

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

**DENİZBANK  
ANONİM ŞİRKETİ AND ITS  
FINANCIAL SUBSIDIARIES**

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

We have reviewed the consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its subsidiaries (together "the Group") as of 30 June 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 June 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, 1 August 2012

**DENİZBANK A.Ş.**  
**FOR THE SIX MONTHS PERIOD**  
**CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 JUNE 2012**

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

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Website of the Bank  
www.denizbank.com

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 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:

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Jointly Controlled Companies</b>
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**.

1 August 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

**ERIC P.B.A. HERMANN**  
Member of Board of Directors  
and Audit Committee

**PHILIPPE J.E. RUCHETON**  
Member of Board of Directors  
and Audit Committee

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

**PIERRE P.F. MARIANI**  
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 June 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, a tender offer was made for the publicly traded shares on the ISE, and Dexia Participation Belgique's ownership rate increased to 99.84%.

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

**Current Period**

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

**Prior Period**

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

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

(Currency: Thousands of TL - Turkish Lira)

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See Note 3.1.2*

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

Name	Title	Shares owned (%)
<b>President of the Board of Directors</b>		
Pierre P.F. Mariani	Chairman	--
<b>Board of Directors</b>		
Ayfer Yılmaz	Deputy Chairman	0.000002
Hakan Ateş	Member, President and CEO	0.000002
M. Cem Bodur	Member	0.000002
Wouter G.M. Van Roste	Member	--
Philippe J.E. Rucheton	Member	--
Eric P.B.A. Hermann	Member	--
Claude E.L.G. Piret	Member	--
Hasan Hüseyin Uyar	Member	--
<b>Audit Committee</b>		
Eric P.B.A. Hermann	Member	--
Ayfer Yılmaz	Member	--
Philippe J.E. Rucheton	Member	--
<b>Statutory Auditors</b>		
Cem Kadirgan	Member-Auditor	--
Mehmet Uğur Ok	Member-Auditor	--
<b>Executive Vice Presidents</b>		
Mustafa Aydın	Retail, SME and Agricultural Loan Allocation	--
Bora Böcügöz	Treasury and 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	Corporate Banking	--
Mehmet Aydoğdu	Commercial Banking and Public Finance	--
Saruhan Özel	Economic Research, Strategy and Project Management	--
Murat Çelik	Digital Generation Banking	--

In accordance with the resolution of the General Meeting of the Shareholders dated 17 February 2012; Murat Çelik was appointed as the Vice General Manager responsible for Digital Generation Banking.

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

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

<b>Commercial Title</b>	<b>Share Amounts</b>	<b>Share Percentages</b>	<b>Paid-in Capital</b>	<b>Unpaid Capital</b>
Dexia Participation Belgique SA	714,945	99.84%	714,945	--

Dexia Participation Belgique SA is the controlling party of the Parent Bank's capital having both direct and indirect qualified shares. As of 9 May 2012, all the shares of Dexia Participation Belgique SA belong to Dexia SA.

As of 30 June 2012 the capital structure of Dexia SA is as follows:

<b>Title</b>	<b>Share Percentages</b>
Caisse des Dépôts et Consignations (*)	17.61%
Holding Communal	14.26%
Arco Group	10.19%
Belgian Federal State (via Société de Participations et d'Investissement)	5.73%
French State (via Société de Prise de Participation de l'Etat)	5.73%
Ethias Group	5.04%
Other institutional and individual investors	41.44%
<b>Total</b>	<b>100.00%</b>

(\*) French Public Sector Institution



## **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 595 domestic and 1 foreign branch as of 30 June 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 JUNE 2012 AND 31 DECEMBER 2011**  
(Currency: Thousands of TL - Turkish Lira)

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See Note 3.1.2*

ASSETS	Footnotes	REVIEWED CURRENT PERIOD (30/06/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.I.1)	1,346,409	2,784,904	4,131,313	1,885,844	2,270,338	4,156,182
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.I.2)	623,254	142,001	765,255	571,418	321,466	892,884
2.1 Financial Assets Held For Trading		623,254	142,001	765,255	571,418	321,466	892,884
2.1.1 Public Sector Debt Securities		517,754	6,469	524,223	400,738	3,272	404,010
2.1.2 Share Certificates		34,599	237	34,836	22,578	1,832	24,410
2.1.3 Positive Value of Trading Purpose Derivatives		64,160	132,495	196,655	147,587	316,294	463,881
2.1.4 Other Securities		6,741	2,800	9,541	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)	93,986	820,351	914,337	1,130	877,573	878,703
IV. DUE FROM MONEY MARKETS		24,163	-	24,163	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		19,134	-	19,134	26,593	-	26,593
4.3 Reverse Repurchase Agreements		4,779	-	4,779	1,210,839	-	1,210,839
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(5.I.4)	5,375,288	965,147	6,340,435	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		5,371,372	833,939	6,205,311	3,936,891	141,463	4,078,354
5.3 Other Securities		-	131,196	131,196	-	120,460	120,460
VI. LOANS AND RECEIVABLES	(5.I.5)	20,637,292	11,114,388	31,751,680	17,788,257	10,886,112	28,674,369
6.1 Loans and Receivables		20,255,439	11,101,176	31,356,615	17,518,784	10,869,945	28,388,729
6.1.1 Loans Utilized to the Bank's Risk Group		4,844	27	4,871	25	33	58
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		20,250,595	11,101,149	31,351,744	17,518,759	10,869,912	28,388,671
6.2 Loans under Follow-Up		966,821	24,877	991,698	865,660	28,749	894,409
6.3 Specific Provisions (-)		584,968	11,665	596,633	596,187	12,582	608,769
VII. FACTORING RECEIVABLES		910,570	55,075	965,645	937,562	41,796	979,358
VIII. INVESTMENT HELD TO MATURITY (Net)	(5.I.6)	138,874	115,743	254,617	787,802	124,303	912,105
8.1 Public Sector Debt Securities		138,874	72,980	211,854	787,802	79,159	866,961
8.2 Other Securities		-	42,763	42,763	-	45,144	45,144
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.I.7)	7,732	-	7,732	7,432	-	7,432
9.1 Associates accounted for Under Equity Method		-	-	-	-	-	-
9.2 Unconsolidated Associates		7,732	-	7,732	7,432	-	7,432
9.2.1 Financial Associates		544	-	544	544	-	544
9.2.2 Non-Financial Associates		7,188	-	7,188	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)	300,991	1,063,489	1,364,480	228,900	1,064,256	1,293,156
12.1 Financial Lease Receivables		377,935	1,211,706	1,589,641	286,860	1,211,079	1,497,939
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		76,944	148,217	225,161	57,960	146,823	204,783
XIII. HEDGING PURPOSE DERIVATIVES	(5.I.11)	50,747	26,208	76,955	189,975	31,010	220,985
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		50,747	26,208	76,955	189,975	31,010	220,985
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		335,077	6,387	341,464	337,393	6,649	344,042
XV. INTANGIBLE ASSETS (Net)		65,295	5,123	70,418	66,097	5,894	71,991
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		65,295	5,123	70,418	66,097	5,894	71,991
XVI. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
XVII. TAX ASSETS	(5.I.12)	98,480	2,121	100,601	58,541	2,283	60,824
17.1 Current Tax Assets		83	1,608	1,691	2,543	250	2,793
17.2 Deferred Tax Assets		98,397	513	98,910	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.13)	499,156	289,437	788,593	447,505	320,641	768,146
TOTAL ASSETS		30,515,763	17,390,374	47,906,137	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 JUNE 2012 AND 31 DECEMBER 2011**  
(Currency: Thousands of TL - Turkish Lira)

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Originally Issued in Turkish,  
See Note 3.1.2*

