
Corporate Credit Cards - TL	106,546	67	106,613
Installment	27,858	67	27,925
Non installment	78,688	--	78,688
Corporate Credit Cards - FC	273	--	273
Installment	--	--	--
Non installment	273	--	273
Overdraft Loans-TL (Legal Entities)	283,724	--	283,724
Overdraft Loans-FC (Legal Entities)	539	--	539
Total	638,569	2,921,080	3,559,649

5.5 Domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	32,683,527	27,114,322
Foreign Loans	725,543	1,274,407
Total	33,409,070	28,388,729

5.6 Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	4,889	--
Indirect loans granted to subsidiaries and associates	--	--
Total	4,889	--

5.7 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	101,988	57,684
Loans and Receivables with Doubtful Collectability	163,381	81,577
Uncollectible Loans and Receivables	439,556	469,508
Total	704,925	608,769

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5.8 Information on non-performing loans (Net)

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

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Current Period	1,453	4,387	9,790
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	1,453	4,387	9,790
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

5.8.2 Movement of non-performing loans

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	138,954	156,154	599,301
Additions (+)	818,832	186,020	105,826
Transfers from Other Categories of Non-Performing Loans (+)	--	280,204	171,426
Transfers to Other Categories of Non-Performing Loans (-)	280,204	171,426	--
Collections (-)	218,112	126,658	140,517
Write-offs (-) (*)	527	5,428	186,831
<i>Corporate and Commercial Loans</i>	526	5,144	84,387
<i>Retail Loans</i>	--	13	54,940
<i>Credit Cards</i>	1	--	35,401
<i>Other</i>	--	271	12,103
Balances at End of the Period	458,943	318,866	549,205
Specific Provisions (-)	101,988	163,381	439,556
Net Balance on Balance Sheet	356,955	155,485	109,649

(*) 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.

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of the Period End	17,129	15,233	11,031
Specific Provisions (-)	2,118	8,366	5,830
Net Balance on Balance Sheet	15,011	6,867	5,201
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

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	356,955	155,485	109,649
Loans Granted to Real Persons and Legal Entities (Gross)	458,943	318,866	549,205
Specific provisions (-)	101,988	163,381	439,556
Loans Granted to Real Persons and Legal Entities (Net)	356,955	155,485	109,649
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
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)	--	--	--

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	130,899	11,413	269,519	--
Other	--	--	--	--
Total	130,899	11,413	269,519	--

6.2 Information on government securities held-to-maturity

	Current Period	Prior Period
Government Bonds	207,001	866,961
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	207,001	866,961

6.3 Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	247,809	912,105
Quoted on Stock Exchange	218,527	879,187
Unquoted on Stock Exchange	29,282	32,918
Impairment (-)	--	--
Total	247,809	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 (*)	(7,063)	88,896
Purchases	--	--
Disposals/Redemptions	(657,233)	(8,750)
Impairment losses (-)	--	--
Balance at the end of the period	247,809	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 981.

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7. Investments in associates

7.1 Investments in unconsolidated associates

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	57,225	50,441	30,431	884	--	16,175	18,566	--
2	247,800	242,307	3,226	8,322	--	6,695	7,672	--
3	11,273	10,863	7,374	132	--	(229)	152	--

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

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

7.2 Investments in consolidated associates

There are no investments in consolidated associates.

8. Investments in subsidiaries

8.1 Information on capital adequacies of major subsidiaries

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

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	13,330	3,159	2,083	148	--	572	(100)	--	--
2	1,297	1,256	233	--	--	(51)	--	--	--
3	142,651	(68,506)	128,873	470	--	877	(38,460)	--	--

Information on the financial statements is presented as of the period ended 30 September 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.	Istanbul/Turkey	--	41	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	9,749,509	850,582	8,134	331,053	17,117	67,780	50,375	--
2	1,773,891	8,017	115	77,194	--	923	2,419	--
3	80,667	69,986	1,062	4,936	407	10,700	7,745	--
4	16,046	13,569	199	2,163	1,218	382	3,587	--
5	629,849	108,075	4,149	23,366	5,597	12,583	12,632	--
6	2,896	1,756	74	126	11	(532)	148	--
7	1,627,302	401,636	433	80,093	--	10,507	48,533	--
8	1,099,061	191,311	351	114,133	--	48,130	35,418	--
9	30,583	30,482	--	1,212	3,322	3,497	(1,692)	--