LIABILITIES AND EQUITY	Footnotes	REVIEWED CURRENT PERIOD (30/06/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
<b>I. DEPOSITS</b>	(5.II.1)	15,948,965	15,333,496	31,282,461	14,594,522	12,327,085	26,921,607
1.1 Deposits of the Bank's Risk Group		29,058	8,100	37,158	41,107	4,640	45,747
1.2 Others		15,919,907	15,325,396	31,245,303	14,553,415	12,322,445	26,875,860
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(5.II.2)	29,252	178,409	207,661	95,262	342,837	438,099
<b>III. FUNDS BORROWED</b>	(5.II.3)	1,086,399	5,804,884	6,891,283	1,293,387	6,316,314	7,609,701
<b>IV. DUE TO MONEY MARKETS</b>		437,383	27,113	464,496	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		437,383	27,113	464,496	863,351	-	863,351
<b>V. SECURITIES ISSUED (Net)</b>	(5.II.4)	497,117	-	497,117	410,988	-	410,988
5.1 Bills		330,633	-	330,633	384,191	-	384,191
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		166,484	-	166,484	26,797	-	26,797
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrowers Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
<b>VII. SUNDRY CREDITORS</b>		574,133	118,615	692,748	494,345	235,257	729,602
<b>VIII. OTHER EXTERNAL RESOURCES</b>	(5.II.5)	415,505	644,526	1,060,031	508,965	849,983	1,358,948
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(5.II.6)	-	-	-	-	-	-
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses ( - )		-	-	-	-	-	-
<b>XI. HEDGING PURPOSE DERIVATIVES</b>	(5.II.7)	52,708	4,903	57,611	75,121	6,358	81,479
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		52,708	4,903	57,611	75,121	6,358	81,479
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(5.II.8)	614,469	13,206	627,675	518,542	15,555	534,097
12.1 General Provisions		356,548	-	356,548	291,975	-	291,975
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		67,623	1,415	69,038	57,608	1,437	59,045
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		190,298	11,791	202,089	168,959	14,118	183,077
<b>XIII. TAX LIABILITIES</b>	(5.II.9)	138,150	39,223	177,373	161,470	19,291	180,761
13.1 Current Tax Liability		138,150	35,899	174,049	161,470	18,652	180,122
13.2 Deferred Tax Liability		-	3,324	3,324	-	639	639
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE AND</b>		-	-	-	-	-	-
<b>XIV. DISCONTINUED OPERATIONS</b>		-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>		-	896,858	896,858	-	938,953	938,953
<b>XVI. SHAREHOLDERS' EQUITY</b>	(5.II.10)	4,782,161	268,662	5,050,823	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		524,007	18,079	542,086	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		42,087	20,373	62,460	(15,858)	1,655	(14,203)
16.2.4 Revaluation Fund on Tangible Assets	(5.II.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)		(111,720)	(2,294)	(114,014)	(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		2,679,080	60,198	2,739,278	2,110,209	115,106	2,225,315
16.3.1 Legal Reserves		144,543	5,018	149,561	104,739	5,018	109,757
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		2,524,364	11,171	2,535,535	1,995,392	11,171	2,006,563
16.3.4 Other Profit Reserves		10,173	44,009	54,182	10,078	98,917	108,995
16.4 Profit or Loss		848,496	190,385	1,038,881	1,357,141	222,653	1,579,794
16.4.1 Prior Periods' Profits / Losses		525,921	179,899	705,820	406,435	111,813	518,248
16.4.2 Current Period Profit / Loss		322,575	10,486	333,061	950,706	110,840	1,061,546
16.5 Minority Shares	(5.II.11)	14,478	-	14,478	13,517	-	13,517
<b>TOTAL LIABILITIES AND EQUITY</b>		24,576,242	23,329,895	47,906,137	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 JUNE 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 (30/06/2012)			AUDITED PRIOR PERIOD (31/12/2011)		
		TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>24,343,006</b>	<b>42,651,220</b>	<b>66,994,226</b>	<b>21,713,293</b>	<b>35,850,261</b>	<b>57,563,554</b>
<b>I. GUARANTEES</b>	(5.III.1)	<b>4,548,210</b>	<b>6,255,207</b>	<b>10,803,417</b>	<b>3,942,055</b>	<b>6,169,285</b>	<b>10,111,340</b>
1.1. Letters of Guarantee		4,539,502	4,050,234	8,589,736	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		237,360	145,559	382,919	234,215	103,378	337,593
1.1.3. Other Letters of Guarantee		4,302,142	3,904,675	8,206,817	3,706,224	3,999,755	7,705,979
1.2. Bank Acceptances		8,525	628,209	636,734	999	274,437	275,436
1.2.1. Import Letter of Acceptance		8,525	628,209	636,734	999	274,437	275,436
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		183	1,331,499	1,331,682	617	1,528,689	1,529,306
1.3.1. Documentary Letters of Credit		183	1,098,028	1,098,211	570	1,269,903	1,270,473
1.3.2. Other Letters of Credit		-	233,471	233,471	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		-	245,265	245,265	-	263,026	263,026
1.9. Other Sureties		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(5.III.1)	<b>9,904,707</b>	<b>4,642,049</b>	<b>14,546,756</b>	<b>8,857,722</b>	<b>4,172,026</b>	<b>13,029,748</b>
2.1. Irrevocable Commitments		8,996,191	4,642,049	13,638,240	8,837,460	4,172,026	13,009,486
2.1.1. Asset Purchase and Sale Commitments		486,991	3,887,860	4,374,851	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	1,000	-	1,000
2.1.4. Loan Granting Commitments		2,773,409	147,200	2,920,609	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		1,411,058	-	1,411,058	990,872	-	990,872
2.1.8. Tax and Fund Obligations from Export Commitments		1,119	-	1,119	2,871	-	2,871
2.1.9. Commitments for Credit Card Limits		4,286,365	-	4,286,365	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		36,249	606,989	643,238	36,388	807,845	844,233
2.2. Revocable Commitments		908,516	-	908,516	20,262	-	20,262
2.2.1. Revocable Loan Granting Commitments		907,835	-	907,835	19,581	-	19,581
2.2.2. Other Revocable Commitments		681	-	681	-	-	681
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>9,890,089</b>	<b>31,753,964</b>	<b>41,644,053</b>	<b>8,913,516</b>	<b>25,508,950</b>	<b>34,422,466</b>
3.1 Hedging Purpose Derivatives		625,310	820,014	1,445,324	644,143	1,179,474	1,823,617
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		625,310	820,014	1,445,324	644,143	1,179,474	1,823,617
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		9,264,779	30,933,950	40,198,729	8,269,373	24,329,476	32,598,849
3.2.1 Forward Foreign Currency Purchases/Sales		537,955	3,447,152	3,985,107	981,442	3,689,481	4,670,923
3.2.1.1 Forward Foreign Currency Purchases		77,547	2,015,570	2,093,117	217,637	2,117,660	2,335,297
3.2.1.2 Forward Foreign Currency Sales		460,408	1,431,582	1,891,990	763,805	1,571,821	2,335,626
3.2.2 Currency and Interest Rate Swaps		4,125,139	20,777,798	24,902,937	3,066,586	13,418,119	16,484,705
3.2.2.1 Currency Swaps-Purchases		566,129	9,767,778	10,333,907	691,043	6,181,221	6,872,264
3.2.2.2 Currency Swaps-Sales		3,559,010	6,743,493	10,302,503	2,375,543	4,462,490	6,838,033
3.2.2.3 Interest Rate Swaps-Purchases		-	2,133,264	2,133,264	-	1,387,204	1,387,204
3.2.2.4 Interest Rate Swaps-Sales		-	2,133,263	2,133,263	-	1,387,204	1,387,204
3.2.3 Currency, Interest Rate and Security Options		4,366,475	6,278,712	10,645,187	4,070,115	7,211,501	11,281,616
3.2.3.1 Currency Options-Purchases		2,248,744	3,055,451	5,304,195	2,150,341	3,429,191	5,579,532
3.2.3.2 Currency Options-Sales		2,117,731	3,114,199	5,231,930	1,919,774	3,644,864	5,564,638
3.2.3.3 Interest Rate Options-Purchases		-	54,531	54,531	-	68,723	68,723
3.2.3.4 Interest Rate Options-Sales		-	54,531	54,531	-	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		235,210	430,288	665,498	151,230	10,375	161,605
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>112,043,879</b>	<b>26,079,117</b>	<b>138,122,996</b>	<b>89,709,661</b>	<b>31,139,445</b>	<b>120,849,106</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>10,492,664</b>	<b>921,761</b>	<b>11,414,425</b>	<b>10,400,016</b>	<b>1,039,186</b>	<b>11,439,202</b>
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		9,176,397	203,733	9,380,130	9,248,066	322,349	9,570,415
4.3. Checks Received for Collection		659,203	567,073	1,226,276	557,250	595,225	1,152,475
4.4. Commercial Notes Received for Collection		656,784	150,719	807,503	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		-	236	236	250	506	756
4.8. Custodians		280	-	280	242	-	242
<b>V. PLEDGED ITEMS</b>		<b>101,320,676</b>	<b>24,996,512</b>	<b>126,317,188</b>	<b>79,085,294</b>	<b>29,974,887</b>	<b>109,060,181</b>
5.1. Securities		1,606,010	237,648	1,843,658	912,174	976,173	1,888,347
5.2. Guarantee Notes		69,915,102	10,460,561	80,375,663	53,041,037	13,470,173	66,511,210
5.3. Commodities		5,711,281	1,710,658	7,421,939	3,785,901	2,247,412	6,033,313
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		22,274,471	10,860,240	33,134,711	19,826,058	11,213,558	31,039,616
5.6. Other Pledged Items		1,813,812	1,727,405	3,541,217	1,520,124	2,067,571	3,587,695
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>230,539</b>	<b>160,844</b>	<b>391,383</b>	<b>224,351</b>	<b>125,372</b>	<b>349,723</b>
<b>TOTAL OFF BALANCE SHEET ITEMS (A+B)</b>		<b>136,386,885</b>	<b>68,730,337</b>	<b>205,117,222</b>	<b>111,422,954</b>	<b>66,989,706</b>	<b>178,412,660</b>

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

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDED 30 JUNE 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 (01/01-30/06/2012)	REVIEWED PRIOR PERIOD (01/01-30/06/2011)	REVIEWED CURRENT PERIOD (01/04-30/06/2012)	REVIEWED PRIOR PERIOD (01/04-30/06/2011)
I.	INTEREST INCOME	(5.IV.1)	2,366,134	1,558,519	1,195,654	805,480
1.1	Interest from Loans		1,847,258	1,267,735	959,660	664,512
1.2	Interest from Reserve Deposits		-	-	-	-
1.3	Interest from Banks		6,444	22,736	1,884	15,481
1.4	Interest from Money Market Transactions		54,555	5,975	32,406	1,967
1.5	Interest from Securities Portfolio		397,236	211,619	169,282	98,933
1.5.1	Trading Securities		27,267	14,072	12,500	7,637
1.5.2	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3	Available for Sale Securities		300,607	137,739	149,408	54,570
1.5.4	Held to Maturity Securities		69,362	59,808	7,374	36,726
1.6	Interest from Financial Leases		47,375	38,948	25,687	18,990
1.7	Other Interest Income		13,266	11,506	6,735	5,597
II.	INTEREST EXPENSE	(5.IV.2)	1,184,415	688,145	584,943	374,106
2.1	Interest on Deposits		970,188	545,495	486,453	295,969
2.2	Interest on Funds Borrowed		156,326	116,476	76,771	62,428
2.3	Interest on Money Market Transactions		24,076	14,236	6,989	9,741
2.4	Interest on Securities Issued		23,618	5,250	13,424	5,250
2.5	Other Interest Expense		10,207	6,688	1,306	718
III.	NET INTEREST INCOME (I - II)		1,181,719	870,374	610,711	431,374
IV.	NET FEES AND COMMISSION INCOME /EXPENSE	(5.IV.10)	241,408	212,520	126,072	109,919
4.1	Fees and Commissions Received		360,071	287,471	188,791	151,107
4.1.1	Non-Cash Loans		38,528	34,043	19,964	17,307
4.1.2	Other		321,543	253,428	168,827	133,800
4.2	Fees and Commissions Paid		118,663	74,951	62,719	41,188
4.2.1	Non-Cash Loans		682	380	278	171
4.2.2	Other		117,981	74,571	62,441	41,017
V.	DIVIDEND INCOME		287	2,005	287	2,005
VI.	TRADING INCOME/LOSS (Net)	(5.IV.3)	(116,403)	(29,929)	(71,752)	(24,429)
6.1	Profit / Loss on Securities Trading		43,240	20,398	24,971	919
6.2	Profit / Loss on Derivative Financial Transactions		(606,428)	16,012	(258,591)	76,837
6.3	Foreign Exchange Gains / Losses		446,785	(66,339)	161,868	(102,185)
VII.	OTHER OPERATING INCOME	(5.IV.4)	127,146	263,633	44,300	136,615
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		1,434,157	1,318,603	709,618	655,484
IX.	PROVISION FOR LOANS AND OTHER RECEIVABLES (-)	(5.IV.5)	258,153	209,203	125,651	76,019
X.	OTHER OPERATING EXPENSES (-)	(5.IV.6)	722,093	592,550	373,216	308,884
XI.	NET OPERATING PROFIT/LOSS (VIII-IX-X)		453,911	516,850	210,751	270,581
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)		453,911	516,850	210,751	270,581
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.8)	(119,705)	(105,029)	(56,264)	(54,643)
16.1	Current Tax		(178,554)	(59,965)	(80,319)	(19,045)
16.2	Deferred Tax		58,849	(45,064)	24,055	(35,598)
XVII.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.9)	334,206	411,821	154,487	215,938
XVIII.	PROFIT FROM DISCONTINUED OPERATIONS	(5.IV.7)	-	25,018	-	12,835
18.1	Assets Held for Sale		-	25,018	-	12,835
18.2	Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3	Other		-	-	-	-
XIX.	LOSS FROM DISCONTINUED OPERATIONS (-)	(5.IV.7)	-	7,755	-	4,023
19.1	Assets Held for Sale		-	7,755	-	4,023
19.2	Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3	Other		-	-	-	-
XX.	P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	17,263	-	8,812
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	(3,469)	-	(1,770)
21.1	Current Tax		-	(3,436)	-	(1,846)
21.2	Deferred Tax		-	(33)	-	76
XXII.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.IV.9)	-	13,794	-	7,042
XXIII.	NET PROFIT / LOSS (XVII+XXII)	(5.IV.9)	334,206	425,615	154,487	222,980
23.1	Group's Profit / Loss		333,061	425,333	154,783	222,834
23.2	Minority Shares		1,145	282	(296)	-
Earnings / Losses per Share (Per thousand share)			0.47	0.59	0.22	0.31