Information on the financial statements is presented as of the period ended 30 September 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	295,886	283,826
Bonus Shares Received	--	--
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	11,020	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	11,180	6,977	535	5,874	(3,712)

Information on the financial statements is presented as of the period ended 30 September 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	609,254	494,001	469,568	381,579
Between 1-4 years	917,952	815,299	869,936	808,292
Over 4 years	114,961	103,002	158,435	103,285
Total	1,642,167	1,412,302	1,497,939	1,293,156

10.2 Information on net investments in finance lease receivables

	Current Period	Prior Period
Gross finance lease receivable	1,642,167	1,497,939
Unearned finance income (-)	229,865	204,783
Cancelled leasing agreements (-)	--	--
Net investment on finance leases	1,412,302	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	46,621	24,897	189,975	31,010
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	46,621	24,897	189,975	31,010

12. Information on investment property

None.

13. Information on deferred tax asset

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

Deferred tax asset calculated on the basis of related regulation is TL 102,166 (31 December 2011: TL 58,031) and deferred tax liability is TL 7,651 (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	40,503	33,932
Valuation Differences of Financial Assets	--	6,334
Provision for Employee Benefits	12,124	11,232
Valuation Differences of Derivatives	16,202	--
Unearned Income	28,865	13,913
Other	8,601	22,897
	106,295	88,308
Deferred Tax Liabilities:		
Valuation Differences of Tangible Assets	(4,065)	(292)
Valuation Differences of Derivatives	--	(25,463)
Valuation Differences of Financial Assets	(7,715)	(5,161)
	(11,780)	(30,916)
Net Deferred Tax Assets	94,515	57,392

13.2 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.

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

None.

14. Information on other assets

14.1 Information on prepaid expense, taxes and similar items

DFS Group's total prepaid expenses are TL 101,745 (31 December 2011: TL 63,915).

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

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II. Explanations and disclosures related to consolidated liabilities

1. Information on maturity structure of deposits

Current Period		7 Days Demand Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	780,150	--	951,992	7,690,845	454,257	79,288	53,723	17,843	10,028,098
Foreign Currency									
Deposits	3,358,805	--	1,577,490	3,970,967	1,344,722	1,949,930	3,169,661	341	15,371,916
Residents in Turkey	1,471,562	--	1,515,403	3,684,294	947,324	270,005	312,928	309	8,201,825
Residents Abroad	1,887,243	--	62,087	286,673	397,398	1,679,925	2,856,733	32	7,170,091
Public Sector Deposits	129,361	--	19,021	59,271	10,459	266	544	--	218,922
Commercial Deposits	1,135,222	--	853,948	3,771,795	531,137	222,162	240,391	--	6,754,655
Other Ins. Deposits	42,073	--	67,588	504,693	166,606	6,228	15,063	--	802,251
Precious Metal									
Deposits	253,853	--	21,369	140,721	19,804	2,635	120	575	439,077
Bank Deposits	282,470	--	141,908	314,971	5,338	9,026	675,125	--	1,428,838
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	104,648	--	103,452	120,677	--	893	6,154	--	335,824
Foreign Banks	17,195	--	38,456	194,294	5,338	8,133	668,971	--	932,387
Special Finan. Inst.	160,627	--	--	--	--	--	--	--	160,627
Other	--	--	--	--	--	--	--	--	--
Total	5,981,934	--	3,633,316	16,453,263	2,532,323	2,269,535	4,154,627	18,759	35,043,757

Prior Period		7 Days Demand Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	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

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	3,371,031	2,984,884	6,548,386	5,215,703
Foreign Currency Saving Deposits	904,470	783,326	2,938,380	2,336,772
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	4,275,501	3,768,210	9,486,766	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	89,970	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	24,176	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	77,372	81,334
Total	191,518	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	1,280	32,074	2,565	50,222
Swap Transactions	26,539	86,451	88,780	100,668
Futures Transactions	--	--	--	--
Options	811	33,606	3,917	191,947
Other	--	--	--	--
Total	28,630	152,131	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	320,034	145,606	530,879	114,383
Foreign Bank, Institutions and Funds	863,817	5,097,769	762,508	6,201,931
Total	1,183,851	5,243,375	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 30 September 2012, the outstanding balance of the loan is USD Dollar 175 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	889,434	2,507,012	918,379	3,250,261
Medium and Long-Term	294,417	2,736,363	375,008	3,066,053
Total	1,183,851	5,243,375	1,293,387	6,316,314

4. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bill and Bond	605,394	--	410,988	--
Total	605,394	--	410,988	--

On 2 November 2011, the Parent Bank issued bills with TL 29,542 nominal value, 399 days maturity and 11.03% simple interest rate.

On 24 April 2012, the Parent Bank issued bank bonds with TL 347,146 nominal value, 175 days maturity and 10.32% simple interest rate, bills with TL 65,550 nominal value, 385 days maturity and 10.67% simple interest rate and bills with TL 87,304 nominal value, 1,120 days maturity and coupon payment in every 35 days, 1.01% periodic coupon interest rate relating to coupons 1, 2 and 3. This bill's periodic interest rate relating to coupons 4, 5 and 6 assigned as 0.85%.

On 25 April 2012, the Parent Bank redeemed bank bonds issued on 6 May 2011 with TL 150,000 nominal value, 351 days maturity and 9.15% simple interest rate and bonds issued on 2 November 2011 with TL 270,458 nominal value, 175 days maturity and 10.81% simple interest rate.

On 17 September 2012, the Parent Bank issued bank bonds with TL 108,385 nominal value, 176 days maturity and 7.50% simple interest rate, the bills with TL 16,615 nominal value, 974 days maturity and coupon payment in every 35 days, 0.85% periodic coupon interest rate relating to coupons 1. and 2.

On 24 September 2012, the Parent Bank sold discounted bank bond with TL 8.600 nominal value, 296 days maturity and 8.17% simple interest rate as assigned to qualified investors.

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	78,973	2,214	75,121	6,358
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
Total	78,973	2,214	75,121	6,358

8. Information on provisions

8.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	303,220	233,329
Additional Provision for Loans with Extended Maturities	9,191	2,603
Provisions for Loans and Receivables in Group II	52,450	27,668
Additional Provision for Loans with Extended Maturities	12,993	4,233
Provisions for Non Cash Loans	33,986	30,978
Other	--	--
Total	389,656	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	12,013	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 30 September 2012, TL 39,612 of provision for employment termination benefits (31 December 2011: TL 34,127) and TL 24,240 of unused vacation accruals (31 December 2011: TL 24,918) were reflected to the consolidated financial statements.

8.4 Information on other provisions

8.4.1 Information on free provisions provided for probable risks

	Current Period	Prior Period
Free Provisions Provided for Probable Risks	131,166	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 62,704 (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 17,414 (31 December 2011: TL 7,580) consists of provisions for lawsuits pending against DFS Group and TL 789 (31 December 2011: TL 775) consists of other provisions.

9. Information on taxation

9.1 Information on current taxes

9.1.1 Information on current tax liability

As of 30 September 2012, the corporate tax provision of DFS Group is TL 239,972 (31 December 2011: TL 187,905), and it has been offset with advance taxes amounting to TL 159,518 (31 December 2011: TL 80,147).

As of 30 September 2012, DFS Group's total liability related to taxes and premiums is TL 163,276 (31 December 2011: TL 180,122).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	80,454	107,758
Taxation on securities	21,854	19,358
Capital gains taxes on property	1,646	1,070
Banking Insurance Transaction Tax (BITT)	20,284	20,463
Taxes on foreign exchange transactions	--	--
Value added taxes payable	452	919
Other	27,670	10,507
Total	152,360	160,075

9.1.3 Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	5,205	9,011
Social security premiums- employer share	4,698	9,195
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	386	645
Unemployment insurance- employer share	621	1,188
Other	6	8
Total	10,916	20,047

9.2 Information on deferred tax liabilities

Deferred tax liability calculated on the basis of related regulation is TL 7,651 (31 December 2011: TL 639). Information on deferred taxes is disclosed in footnote 13 of “explanations and disclosures related to consolidated assets”.