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 JUNE 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 (01/01-30/06/2012)	REVIEWED PRIOR PERIOD (01/01-30/06/2011)
I. ADDITIONS TO SECURITIES REVALUATION RESERVE FROM AVAILABLE FOR SALE INVESTMENTS	135,720	(87,920)
II. TANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
III. INTANGIBLE ASSETS REVALUATION DIFFERENCES	-	-
IV. FOREIGN EXCHANGE DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	(54,813)	53,752
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion of Fair Value Differences)	(3,593)	38,023
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion of Fair Value Differences)	55,298	(49,318)
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	(27,758)	16,152
X. NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+...+IX)	104,854	(29,311)
XI. CURRENT PERIOD PROFIT/LOSS	334,206	425,615
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	31,189	21,006
1.2 Reclassification and Transfer of Derivatives Accounted for Cash Flow Hedge Purposes Recycled to Income Statement	(1,673)	(13,859)
1.3 Transfer of Hedge of Net Investment in Foreign Operations Recycled to Income Statement	-	-
1.4 Other	304,690	418,468
XII. TOTAL PROFIT AND LOSS ACCOUNTED FOR THE PERIOD (X±XI)	439,060	396,304

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 JUNE 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
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>																		
<b>REVIEWED PRIOR PERIOD (01/01-30/06/2011)</b>																		
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	-	-	-	-	-	-	-	-	-	-	(91,500)	-	-	-	383	(91,117)	-	(91,117)
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,290	-	1,290	-	1,290
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	50,608	-	50,608	-	50,608
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,318)	-	(49,318)	-	(49,318)
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	-	-	-	-	-	-	-	53,752	-	-	-	-	-	-	-	53,752	-	53,752
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)	10	(5)
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	425,333	-	-	-	-	-	-	425,333	282	425,615
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX)</b>	<b>716,100</b>	<b>189,164</b>	<b>98,411</b>	<b>-</b>	<b>109,757</b>	<b>-</b>	<b>2,006,563</b>	<b>89,060</b>	<b>425,333</b>	<b>518,233</b>	<b>47,490</b>	<b>856</b>	<b>11</b>	<b>(168,969)</b>	<b>383</b>	<b>4,032,392</b>	<b>16,348</b>	<b>4,048,740</b>
<b>REVIEWED CURRENT PERIOD (01/01-30/06/2012)</b>																		
I. Balances at the Beginning of Period	716,100	189,164	98,411	-	109,757	-	2,006,563	108,995	1,061,546	518,248	(14,203)	856	11	(167,502)	-	4,627,946	13,517	4,641,463
Changes in the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities	-	-	-	-	-	-	-	-	-	-	76,663	-	-	-	-	76,663	-	76,663
IV. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	53,488	-	53,488	-	53,488
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,810)	-	(1,810)	-	(1,810)
4.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	55,298	-	55,298	-	55,298
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	-	-	-	-	-	-	-	(54,813)	-	-	-	-	-	-	-	(54,813)	-	(54,813)
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(184)	(184)
XVII. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	333,061	-	-	-	-	-	-	333,061	1,145	334,206
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances at the End of Period (I+II+III+....+XVI+XVII+XVIII)</b>	<b>716,100</b>	<b>189,164</b>	<b>98,411</b>	<b>-</b>	<b>149,561</b>	<b>-</b>	<b>2,535,535</b>	<b>54,182</b>	<b>333,061</b>	<b>705,820</b>	<b>62,460</b>	<b>306,054</b>	<b>11</b>	<b>(114,014)</b>	<b>-</b>	<b>5,036,345</b>	<b>14,478</b>	<b>5,050,823</b>

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



**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE PERIODS ENDED 30 JUNE 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 (01/01-30/06/2012)	REVIEWED PRIOR PERIOD (01/01-30/06/2011)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit before Changes in Operating Assets and Liabilities (+)</b>	<b>1,858,815</b>	<b>329,489</b>
1.1.1 Interest Received (+)	2,548,388	1,385,901
1.1.2 Interest Paid (-)	1,125,151	624,149
1.1.3 Dividend Received (+)	287	2,005
1.1.4 Fees And Commissions Received (+)	355,754	283,579
1.1.5 Other Income (+)	569,948	41,191
1.1.6 Collections from Previously Written-Off Loans and Other Receivables (+)	316,098	261,710
1.1.7 Payments to Personnel and Service Suppliers (-)	337,250	293,757
1.1.8 Taxes Paid (-)	126,437	70,407
1.1.9 Other (+/-)	(342,822)	(656,584)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(230,949)</b>	<b>532,688</b>
1.2.1 Net (Increase) Decrease in Trading Securities (+/-)	424,766	(202,840)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV (+/-)	-	-
1.2.3 Net (Increase) Decrease in Banks (+/-)	33,345	204,412
1.2.4 Net (Increase) Decrease in Loans (+/-)	(3,532,239)	(4,658,781)
1.2.5 Net (Increase) Decrease in Other Assets (+/-)	(552,096)	(685,839)
1.2.6 Net Increase (Decrease) in Bank Deposits (+/-)	855,749	204,889
1.2.7 Net Increase (Decrease) in Other Deposits (+/-)	3,434,802	3,608,888
1.2.8 Net Increase (Decrease) in Funds Borrowed (+/-)	11,934	868,021
1.2.9 Net Increase (Decrease) in Due Payables (+/-)	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities (+/-)	(907,210)	1,193,938
<b>I. Net Cash (Used in)/Provided from Banking Operations (+/-)</b>	<b>1,627,866</b>	<b>862,177</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from / (Used in) Investing Activities (+/-)</b>	<b>(2,069,143)</b>	<b>68,725</b>
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries (-)	300	800
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries (+)	-	-
2.3 Fixed Assets Purchases (-)	42,855	39,083
2.4 Fixed Assets Sales (+)	2,655	2,566
2.5 Cash Paid for Purchase of Investments Available for Sale (-)	4,649,212	1,087,079
2.6 Cash Obtained From Sale of Investments Available for Sale (+)	2,620,569	1,193,121
2.7 Cash Paid for Purchase of Investment Securities (-)	-	-
2.8 Cash Obtained from Sale of Investment Securities (+)	-	-
2.9 Other (+/-)	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from / (Used in) Financing Activities (+/-)</b>	<b>(629,100)</b>	<b>(1,003,782)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued (+)	369,291	2,005,525
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued (-)	998,391	3,009,307
3.3 Capital Increase (+)	-	-
3.4 Dividends Paid (-)	-	-
3.5 Payments for Finance Leases (-)	-	-
3.6 Other (+/-)	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)</b>	<b>(70,742)</b>	<b>117,820</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,141,119)</b>	<b>44,940</b>
<b>VI. Cash and Cash Equivalents at the Beginning of Period (+)</b>	<b>4,788,326</b>	<b>3,406,475</b>
<b>VII. Cash and Cash Equivalents at the End of Period</b>	<b>3,647,207</b>	<b>3,451,415</b>

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

## **SECTION THREE**

### **ACCOUNTING POLICIES**

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

##### **1. Preparation of the 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 Dexia Bank, 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:

<b>Financial Assets Subject to Reclassification</b>	<b>Amounts at the Date of Reclassification</b>	<b>Amounts at the Balance Sheet Date</b>	<b>Amounts If Reclassification Was Not Made</b>
Cost	292,553	295,239	292,553
Disposal	--	(276,524)	(272,518)
Cost after Disposal		18,715	20,035
Fair Value	295,239	20,314	20,314
Current Year Profit / (Loss)	--	(122)	111
Prior Periods' Profits / (Losses)	(1,082)	1,391	168
Effect on Shareholders' Equity	--	330	--

**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 June 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 June 2012</u>	<u>31 December 2011</u>	<u>30 June 2011</u>
US Dollar	TL 1.8065	TL 1.8889	TL 1.6157
Euro	TL 2.2742	TL 2.4438	TL 2.3397

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

Net foreign exchange gain included in the income statement amounts to TL 446,785 (1 January - 30 June 2011: net foreign exchange loss of TL 66,339).

**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 six 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 June 2012, total foreign exchange differences in equity amount to TL 44,009 (31 December 2011: TL 98,917).

The foreign exchange difference of TL 10,173 (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 June 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 June 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 June 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 1,082 lawsuits against DFS Group with total risks amounting to TL 100,653, US Dollar 1,798,319 and Euro 4,177,369 as of 30 June 2012. There are also 4,969 follow-up cases amounting to TL 70,710, US Dollar 251,468 and Euro 1,165,777 in total that are filed by DFS Group and are at courts. DFS Group booked a provision amounting to TL 16,063 for the continuing lawsuits (31 December 2011: TL 5,577).

**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 98,910 (31 December 2011: TL 58,031) and deferred tax liabilities of TL 3,324 (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.

On 24 April 2012, The Parent Bank issued bank bills and bonds with 175 days maturity and 10.32% simple interest rate amounting to TL 347,146; with 385 days maturity and 10.67% simple interest rate amounting to TL 65,550 and with 1,120 days maturity, coupon payment in every 35 days and 1.01% periodic interest rate amounting to TL 87,304.

On 2 November 2011, The Parent Bank issued bank bills and bonds of 300,000 TL with, respectively, 175 days maturity and 10.81% simple interest rate amounting to TL 270,458; and 399 days maturity and 11.03% simple interest rate amounting to TL 29,542.