10. Information on shareholders’ equity

10.1 Paid-in capital

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

The Parent Bank’s paid-in capital is presented above in nominal values. As of 30 September 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.

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

Registered paid-in capital system is not applied.

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

None.

10.4 Information on share capital increases from revaluation funds

None.

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

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

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

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

10.7 Information on the privileges given to stocks representing the capital

The Parent Bank does not have any preferred stocks.

10.8 Common stock issue premiums, shares and equity instruments

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

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

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

10.9 Securities Revaluation Reserve

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	--	--	--	--
Valuation Difference	134,252	40,413	(15,858)	1,655
Foreign Exchange Difference	--	--	--	--
Total	134,252	40,413	(15,858)	1,655

10.10 Information on hedging funds

10.10.1 Information on cash flow hedge items

The Parent Bank hedges a portion of its floating rate liabilities by interest rate swaps. The effective portion of the fair value losses of those swaps, amounting to TL 39,790 (31 December 2011: TL 29,047), has been disclosed in hedging reserves under equity.

10.10.2 Information on hedging foreign net investment risk

DFS Group hedges its foreign currency exchange rate risk from retranslation of its foreign operations by net investment hedge accounting, through recognizing the effective portion of foreign exchange rate changes of a portion of its foreign currency denominated liabilities under equity. The related loss under hedging reserve amounts to TL 95,756 as of 30 September 2012 (31 December 2011: TL 138,455).

11. 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	1,548	(737)
Increase/(decrease) in minority interest due to disposals	--	--
Other	--	(1,802)
Balance at the End of the Period	15,065	13,517

12. Information on revaluation differences of tangible assets

Revaluation difference of tangible assets amounting to TL 306,054 include the gains on sale of Deniz Emeklilik 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 30 September 2012, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 11,873,960, TL 4,450,190 and TL 1,390,722, 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 30 September 2012, DFS Group has letters of guarantee amounting to TL 9,476,643, bills of exchange and acceptances amounting to TL 760,571, and guarantees and sureties on letters of credit amounting to TL 1,400,059. There are also other guarantees and sureties amounting to TL 236,687.

As of 31 December 2011, DFS Group has letters of guarantee amounting to TL 8,043,572, bills of exchange 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	686,538	488,475
Final Letters of Guarantee	7,125,898	6,164,219
Letters of Guarantee for Advances	1,124,105	952,005
Letters of Guarantee given to Customs Offices	263,419	337,593
Other Letters of Guarantee	276,683	101,280
Total	9,476,643	8,043,572

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	922,998	648,854
With Original Maturity of 1 Year or Less	196,722	246,685
With Original Maturity of More Than 1 Year	726,276	402,169
Other Non-Cash Loans	10,950,962	9,462,486
Total	11,873,960	10,111,340

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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	1,146,226	65,605	744,886	51,764
Medium and Long Term Loans	1,185,698	409,065	868,905	314,816
Loans Under Follow-Up	45,731	--	41,523	4
Premiums Received from Resource Utilization Support Fund	--	--	--	--
Total	2,377,655	474,670	1,655,314	366,584

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	1,732	3,910	9,341	10,293
Foreign Banks	46	2,073	1,186	6,072
Foreign Head Offices and Branches	--	--	--	--
Total	1,778	5,983	10,527	16,365

1.3 Information on interest income received from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	56,156	1,182	38,787	825
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Investment Securities Available-for-Sale	363,584	28,209	213,486	12,273
Investment Securities Held-to-Maturity	69,509	2,582	84,403	3,359
Total	489,249	31,973	336,676	16,457

1.4 Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	4,501	7,801

2. Interest expense

2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	100,109	125,270	76,207	114,727
Central Bank of the Republic of Turkey	34	--	26	--
Domestic Banks	34,183	3,151	24,973	2,345
Foreign Banks	65,892	122,119	51,208	112,382
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	100,109	125,270	76,207	114,727