Bills amounting to TL 150,000, issued on 6 May 2011 with 351 days maturity bearing 9.15% simple interest rate; and bills amounting to TL 270,458, issued on 2 November 2011 with 175 days maturity bearing 10.81% simple interest rate were redeemed on 25 April 2012.

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

**XIX. Explanations on shares and share issue**

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

The consolidated capital adequacy ratio is 13.74% as of 30 June 2012 (31 December 2011: 14.72%). This ratio is higher than the stipulated minimum prudential ratio in the related legislation.

#### **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 Ratio of Banks” published in the Official Gazette No.26333, dated 1 November 2006. According to the requirements of the Regulation, starting from 30 June 2007, operational risk is included in the computation of capital adequacy ratio. For the calculation of the consolidated capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. Moreover, market risk value is calculated in accordance with the “Regulation on Banks’ Internal Control and Risk Management Systems” and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deductions from related assets.

For the calculation of their risk-based values, non-cash loans are weighted and classified according to related risk groups after being multiplied by the rates stated in the Article 5 of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

For the calculation of their risk based values, derivative financial instruments are re-weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 5 of “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks”.

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

<b>Risk Weighted Assets</b>							
<b>Consolidated</b>							
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
<b>Credit Risk Base</b>							
<b>Balance Sheet Items (Net)</b>	<b>7,173,179</b>	--	<b>811,642</b>	<b>5,314,052</b>	<b>25,076,030</b>	<b>901,556</b>	<b>1,367,346</b>
Cash in Vault	606,415	--	214	--	--	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--
Central Bank of the Republic of Turkey	1,439,988	--	--	--	--	--	--
Domestic and Foreign Banks, Foreign Branches	235,032	--	614,264	--	64,937	--	--
Interbank Money Market	19,384	--	--	--	--	--	--
Receivables from Reverse Repos	4,779	--	--	--	--	--	--
Reserve Deposits	2,084,696	--	--	--	--	--	--
Loans	2,207,877	--	23,473	5,159,434	20,989,283	901,556	1,367,346
Non-performing Loans (Net)	--	--	--	--	395,065	--	--
Receivables from Leasing Operations	--	--	--	--	1,331,814	--	--
Investments Available-for-Sale	--	--	--	--	3,928	--	--
Investments Held-to-Maturity	175,882	--	41,670	--	--	--	--
Receivables from Forward Sale of Assets	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	95,492	--	1,100,634	--	--
Accrued Interest and Other Income	86,860	--	1,905	154,618	544,495	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	16,181	--	--
Tangible Assets	--	--	--	--	253,256	--	--
Other Assets	312,266	--	34,624	--	376,437	--	--
<b>Off-Balance Sheet Items</b>	<b>176,777</b>	--	<b>779,391</b>	<b>356,730</b>	<b>7,299,722</b>	--	--
Non-Cash Loans and Commitments	176,777	--	241,556	356,730	7,097,553	--	--
Derivatives	--	--	537,835	--	202,169	--	--
<b>Accounts Not Risk Weighted</b>	--	--	--	--	--	--	--
<b>Total Risk Weighted Assets</b>	<b>7,349,956</b>	--	<b>1,591,033</b>	<b>5,670,782</b>	<b>32,375,752</b>	<b>901,556</b>	<b>1,367,346</b>

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Risk Weighted Assets							
The Parent Bank							
	0%	10%	20%	50%	100%	150%	200%
<b>Credit Risk Base</b>							
<b>Balance Sheet Items (Net)</b>	<b>5,076,356</b>	--	<b>623,443</b>	<b>5,239,709</b>	<b>17,937,804</b>	<b>900,949</b>	<b>1,361,451</b>
Cash in Vault	586,841	--	214	--	--	--	--
Due Dated Financial Assets	--	--	--	--	--	--	--
Central Bank of the Republic of Turkey	1,439,988	--	--	--	--	--	--
Domestic and Foreign Banks, Foreign Branches	170	--	461,490	--	10,729	--	--
Interbank Money Market	--	--	--	--	--	--	--
Receivables from Reverse Repos	--	--	--	--	--	--	--
Reserve Deposits	2,079,436	--	--	--	--	--	--
Loans	580,292	--	23,472	5,085,468	15,511,073	900,949	1,361,451
Non-performing Loans (Net)	--	--	--	--	337,335	--	--
Receivables from Leasing Operations	--	--	--	--	--	--	--
Investments Available-for-Sale	--	--	--	--	3,916	--	--
Investments Held-to-Maturity	103,534	--	7,593	--	--	--	--
Receivables from Forward Sale of Assets	--	--	--	--	--	--	--
Miscellaneous Receivables	--	--	95,492	--	134,190	--	--
Accrued Interest and Other Income	42,494	--	558	154,241	451,968	--	--
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	925,585	--	--
Tangible Assets	--	--	--	--	249,081	--	--
Other Assets	243,601	--	34,624	--	313,927	--	--
<b>Off-Balance Sheet Items</b>	<b>176,455</b>	--	<b>778,508</b>	<b>356,730</b>	<b>7,060,349</b>	--	--
Non-Cash Loans and Commitments	176,455	--	241,556	356,730	6,870,119	--	--
Derivatives	--	--	536,952	--	190,230	--	--
<b>Accounts Not Risk Weighted</b>	--	--	--	--	--	--	--
<b>Total Risk Weighted Assets</b>	<b>5,252,811</b>	--	<b>1,401,951</b>	<b>5,596,439</b>	<b>24,998,153</b>	<b>900,949</b>	<b>1,361,451</b>

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

	Consolidated		The Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets	39,616,376	35,481,057	32,151,089	28,666,214
Value at Market Risk	1,546,813	982,075	827,963	760,213
Value at Operational Risk	4,149,561	3,611,761	3,508,070	3,044,814
Shareholders' Equity	6,226,030	5,901,020	5,682,280	5,081,032
Shareholders' Equity / (RWA+VAMR+VAOR)*100	13.74%	14.72%	15.57%	15.65%

RWA: Risk Weighted Assets

VAMR: Value at Market Risk

VAOR: Value at Operational Risk

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

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	716,100	716,100
Nominal Capital	716,100	716,100
Capital Commitments (-)	--	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189,164	189,164
Share Premium	98,411	98,411
Share Cancellation Profit	--	--
Legal Reserves	149,561	109,757
I. Legal Reserve (Turkish Commercial Code 466/1)	149,561	109,757
II. Legal Reserve (Turkish Commercial Code 466/2)	--	--
Other Legal Reserve per Special Legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	2,589,717	2,115,558
Reserve Appropriated at the General Assembly	2,535,535	2,006,563
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Translation Differences	54,182	108,995
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	--	--
Profit	1,038,881	1,579,794
Current Period Profit	333,061	1,061,546
Prior Periods' Profits	705,820	518,248
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	93,557	94,298
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Paid-in capital	306,054	856
Primary Subordinated Loans (Up to 15% of the Core Capital)	--	--
Minority Interest	14,478	13,517
Loss that is not covered with reserves (-)	--	--
Net Current Period Loss	--	--
Prior Periods' Losses	--	--
Operating Lease Development Costs (-)	88,208	94,419
Prepaid Expenses (-)	--	--
Intangible Assets (-)	70,418	71,991
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--	--
Amount Excess of Article 56/3 of the Law (-)	--	--
Consolidation Goodwill (Net) (-)	--	--
<b>Total Core Capital</b>	<b>5,037,297</b>	<b>4,751,045</b>
<b>SUPPLEMENTARY CAPITAL</b>		
General Reserves	356,548	291,975
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	11	11
Primary Subordinated Loans Excluded from the Core Capital	--	--
Secondary Subordinated Loans	818,645	887,063
45% of Securities Revaluation Reserve (100% If Negative)	28,107	(14,203)
Associates and Subsidiaries	--	--
Investments Available-for-Sale	28,107	(14,203)
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits (except adjustment to legal, status and extraordinary reserves)	--	--
Minority Interest	--	--
<b>Total Supplementary Capital</b>	<b>1,203,311</b>	<b>1,164,846</b>
<b>TIER III CAPITAL (Including Minority Interest, If Any)</b>	<b>--</b>	<b>--</b>



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<b>CAPITAL</b>	<b>6,240,608</b>	<b>5,915,891</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>14,578</b>	<b>14,871</b>
Shares in Unconsolidated Banks and Financial Institutions	--	--
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	--	--
Shares in Banks and Financial Institutions Accounted for under the Equity Method	--	--
Loans Granted in Violation of the Articles 50 and 51 of the Law	--	--
Amount in Excess of 50% of the Equities of the Net Book Value of the Properties of the Banks, and Net Book Value of the Assets Held for Resale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years after Foreclosure	11,824	11,976
Others	2,754	2,895
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,226,030</b>	<b>5,901,020</b>

## **II. Explanations related to the consolidated market risk**

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

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

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

### **1. Market risk**

	<b>Amount</b>
(I) Capital Obligation against General Market Risk - Standard Method	82,552
(II) Capital Obligation against Specific Risk - Standard Method	11,092
(III) Capital Obligation against Currency Risk - Standard Method	30,069
(IV) Capital Obligation against Commodity Risk - Standard Method	--
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk - Standard Method	32
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	123,745
(IX) Value-At-Market-Risk (12,5 x VIII) or (12,5 x VII)	1,546,813

**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 1.8065  
Euro purchase rate as at the balance sheet date TL 2.2742

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 June 2012	1.8123	2.2633
26 June 2012	1.8111	2.2631
27 June 2012	1.8011	2.2496
28 June 2012	1.8153	2.2590
29 June 2012	1.8065	2.2742

**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 June 2012 are TL 1.8164 and TL 2.2748, respectively.

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**6. Information on currency risk**