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	1,444	894

2.3 Information on interest expense paid to securities issued

	Current Period	Prior Period
Interest Paid to Securities Issued	36,475	14,709

2.4 Maturity structure of the interest expense on deposits

Account Name	Time Deposits							Cumulative Deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year			
TL									
Bank Deposits	11	23,036	--	--	--	--	--	--	23,047
Saving Deposits	11	51,916	595,958	31,963	5,671	3,745	540	--	689,804
Public Sector Deposits	--	2,025	5,953	2,216	17	33	--	--	10,244
Commercial Deposits	35	61,270	213,580	30,563	65,073	6,995	--	--	377,516
Other Deposits	--	2,987	46,602	1,388	279	14	--	--	51,270
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--	--
Total Turkish Lira	57	141,234	862,093	66,130	71,040	10,787	540		1,151,881
FC									
Foreign Currency Deposits	7	183,143	103,840	14,021	2,944	3,784	4,559	--	312,298
Bank Deposits	123	4,789	--	--	--	--	--	--	4,912
"7 Days Notice" Deposits	--	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	178	890	109	6	2	3	--	1,188
Total Foreign Currency	130	188,110	104,730	14,130	2,950	3,786	4,562		318,398
Total	187	329,344	966,823	80,260	73,990	14,573	5,102		1,470,279

3. Information on trading income / loss

	Current Period	Prior Period
Income	18,503,707	22,262,695
Capital Market Transactions	211,410	71,021
Derivative Financial Instruments	284,506	1,513,104
Foreign Exchange Gains	18,007,791	20,678,570
Loss (-)	18,656,224	22,319,769
Capital Market Transactions	149,013	55,237
Derivative Financial Instruments	1,089,486	1,428,016
Foreign Exchange Losses	17,417,725	20,836,516
Net Trading Income / Loss	(152,517)	(57,074)

Net income from foreign exchange translation differences related to derivative financial instruments is TL 48,037 (net income for the period 1 January - 30 September 2011: TL 105,557).

4. Information on other operating income

	Current Period	Prior Period
Reversal of prior periods' provisions	57,483	263,367
Filing fees	29,256	74,893
Communication income	8,744	6,784
Cheque book fees	3,264	3,279
Other	56,834	85,195
Total	155,581	433,518

5. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	329,942	231,568
<i>Loans and Receivables in Group III</i>	129,629	--
<i>Loans and Receivables in Group IV</i>	92,872	--
<i>Loans and Receivables in Group V</i>	107,441	231,568
Non-performing Commissions and Other Receivables	--	--
General Loan Loss Provisions	97,680	98,325
Free Provision for Probable Risks	1,020	--
Impairment Losses on Securities	9,570	49,024
<i>Financial Assets at Fair Value Through Profit or Loss</i>	--	16,273
<i>Investment Securities Available-for-Sale</i>	9,570	32,751
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	42,568	10,482
Total	480,780	389,399

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6. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses	536,713	456,486
Reserve for Employee Termination Benefits	5,520	4,460
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	66,155	53,454
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	23,723	16,530
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	1,100	837
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	351,940	293,910
<i>Operational Leases Expenses</i>	90,517	69,804
<i>Repair and Maintenance Expenses</i>	10,818	9,306
<i>Advertisement Expenses</i>	49,438	36,940
<i>Other Expenses (*)</i>	201,167	177,860
Losses on Sale of Assets	1,166	1,090
Other	92,018	90,016
Total	1,078,335	916,783

(*) 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 46,591, TL 31,366, TL 12,422, TL 4,307, TL 13,012, TL 22,683, and TL 70,786, respectively (1 January - 30 September 2011: TL 37,280, TL 24,720, TL 12,500, TL 3,377, TL 11,489, TL 24,519 and TL 63,975, respectively).

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

As of 30 September 2012, DFS Group does not have profit before tax from discontinued operations (30 September 2011: TL 367,879). As of 30 September 2012, DFS Group has a profit before tax from continuing operations amounting to TL 567,164 (30 September 2011: TL 722,576).

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8. Information on tax provision for continued and discontinued operations

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

As 1 January-30 September 2012 the current period taxation charge on continuing operations is TL 239,895 (1 January-30 September 2011: TL 74,820) while deferred tax benefit is TL 86,592 (1 January-30 September 2011: TL 77,817 deferred tax charge). As 1 January-30 September 2012 there are no tax reserve from discontinued operations (1 January-30 September 2011: TL 24,474 the current period taxation charge on discontinued operations, TL 1,005 deferred tax charge).