Current Period	EUR	USD	JPY	Other	Total
<b>Assets</b>					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2,248,994	140,694	354	394,862	2,784,904
Due from Banks and Other Financial Institutions	365,498	392,324	870	61,659	820,351
Financial Assets at Fair Value Through Profit or Loss	11,590	130,231	132	48	142,001
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	705,944	158,793	--	100,410	965,147
Loans (*)	4,161,876	8,329,608	61,699	299,091	12,852,274
Investments in Subsidiaries and Associates	--	--	--	--	--
Investment Securities Held-to-Maturity	107,914	7,829	--	--	115,743
Hedging Purpose Financial Derivatives	--	26,208	--	--	26,208
Tangible Assets	5,650	27	--	710	6,387
Intangible Assets	2,339	83	--	2,701	5,123
Other Assets (**)	742,106	722,375	974	71,723	1,537,178
<b>Total Assets</b>	<b>8,351,911</b>	<b>9,908,172</b>	<b>64,029</b>	<b>931,204</b>	<b>19,255,316</b>
<b>Liabilities</b>					
Bank Deposits	719,830	89,865	15	149,767	959,477
Foreign Currency Deposits	9,504,256	4,304,412	3,087	562,264	14,374,019
Interbank Money Markets	--	--	--	27,113	27,113
Funds Borrowed from Other Financial Institutions	2,941,174	3,717,899	--	42,669	6,701,742
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	75,657	39,362	131	3,465	118,615
Hedging Purpose Financial Derivatives	--	4,903	--	--	4,903
Other Liabilities (***)	144,142	728,936	209	2,077	875,364
<b>Total Liabilities</b>	<b>13,385,059</b>	<b>8,885,377</b>	<b>3,442</b>	<b>787,355</b>	<b>23,061,233</b>
<b>Net "On Balance Sheet Position"</b>	<b>(5,033,148)</b>	<b>1,022,795</b>	<b>60,587</b>	<b>143,849</b>	<b>(3,805,917)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>5,260,761</b>	<b>(886,945)</b>	<b>(59,914)</b>	<b>(247,622)</b>	<b>4,066,280</b>
Financial Derivatives (Assets)	8,426,058	10,554,570	280,095	593,329	19,854,052
Financial Derivatives (Liabilities)	3,165,297	11,441,515	340,009	840,951	15,787,772
Non-Cash Loans	1,841,630	4,224,858	6,381	182,338	6,255,207
<b>Prior Period</b>					
Total Assets	7,181,316	10,140,861	79,645	768,080	18,169,902
Total Liabilities	10,639,100	9,842,506	3,869	613,391	21,098,866
<b>Net "On Balance Sheet Position"</b>	<b>(3,457,784)</b>	<b>298,355</b>	<b>75,776</b>	<b>154,689</b>	<b>(2,928,964)</b>
<b>Net "Off-Balance Sheet Position"</b>	<b>3,542,844</b>	<b>(350,423)</b>	<b>(76,748)</b>	<b>(84,220)</b>	<b>3,031,453</b>
Financial Derivatives (Assets)	6,588,746	8,378,359	305,271	614,969	15,887,345
Financial Derivatives (Liabilities)	3,045,902	8,728,782	382,019	699,189	12,855,892
Non-Cash Loans	1,831,208	4,249,749	8,509	79,819	6,169,285

(\*) : Foreign currency indexed loans amounting to TL 1,737,886 are included.

(\*\*) : Foreign currency indexed factoring receivables amounting to TL 127,056 are included.

(\*\*\*) : Equity in foreign currencies, amounting to TL 268,662 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
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	4,131,313	4,131,313
Due from Banks and Other Fin. Inst.	386,189	21,082	24,863	608	--	481,595	914,337
Financial Assets at Fair Value Through Profit or Loss	56,333	105,170	380,359	152,374	35,683	35,336	765,255
Interbank Money Market Placements	24,163	--	--	--	--	--	24,163
Investment Securities Av.-for-Sale	973,813	1,210,572	2,608,132	910,335	633,655	3,928	6,340,435
Loans	6,727,949	4,900,306	6,934,072	8,914,673	3,879,615	395,065	31,751,680
Investment Securities Held-to-Mat.	46,954	173,333	34,330	--	--	--	254,617
Other Assets (*)	131,794	441,947	893,257	830,488	110,629	1,316,222	3,724,337
<b>Total Assets</b>	<b>8,347,195</b>	<b>6,852,410</b>	<b>10,875,013</b>	<b>10,808,478</b>	<b>4,659,582</b>	<b>6,363,459</b>	<b>47,906,137</b>
<b>Liabilities</b>							
Bank Deposits	196,228	219,458	11,989	657,333	--	196,180	1,281,188
Other Deposits	14,818,094	4,923,843	3,316,540	1,830,985	37,271	5,074,540	30,001,273
Interbank Money Market Placements	464,496	--	--	--	--	--	464,496
Miscellaneous Payables	44,083	60	6,883	10,029	--	631,693	692,748
Marketable Securities Issued	--	--	415,383	81,734	--	--	497,117
Funds Borrowed from Other Fin. Inst.	1,306,435	1,614,921	3,399,656	707,345	759,784	--	7,788,141
Other Liabilities (**)	72,961	300,766	398,392	87,981	15,201	6,305,873	7,181,174
<b>Total Liabilities</b>	<b>16,902,297</b>	<b>7,059,048</b>	<b>7,548,843</b>	<b>3,375,407</b>	<b>812,256</b>	<b>12,208,286</b>	<b>47,906,137</b>
On Balance Sheet Long Position	--	--	3,326,170	7,433,071	3,847,326	--	14,606,567
On Balance Sheet Short Position	(8,555,102)	(206,638)	--	--	--	(5,844,827)	(14,606,567)
Off-Balance Sheet Long Position	523,363	1,571,023	536,275	--	--	--	2,630,661
Off-Balance Sheet Short Position	--	--	--	(1,984,510)	--	--	(1,984,510)
<b>Total Interest Sensitivity Gap</b>	<b>(8,031,739)</b>	<b>1,364,385</b>	<b>3,862,445</b>	<b>5,448,561</b>	<b>3,847,326</b>	<b>(5,844,827)</b>	<b>646,151</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 341,464, TL 70,418, TL 10,532, TL 100,601, TL 5,649, TL 58,607, and TL ve 728,951 respectively.

(\*\*) Other liabilities/non-interest bearings include; Shareholders' Equity, Tax Liabilities, Provisions , and Other Liabilities with balances of TL 5,050,823, TL 177,373, TL 627,675, and TL 450,002 respectively.

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Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--	--	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
<b>Total Assets</b>	<b>6,957,633</b>	<b>6,252,241</b>	<b>8,360,722</b>	<b>12,374,870</b>	<b>4,657,651</b>	<b>6,153,165</b>	<b>44,756,282</b>
<b>Liabilities</b>							
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
<b>Total Liabilities</b>	<b>15,193,762</b>	<b>6,581,038</b>	<b>8,829,855</b>	<b>2,426,661</b>	<b>833,805</b>	<b>10,891,161</b>	<b>44,756,282</b>
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)
<b>Total Interest Sensitivity Gap</b>	<b>(7,476,641)</b>	<b>865,361</b>	<b>(1,062,995)</b>	<b>8,842,390</b>	<b>3,823,846</b>	<b>(4,737,996)</b>	<b>253,965</b>

(\*) Other assets/non-interest bearings include; Tangible Assets, Intangible Assets, Investments in Associates and Joint Ventures, Tax Assets, Investments in Subsidiaries, Assets to be sold and other assets with balances of TL 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**

<b>Current Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	1.54	0.66	--	10.76
Financial Assets at Fair Value Through Profit or Loss	3.54	4.53	--	9.67
Interbank Money Market Placements	--	--	--	9.25
Investment Securities Available-for-Sale	2.34	4.20	--	11.11
Loans	5.80	5.60	5.41	16.59
Investment Securities Held-to-Maturity	4.26	8.54	--	21.61
<b>Liabilities</b>				
Bank Deposits	1.17	2.37	--	11.21
Other Deposits	3.12	3.66	0.10	11.20
Interbank Money Market Placements	--	--	--	6.00
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	10.87
Funds Borrowed from Other Financial Institutions	1.79	2.10	--	6.59
<b>Prior Period</b>	<b>EUR %</b>	<b>USD %</b>	<b>JPY %</b>	<b>TL %</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	--	--	--	--
Due from Banks and Other Financial Institutions	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
<b>Liabilities</b>				
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



**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 10% of the balance sheet is allocated to cash and balances with banks, 13% 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 10% of balance sheet is allocated to cash balances, 13% 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
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2,046,619	2,084,694	--	--	--	--	--	4,131,313
Due from Banks and Other Fin.Inst.	481,595	315,939	69,572	23,815	23,416	--	--	914,337
Financial Assets at Fair Value Through Profit or Loss	--	56,334	77,955	327,419	225,246	42,965	35,336	765,255
Interbank Money Market Placements	--	24,163	--	--	--	--	--	24,163
Investment Securities Av.-for-Sale	--	6,956	552,491	1,084,273	2,312,586	2,380,201	3,928	6,340,435
Loans	395,065	5,146,392	2,549,130	8,173,356	10,113,134	5,374,603	--	31,751,680
Investment Securities Held-to-Mat.	--	--	--	--	169,595	85,022	--	254,617
Other Assets	577,632	223,583	440,645	891,596	834,097	110,629	646,155	3,724,337
<b>Total Assets</b>	<b>3,500,911</b>	<b>7,858,061</b>	<b>3,689,793</b>	<b>10,500,459</b>	<b>13,678,074</b>	<b>7,993,420</b>	<b>685,419</b>	<b>47,906,137</b>
<b>Liabilities</b>								
Bank Deposits	196,180	196,228	219,458	11,989	657,333	--	--	1,281,188
Other Deposits	5,074,540	14,818,973	4,922,791	3,301,026	1,846,395	37,548	--	30,001,273
Funds Borrowed from Other Fin.Inst.	--	1,080,218	663,157	2,392,721	1,705,013	1,947,032	--	7,788,141
Interbank Money Market Placements	--	464,496	--	--	--	--	--	464,496
Marketable Securities Issued	--	--	--	415,383	81,734	--	--	497,117
Miscellaneous Payables	674,946	503	60	6,883	10,029	--	327	692,748
Other Liabilities	444,705	135,852	370,926	398,393	87,981	15,201	5,728,116	7,181,174
<b>Total Liabilities</b>	<b>6,390,371</b>	<b>16,696,270</b>	<b>6,176,392</b>	<b>6,526,395</b>	<b>4,388,485</b>	<b>1,999,781</b>	<b>5,728,443</b>	<b>47,906,137</b>
<b>Net Liquidity Gap</b>	<b>(2,889,460)</b>	<b>(8,838,209)</b>	<b>(2,486,599)</b>	<b>3,974,064</b>	<b>9,289,589</b>	<b>5,993,639</b>	<b>(5,043,024)</b>	<b>--</b>
<b>Prior Period</b>								
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
<b>Net Liquidity Gap</b>	<b>(1,557,617)</b>	<b>(7,854,578)</b>	<b>(1,883,727)</b>	<b>174,710</b>	<b>11,178,884</b>	<b>4,563,374</b>	<b>(4,621,046)</b>	<b>--</b>

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

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**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.