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

Deferred tax benefit/charge arising from temporary differences	Current Period	Prior Period
Arising from Origination of Deductible Temporary Differences (+)	72,366	44,546
Arising from Reversal of Deductible Temporary Differences (-)	(23,290)	(50,098)
Arising from Origination of Taxable Temporary Differences (-)	(16,847)	(81,820)
Arising from Reversal of Taxable Temporary Differences (+)	54,363	8,550
Total	86,592	(78,822)

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

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	49,076	(5,552)
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	37,516	(73,270)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	86,592	(78,822)

9. Information on net profit and loss

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

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

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

9.3 Profit or loss attributable to minority interests

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	1,548	(153)

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

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

Other Fees and Commissions Received	Current Period	Prior Period
Credit card clearing and other commissions	146,854	100,180
Contracted merchant / POS commissions	134,236	74,566
Intermediary services	38,762	64,174
Account management fees	37,531	23,626
Insurance services	28,833	24,826
Remittance commissions	17,174	13,775
Expertise fees	2,522	10,634
Other	74,613	67,878
Total	480,525	379,659

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	133,802	84,094
EFT fees and commissions	3,237	1,741
Other	46,376	28,340
Total	183,415	114,175

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

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

As of 30 September 2012, DFS Group's own risk group balances are:

Cash loans, finance lease receivables, other asset, deposits, other liability and non-cash loans amounting to TL 4,939, TL 204,816, TL 559, TL 50,723, TL 40 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 17,901 and TL 10,188 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	210,253	137	--	--	61	4
Interest and Commission Income Received	4,504	1	132	40	--	--

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	7,801	--	1,159	32	2,246	1

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

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

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	17,982	14,553	405,738	4,304,425	4,129	10,316
Balance at the End of the Period	37,865	17,982	--	405,738	12,898	4,129
Interest and Commission Expenses	1,444	894	20,565	41,675	569	798

(*) 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	--	--	--	3,420	3,569	3,778
Total Income/(Loss)	--	--	(9,715)	(43,808)	(473)	32
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 30 September 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 0.1% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0.001% of the total balance.

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

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

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. Other explanations related to DFS Group's operations

1. Explanations related to DFS Group's operations

In the meeting of the Parent Bank Board of Directors dated 30 May 2012, a resolution is passed to authorize general management to issue bills and/or bonds amounting at the most up to TL 2,700 million. With respect to the decision taken, required applications have been made by the Parent Bank to the Capital Markets Board, 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.

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

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

Subsequent to Sberbank acquiring directly the majority of the capital and the voting rights of the Parent Bank and indirectly 40.78% shares of Deniz Yatırım Ortaklığı A.Ş. (DNZYO) which is a publicly listed company on Istanbul Stock Exchange due to the transfer of the Parent Bank shares owned by Dexia Group representing 99.85% of its capital, it was therefore necessary to launch a mandatory tender offer for both the Parent Bank and DNZYO shares as per the Communiqué on Principles regarding the Collection of Shares Through Tender Offer (Serial: IV, No: 44) of the Capital Markets Board (CMB). On 5 October 2012, Sberbank made the mandatory tender offer application for the Parent Bank shares within the scope of the related communiqué and the exemption request for DNZYO shares within the scope of Article 11 (c) of the related Communiqué. The exemption request made by Sberbank for DNZYO shares has been approved by the CMB and announced in its weekly bulletin No: 2012/43 dated 9 November 2012.

On 17 October 2012, the Parent Bank issued bank bonds with TL 407,136 nominal value, 175 days maturity and 7.56% simple interest rate, bills with TL 32,985 nominal value, 392 days maturity and 8.33% simple interest rate and bills with TL 9,879 nominal value, 728 days maturity and 8.89% simple interest rate.

The Parent Bank's bond issued on 24 April 2012 with TL 347,146 nominal value, 175 days maturity and 10.32% simple interest rate was redeemed at its maturity.

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

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

SECTION SEVEN

INDEPENDENT AUDITORS' REVIEW REPORT

I. Information on the independent auditors' review report

DFS Group's consolidated financial statements and footnotes have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) and the independent auditors' review report dated 13 November 2012 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.