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

Current Period (01.01.2012-30.06.2012)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	146,845	211,041	357,820	290,521	175,492	1,181,719
Net fee and commission income	21,440	29,353	59,317	131,298	--	241,408
Other income/expense, net	9,804	15,654	25,311	47,148	(86,887)	11,030
<b>Total segment income</b>	<b>178,089</b>	<b>256,048</b>	<b>442,448</b>	<b>468,967</b>	<b>88,605</b>	<b>1,434,157</b>
Other operating expenses	(57,404)	(104,779)	(269,775)	(271,969)	(18,166)	(722,093)
Provision for loan losses and other receivables	1,614	(22,553)	(65,203)	(166,513)	(5,498)	(258,153)
Tax charge						(119,705)
<b>Net profit from continuing operations</b>	<b>122,299</b>	<b>128,716</b>	<b>107,470</b>	<b>30,485</b>	<b>64,941</b>	<b>334,206</b>
Net profit from discontinued operations	--	--	--	--	--	--
<b>Net profit</b>	<b>122,299</b>	<b>128,716</b>	<b>107,470</b>	<b>30,485</b>	<b>64,941</b>	<b>334,206</b>
<b>Current Period (30.06.2012)</b>						
Segment assets	7,154,711	10,970,957	7,431,355	8,524,782	12,507,075	46,588,880
Subsidiaries and associates						16,181
Undistributed assets						1,301,076
<b>Total assets</b>						<b>47,906,137</b>
Segment liabilities	4,977,469	5,715,479	4,577,696	15,358,422	10,296,096	40,925,162
Undistributed liabilities						1,930,152
Shareholders' equity						5,050,823
<b>Total liabilities</b>						<b>47,906,137</b>

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Prior Period (01.01.2011-30.06.2011)	Corporate Banking	Commercial Banking &Public Finance	Agriculture &Sme Banking	Retail Banking	Treasury and Investment Banking	Total
Net interest income	101,598	90,342	221,876	183,591	272,967	870,374
Net fee and commission income	34,893	19,588	57,263	100,769	7	212,520
Other income/expense, net	19,848	117,933	123,640	137,409	(163,121)	235,709
<b>Total segment income</b>	<b>156,339</b>	<b>227,863</b>	<b>402,779</b>	<b>421,769</b>	<b>109,853</b>	<b>1,318,603</b>
Other operating expenses	(45,708)	(88,979)	(217,666)	(228,309)	(11,888)	(592,550)
Provision for loan losses and other Receivables	(11,738)	(26,409)	(63,992)	(100,417)	(6,647)	(209,203)
Tax charge						(105,029)
<b>Net profit from continuing operations</b>	<b>98,893</b>	<b>112,475</b>	<b>121,121</b>	<b>93,043</b>	<b>91,318</b>	<b>411,821</b>
Net profit from discontinued operations	--	--	--	--	--	13,794
<b>Net profit</b>	<b>98,893</b>	<b>112,475</b>	<b>121,121</b>	<b>93,043</b>	<b>91,318</b>	<b>425,615</b>
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
<b>Total assets</b>						<b>44,756,282</b>
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
<b>Total liabilities</b>						<b>44,756,282</b>

## **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	296,649	309,766	279,517	328,435
Central Bank of the Republic of Turkey	1,049,760	2,474,924	1,606,327	1,941,878
Other (*)	--	214	--	25
<b>Total</b>	<b>1,346,409</b>	<b>2,784,904</b>	<b>1,885,844</b>	<b>2,270,338</b>

(\*) Includes TL 214 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	1,049,760	390,228	1,606,327	351,470
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	2,084,696	--	1,590,408
<b>Total</b>	<b>1,049,760</b>	<b>2,474,924</b>	<b>1,606,327</b>	<b>1,941,878</b>

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

As of 30 June 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	7,211	208	9,677	208
Other	--	--	--	--
<b>Total</b>	<b>7,211</b>	<b>208</b>	<b>9,677</b>	<b>208</b>

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	1,322	14,513	1,622	68,440
Swap Transactions	60,891	67,267	141,923	58,220
Futures Transactions	--	--	--	--
Options	1,947	50,715	4,042	189,634
Other	--	--	--	--
<b>Total</b>	<b>64,160</b>	<b>132,495</b>	<b>147,587</b>	<b>316,294</b>

**3. Information on Banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	93,715	378,443	868	329,048
Foreign	271	441,908	262	548,525
Foreign head offices and branches	--	--	--	--
<b>Total</b>	<b>93,986</b>	<b>820,351</b>	<b>1,130</b>	<b>877,573</b>

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

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

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

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

Investment securities available-for-sale given as collateral are government bonds and Eurobonds with carrying value of TL 395,248 (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	361,693	33,555	15,017	34,640
Other	--	--	--	--
<b>Total</b>	<b>361,693</b>	<b>33,555</b>	<b>15,017</b>	<b>34,640</b>

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	452,737	--	638,892	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
<b>Total</b>	<b>452,737</b>	<b>--</b>	<b>638,892</b>	<b>--</b>

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

	Current Period	Prior Period
<b>Debt instruments</b>	<b>6,358,284</b>	<b>4,234,259</b>
Quoted on Stock Exchange	6,358,284	4,234,259
Unquoted on Stock Exchange	--	--
<b>Share certificates</b>	<b>3,928</b>	<b>3,928</b>
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	3,928	3,928
<b>Impairment provision (-)</b>	<b>21,777</b>	<b>35,445</b>
<b>Total</b>	<b>6,340,435</b>	<b>4,202,742</b>

**5. Information related to loans**

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct Loans Granted to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
<b>Indirect Loans Granted to Shareholders</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Loans Granted to Employees</b>	<b>41,798</b>	<b>11</b>	<b>39,600</b>	<b>16</b>
<b>Total</b>	<b>41,798</b>	<b>11</b>	<b>39,600</b>	<b>16</b>

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled (*)	Loans and Other Receivables	Restructured or Rescheduled (**)
<b>Cash Loans</b>				
<b>Non-specialized Loans</b>	<b>27,742,906</b>	<b>109,836</b>	<b>978,516</b>	<b>423,683</b>
Discount Notes	149,809	--	354	--
Export Loans	711,084	688	56,625	--
Import Loans	968	--	--	--
Loans Given to Financial Sector	262,222	--	--	--
Foreign Loans	683,366	343	114,518	78,749
Consumer Loans	6,681,217	41,854	530,903	67,181
Credit Cards	1,750,066	--	61,683	--
Precious Metal Loans	121,202	--	--	--
Other	17,382,972	66,951	214,433	277,753
<b>Specialization Loans</b>	<b>2,007,167</b>	<b>5,057</b>	<b>66,276</b>	<b>8,193</b>
<b>Other Receivables</b>	<b>14,981</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total</b>	<b>29,765,054</b>	<b>114,893</b>	<b>1,044,792</b>	<b>431,876</b>

(\*) TL 107,377 of the loans were restructured or rescheduled while they were already classified as standard loans and other receivables.

(\*\*) TL 402,550 of the loans were restructured or rescheduled while they were classified as loans and other receivables under close monitoring.

In accordance with the Clause 4 of 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 amount of loans those have been restructured or rescheduled after 28 May 2011 is TL 403,424, and the term extensions provided in respect of the loan groups are as follows:

	Up to 1 Years	Up to 3 Years	Over 3 Years	Total
First Group Loans	15,529	19,890	52,199	87,618
Second Group Loans	10,373	91,142	214,291	315,806
<b>Total</b>	<b>25,902</b>	<b>111,032</b>	<b>266,490</b>	<b>403,424</b>



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

	Short Term	Medium or Long Term	Total
<b>Consumer Loans-TL</b>	<b>182,991</b>	<b>6,630,861</b>	<b>6,813,852</b>
Real estate Loans	1,821	2,786,920	2,788,741
Vehicle Loans	3,829	365,481	369,310
General Purpose Loans	157,119	3,478,460	3,635,579
Other	20,222	--	20,222
<b>Consumer Loans-Indexed to FC</b>	<b>69</b>	<b>188,929</b>	<b>188,998</b>
Real estate Loans	69	184,595	184,664
Vehicle Loans	--	124	124
General Purpose Loans	--	4,210	4,210
Other	--	--	--
<b>Consumer Loans-FC</b>	<b>1,012</b>	<b>16,828</b>	<b>17,840</b>
Real estate Loans	--	5,727	5,727
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	1,012	11,101	12,113
<b>Individual Credit Cards-TL</b>	<b>1,595,098</b>	<b>106,727</b>	<b>1,701,825</b>
Installment	571,414	106,727	678,141
Non installment	1,023,684	--	1,023,684
<b>Individual Credit Cards-FC</b>	<b>497</b>	<b>--</b>	<b>497</b>
Installment	56	--	56
Non installment	441	--	441
<b>Loans Given to Employees-TL</b>	<b>2,086</b>	<b>22,195</b>	<b>24,281</b>
Real estate Loans	--	2,925	2,925
Vehicle Loans	--	82	82
General Purpose Loans	2,086	19,188	21,274
Other	--	--	--
<b>Loans Given to Employees - Indexed to FC</b>	<b>--</b>	<b>--</b>	<b>--</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
<b>Loans Given to Employees - FC</b>	<b>100</b>	<b>42</b>	<b>142</b>
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	100	42	142
<b>Personnel Credit Cards - TL</b>	<b>15,756</b>	<b>328</b>	<b>16,084</b>
Installment	6,837	328	7,165
Non installment	8,919	--	8,919
<b>Personnel Credit Cards - FC</b>	<b>25</b>	<b>--</b>	<b>25</b>
Installment	--	--	--
Non installment	25	--	25
<b>Overdraft Loans-TL (Real Persons) (*)</b>	<b>275,856</b>	<b>--</b>	<b>275,856</b>
<b>Overdraft Loans-FC (Real Persons)</b>	<b>186</b>	<b>--</b>	<b>186</b>
<b>Total</b>	<b>2,073,676</b>	<b>6,965,910</b>	<b>9,039,586</b>

(\*) Overdrafts used by the personnel of the Parent Bank are TL 1,266 (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
<b>Installment Commercial Loans - TL</b>	<b>150,521</b>	<b>2,147,061</b>	<b>2,297,582</b>
Real estate Loans	207	130,583	130,790
Vehicle Loans	5,206	263,213	268,419
General Purpose Loans	144,045	1,633,945	1,777,990
Other	1,063	119,320	120,383
<b>Installment Commercial Loans - Indexed to FC</b>	<b>15,553</b>	<b>498,765</b>	<b>514,318</b>
Real estate Loans	--	20,771	20,771
Vehicle Loans	982	46,493	47,475
General Purpose Loans	14,571	419,559	434,130
Other	--	11,942	11,942
<b>Installment Commercial Loans - FC</b>	<b>--</b>	<b>24,877</b>	<b>24,877</b>
Real estate Loans	--	3,886	3,886
Vehicle Loans	--	--	--
General Purpose Loans	--	29	29
Other	--	20,962	20,962
<b>Corporate Credit Cards - TL</b>	<b>92,976</b>	<b>71</b>	<b>93,047</b>
Installment	18,165	71	18,236
Non installment	74,811	--	74,811
<b>Corporate Credit Cards - FC</b>	<b>271</b>	<b>--</b>	<b>271</b>
Installment	--	--	--
Non installment	271	--	271
<b>Overdraft Loans-TL (Legal Entities)</b>	<b>284,852</b>	<b>--</b>	<b>284,852</b>
<b>Overdraft Loans-FC (Legal Entities)</b>	<b>471</b>	<b>--</b>	<b>471</b>
<b>Total</b>	<b>544,644</b>	<b>2,670,774</b>	<b>3,215,418</b>

**5.5 Domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	30,479,639	27,114,322
Foreign Loans	876,976	1,274,407
<b>Total</b>	<b>31,356,615</b>	<b>28,388,729</b>

**5.6 Loans granted to subsidiaries and associates**

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	4,822	--
Indirect loans granted to subsidiaries and associates	--	--
<b>Total</b>	<b>4,822</b>	<b>--</b>

**5.7 Specific provisions for loans**

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectability	32,421	57,684
Loans and Receivables with Doubtful Collectability	139,178	81,577
Uncollectible Loans and Receivables	425,034	469,508
<b>Total</b>	<b>596,633</b>	<b>608,769</b>

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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
<b>Current Period</b>	<b>2,253</b>	<b>6,192</b>	<b>9,232</b>
(Gross Amounts Before Specific Reserves)			
Restructured Loans and Other Receivables	--	--	--
Rescheduled Loans and Other Receivables	2,253	6,192	9,232
<b>Prior Period</b>	<b>4,255</b>	<b>1,697</b>	<b>7,466</b>
(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
<b>Balances at Beginning of Period</b>	<b>138,954</b>	<b>156,154</b>	<b>599,301</b>
Additions (+)	348,555	104,417	64,807
Transfers from Other Categories of Non-Performing Loans (+)	--	181,868	106,039
Transfers to Other Categories of Non-Performing Loans (-)	181,868	106,039	--
Collections (-)	134,420	74,551	93,869
Write-offs (-) (*)	1	284	117,365
<i>Corporate and Commercial Loans</i>	--	--	55,927
<i>Retail Loans</i>	--	13	37,537
<i>Credit Cards</i>	1	--	23,901
<i>Other</i>	--	271	--
<b>Balances at End of the Period</b>	<b>171,220</b>	<b>261,565</b>	<b>558,913</b>
Specific Provisions (-)	32,421	139,178	425,034
<b>Net Balance on Balance Sheet</b>	<b>138,799</b>	<b>122,387</b>	<b>133,879</b>

(\*) 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.

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period</b>			
Balance as of the Period End	3,505	11,033	10,339
Specific Provisions (-)	191	7,691	3,783
<b>Net Balance on Balance Sheet</b>	<b>3,314</b>	<b>3,342</b>	<b>6,556</b>
<b>Prior Period</b>			
Balance as of the Period End	5,780	9,036	13,933
Specific Provisions (-)	643	8,096	3,843
<b>Net Balance on Balance Sheet</b>	<b>5,137</b>	<b>940</b>	<b>10,090</b>

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
<b>Current Period (Net)</b>	<b>138,799</b>	<b>122,387</b>	<b>133,879</b>
Loans Granted to Real Persons and Legal Entities (Gross)	171,217	247,984	558,913
Specific provisions (-)	32,421	125,597	425,034
Loans Granted to Real Persons and Legal Entities (Net)	138,796	122,387	133,879
Banks (Gross)	--	--	--
Specific provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	3	13,581	--
Specific provisions (-)	--	13,581	--
Other Loan and Receivables (Net)	3	--	--
<b>Prior Period (Net)</b>	<b>81,270</b>	<b>74,577</b>	<b>129,793</b>
Loans Granted to Real Persons and Legal Entities (Gross)	138,954	144,419	599,301
Specific provisions (-)	57,684	69,842	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)	--	11,735	--
Specific provisions (-)	--	11,735	--
Other Loan and Receivables (Net)	--	--	--

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**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	136,692	--	269,519	--
Other	--	--	--	--
<b>Total</b>	<b>136,692</b>	<b>--</b>	<b>269,519</b>	<b>--</b>

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

	Current Period	Prior Period
Government Bonds	211,854	866,961
Treasury Bills	--	--
Other Government Debt Securities	--	--
<b>Total</b>	<b>211,854</b>	<b>866,961</b>

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

	Current Period	Prior Period
<b>Debt Securities</b>	<b>254,617</b>	<b>912,105</b>
Quoted on Stock Exchange	223,214	879,187
Unquoted on Stock Exchange	31,403	32,918
Impairment (-)	--	--
<b>Total</b>	<b>254,617</b>	<b>912,105</b>

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

	Current Period	Prior Period
<b>Balance at the beginning of the period</b>	<b>912,105</b>	<b>831,959</b>
Foreign exchange differences (*)	(180,898)	88,896
Purchases	--	--
Disposals/Redemptions	(476,590)	(8,750)
Impairment losses (-)	--	--
<b>Balance at the end of the period</b>	<b>254,617</b>	<b>912,105</b>

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

The Parent Bank transferred a portion of its securities from "investment securities available-for-sale" portfolio, with a notional amount of TL 552,934, to the "investment securities held-to-maturity" portfolio due to change in the intention of holding, effective from 1 October 2008. The negative valuation differences amounting to TL 39,455 under equity accrued until the date of transfer will be amortized and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 1,266.

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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-Gelişen Bilgi Teknolojileri A.Ş. (**)	İstanbul/Turkey	5	5
3-Kredi Garanti Fonu A.Ş. (***)	Ankara/Turkey	2	--
4-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	53,021	41,442	2,413	348	--	7,454	18,566	--
2	427	425	--	32	--	(5)	356	--
3	207,201	199,536	3,437	5,732	--	4,714	5,439	--
4	8,430	8,032	4,809	378	--	152	--	--

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

(\*\*) Information on the financial statements is presented as of the period ended 31 December 2011.

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

**7.2 Investments in consolidated associates**

There are no investments in consolidated associates.

**8. Investments in subsidiaries**

**8.1 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
1	12,607	2,642	2,358	92	--	55	(100)	--
2	1,281	1,265	239	--	--	(42)	--	--
3	148,621	(62,824)	135,420	297	--	6,559	(38,460)	--

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**8.2 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	88	12	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	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	9,465,338	721,462	7,989	214,094	10,705	42,688	50,375	--
2	1,469,935	8,340	76	50,113	--	1,146	2,419	--
3	79,459	71,015	1,087	3,355	328	11,386	7,745	--
4	16,193	13,821	211	1,738	874	634	3,587	--
5	547,501	97,038	3,411	15,209	3,497	7,237	12,632	--
6	2,790	1,827	84	92	9	(461)	148	--
7	1,588,135	407,450	461	50,528	--	16,320	48,533	--
8	1,009,554	180,111	328	75,932	--	36,930	35,418	--
9	29,692	29,561	--	812	2,566	2,577	(1,692)	--

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

**8.2.1 Movement of consolidated subsidiaries**

	Current Period	Prior Period
<b>Balance at the Beginning of the Period</b>	<b>838,689</b>	<b>567,353</b>
<b>Movements during the Period</b>	<b>218,091</b>	<b>271,336</b>
Purchases	218,985	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	--	--
<b>Balance at the End of the Period</b>	<b>1,056,780</b>	<b>838,689</b>
<b>Capital Commitments</b>	<b>--</b>	<b>--</b>
<b>Share Percentage at the end of Period (%)</b>	<b>--</b>	<b>--</b>

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

	Current Period	Prior Period
Banks	539,420	542,211
Insurance Companies	--	--
Factoring Companies	138,107	26,107
Leasing Companies	303,929	226,929
Finance Companies	--	--
Other Subsidiaries	75,324	43,442
<b>Total</b>	<b>1,056,780</b>	<b>838,689</b>

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

**8.2.3** *Quoted subsidiaries within the consolidation scope*

	Current Period	Prior Period
Quoted on domestic markets	11,449	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.

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

None.

**8.2.5** *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	10,838	7,324	--	4,862	(2,636)

Information on the financial statements is presented as of the period ended 30 June 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	567,475	456,014	469,568	381,579
Between 1-4 years	900,118	799,670	869,936	808,292
Over 4 years	122,048	108,796	158,435	103,285
<b>Total</b>	<b>1,589,641</b>	<b>1,364,480</b>	<b>1,497,939</b>	<b>1,293,156</b>

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

	Current Period	Prior Period
Gross finance lease receivable	1,589,641	1,497,939
Unearned finance income (-)	225,161	204,783
Cancelled leasing agreements (-)	--	--
<b>Net investment on finance leases</b>	<b>1,364,480</b>	<b>1,293,156</b>

**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	50,747	26,208	189,975	31,010
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
<b>Total</b>	<b>50,747</b>	<b>26,208</b>	<b>189,975</b>	<b>31,010</b>

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**12. Information on deferred tax asset**

**12.1 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 98,910 (31 December 2011: TL 58,031) and deferred tax liability is TL 3,324 (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
<b>Deferred Tax Assets:</b>		
Miscellaneous Provisions	37,190	33,932
Valuation Differences of Financial Assets	--	6,334
Provision for Employee Benefits	13,038	11,232
Valuation Differences of Derivatives	15,401	--
Unearned Income	24,469	13,913
Other	12,462	22,897
	<b>102,560</b>	<b>88,308</b>
<b>Deferred Tax Liabilities:</b>		
Valuation Differences of Tangible Assets	(3,810)	(292)
Valuation Differences of Derivatives	--	(25,463)
Valuation Differences of Financial Assets	(3,164)	(5,161)
	<b>(6,974)</b>	<b>(30,916)</b>
<b>Net Deferred Tax Assets</b>	<b>95,586</b>	<b>57,392</b>

**12.2 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.

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

None.

**13. Information on other assets**

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

DFS Group's total prepaid expenses are TL 109,763 (31 December 2011: TL 63,915).

**13.2 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	704,893	--	653,564	7,662,475	412,931	80,267	54,313	15,116	9,583,559
Foreign Currency									
Deposits	2,892,810	--	1,154,116	3,234,286	1,769,359	2,075,614	2,844,301	345	13,970,831
Residents in Turkey	1,398,507	--	1,098,134	2,992,683	1,433,363	237,251	280,315	309	7,440,562
Residents Abroad	1,494,303	--	55,982	241,603	335,996	1,838,363	2,563,986	36	6,530,269
Public Sector Deposits	113,049	--	26,340	38,003	35	255	488	--	178,170
Commercial Deposits	1,057,879	--	864,204	2,507,656	339,839	217,686	196,362	23	5,183,649
Other Ins. Deposits	41,913	--	32,241	573,815	14,815	6,039	13,053	--	681,876
Precious Metal									
Deposits	263,996	--	23,143	107,469	8,142	--	106	332	403,188
Bank Deposits	196,180	--	53,988	272,441	89,258	7,960	661,361	--	1,281,188
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	146,060	--	11,856	37,221	69,014	--	4,004	--	268,155
Foreign Banks	29,435	--	42,132	235,220	20,244	7,960	657,357	--	992,348
Special Finan. Inst.	20,685	--	--	--	--	--	--	--	20,685
Other	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>5,270,720</b>	<b>--</b>	<b>2,807,596</b>	<b>14,396,145</b>	<b>2,634,379</b>	<b>2,387,821</b>	<b>3,769,984</b>	<b>15,816</b>	<b>31,282,461</b>

Prior Period		7 Days Demand Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months -1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	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	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>4,315,212</b>	<b>--</b>	<b>2,510,359</b>	<b>12,834,569</b>	<b>1,892,766</b>	<b>2,407,054</b>	<b>2,952,539</b>	<b>9,108</b>	<b>26,921,607</b>

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

	Covered by Deposits Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,244,446	2,984,884	6,234,843	5,215,703
Foreign Currency Saving Deposits	856,565	783,326	2,667,867	2,336,772
Other Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
<b>Total</b>	<b>4,101,011</b>	<b>3,768,210</b>	<b>8,902,710</b>	<b>7,552,475</b>

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

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

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	84,826	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	27,545	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	77,638	81,334
<b>Total</b>	<b>190,009</b>	<b>156,530</b>

**2. Information on trading purpose derivatives**

**2.1 Negative value of trading purpose derivatives**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	62	33,884	2,565	50,222
Swap Transactions	28,793	91,794	88,780	100,668
Futures Transactions	--	--	--	--
Options	397	52,731	3,917	191,947
Other	--	--	--	--
<b>Total</b>	<b>29,252</b>	<b>178,409</b>	<b>95,262</b>	<b>342,837</b>

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**3. Information on funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	--	--	--	--
Domestic Bank and Institutions	379,884	137,614	530,879	114,383
Foreign Bank, Institutions and Funds	706,515	5,667,270	762,508	6,201,931
<b>Total</b>	<b>1,086,399</b>	<b>5,804,884</b>	<b>1,293,387</b>	<b>6,316,314</b>

The Parent Bank, via a special purpose entity (SPE), obtained a securitization loan with three year grace period for the principal payment, 8 year maturity and quarterly floating interest payments, amounting to USD 350 million on 28 June 2007 by the resolution of the Board of Directors dated 25 June 2007 and numbered 2007/27. As of 30 June 2012, the outstanding balance of the loan is USD Dollar 192.5 million.

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

**3.1 Maturity information of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	780,334	3,028,263	918,379	3,250,261
Medium and Long-Term	306,065	2,776,621	375,008	3,066,053
<b>Total</b>	<b>1,086,399</b>	<b>5,804,884</b>	<b>1,293,387</b>	<b>6,316,314</b>

**4. Information on securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bill and Bond	497,117	--	410,988	--
<b>Total</b>	<b>497,117</b>	<b>--</b>	<b>410,988</b>	<b>--</b>

On 24 April 2012, The Parent Bank issued bank bills and bonds with 175 days maturity and 10.32% simple interest rate amounting to TL 347,146; with 385 days maturity and 10.67% simple interest rate amounting to TL 65,550 and with 1,120 days maturity, coupon payment in every 35 days and 1.01% periodic interest rate amounting to TL 87,304.

On 2 November 2011, The Parent Bank issued bank bills and bonds of TL 300,000 with, respectively, 175 days maturity and 10.81% simple interest rate amounting to TL 270,458; 399 days maturity and 11.03% simple interest rate amounting to TL 29,542.

Bills amounting to TL 150,000, issued on 6 May 2011 with 351 days maturity bearing 9.15% simple interest rate; bills amounting to TL 270,458, issued on 2 November 2011 with 175 days maturity bearing 10.81% basic interest rate were redeemed on 25 April 2012.

**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.

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**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	52,708	4,903	75,121	6,358
Hedging of a Net Investment in Foreign Subsidiaries	--	--	--	--
<b>Total</b>	<b>52,708</b>	<b>4,903</b>	<b>75,121</b>	<b>6,358</b>

**8. Information on provisions**

**8.1 Information on general provisions**

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	274,862	233,329
Provisions for Loans and Receivables in Group II	49,835	27,668
Provisions for Non Cash Loans	31,851	30,978
Other	--	--
<b>Total</b>	<b>356,548</b>	<b>291,975</b>

**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	13,020	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 June 2012, TL 38,062 of provision for employment termination benefits (31 December 2011: TL 34,127) and TL 30,976 of unused vacation accruals (31 December 2011: TL 24,918) were reflected to the consolidated financial statements.

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**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	136,621	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 48,816 (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 16,063 (31 December 2011: TL 5,577) consists of provisions for lawsuits pending against DFS Group and TL 590 (31 December 2011: TL 2,778) 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 June 2012, the corporate tax provision of DFS Group is TL 178,250 (31 December 2011: TL 187,905), and it has been offset with advance taxes amounting to TL 74,097 (31 December 2011: TL 80,147).

As of 30 June 2012, DFS Group's total liability related to taxes and premiums is TL 174,049 (31 December 2011: TL 180,122).

**9.1.2 Information on taxes payable**

	Current Period	Prior Period
Corporate taxes payable	104,153	107,758
Taxation on securities	21,838	19,358
Capital gains taxes on property	1,434	1,070
Banking Insurance Transaction Tax (BITT)	19,916	20,463
Taxes on foreign exchange transactions	--	--
Value added taxes payable	1,230	919
Other	15,103	10,507
<b>Total</b>	<b>163,674</b>	<b>160,075</b>

**9.1.3 Information on premiums**

	Current Period	Prior Period
Social security premiums- employee share	4,801	9,011
Social security premiums- employer share	4,612	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	349	645
Unemployment insurance- employer share	606	1,188
Other	7	8
<b>Total</b>	<b>10,375</b>	<b>20,047</b>

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**9.2 Information on deferred tax liabilities**

Deferred tax liability calculated on the basis of related regulation is TL 3,324 (31 December 2011: TL 639). Information on deferred taxes is disclosed in footnote 12 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 June 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.



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**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	42,087	20,373	(15,858)	1,655
Foreign Exchange Difference	--	--	--	--
<b>Total</b>	<b>42,087</b>	<b>20,373</b>	<b>(15,858)</b>	<b>1,655</b>

**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 30,857 (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 83,157 as of 30 June 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	1,145	(737)
Increase/(decrease) in minority interest due to disposals	--	--
Other	(184)	(1,802)
<b>Balance at the End of the Period</b>	<b>14,478</b>	<b>13,517</b>

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

Revaluation difference of tangible assets amounting to TL 306,054 include the gains on sale of Deniz Emeklilik 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 June 2012, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 10,803,417, TL 4,286,365 and TL 1,411,058, 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 June 2012, DFS Group has letters of guarantee amounting to TL 8,589,736, bills of exchange and acceptances amounting to TL 636,734, and guarantees and sureties on letters of credit amounting to TL 1,331,682. There are also other guarantees and sureties amounting to TL 245,265.

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	636,235	488,475
Final Letters of Guarantee	6,449,567	6,164,219
Letters of Guarantee for Advances	980,316	952,005
Letters of Guarantee given to Customs Offices	382,919	337,593
Other Letters of Guarantee	140,699	101,280
<b>Total</b>	<b>8,589,736</b>	<b>8,043,572</b>

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

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	667,320	648,854
With Original Maturity of 1 Year or Less	200,091	246,685
With Original Maturity of More Than 1 Year	467,229	402,169
Other Non-Cash Loans	10,136,097	9,462,486
<b>Total</b>	<b>10,803,417</b>	<b>10,111,340</b>

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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	733,967	42,165	467,320	31,769
Medium and Long Term Loans	770,366	269,110	544,933	194,677
Loans Under Follow-Up	31,650	--	29,032	4
Premiums Received from Resource Utilization Support Fund	--	--	--	--
<b>Total</b>	<b>1,535,983</b>	<b>311,275</b>	<b>1,041,285</b>	<b>226,450</b>

Also includes fees and commissions from cash loans granted.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	--	--	--	--
Domestic Banks	1,684	3,331	446	14,467
Foreign Banks	95	1,334	2,146	5,677
Foreign Head Offices and Branches	--	--	--	--
<b>Total</b>	<b>1,779</b>	<b>4,665</b>	<b>2,592</b>	<b>20,144</b>

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

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,431	4,296

**2. Interest expense**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>	<b>68,081</b>	<b>88,245</b>	<b>43,834</b>	<b>72,642</b>
Central Bank of the Republic of Turkey	25	--	18	--
Domestic Banks	29,941	2,047	21,839	1,542
Foreign Banks	38,115	86,198	21,977	71,100
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
<b>Total</b>	<b>68,081</b>	<b>88,245</b>	<b>43,834</b>	<b>72,642</b>

Also includes fees and commissions related to funds borrowed.

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

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	804	575

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

	Current Period	Prior Period
Interest Paid to Securities Issued	23,618	5,250

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

	Current Period	Prior Period
<b>Income</b>	<b>13,511,442</b>	<b>12,310,381</b>
Capital Market Transactions	91,101	54,781
Derivative Financial Instruments	737,496	894,235
Foreign Exchange Gains	12,682,845	11,361,365
<b>Loss (-)</b>	<b>13,627,845</b>	<b>12,340,310</b>
Capital Market Transactions	47,861	34,383
Derivative Financial Instruments	1,343,924	878,223
Foreign Exchange Losses	12,236,060	11,427,704
<b>Net Trading Income / Loss</b>	<b>(116,403)</b>	<b>(29,929)</b>

Net income from foreign exchange translation differences related to derivative financial instruments is TL 32,880 (net income for the period 1 January - 30 June 2011: TL 10,633).

**4. Information on other operating income**

	Current Period	Prior Period
Reversal of prior periods' provisions	63,500	141,606
Filing fees	14,029	49,132
Communication income	6,296	4,743
Cheque book fees	2,264	2,161
Other	41,057	65,991
<b>Total</b>	<b>127,146</b>	<b>263,633</b>

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

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	157,895	143,842
<i>Loans and Receivables in Group III</i>	56,302	--
<i>Loans and Receivables in Group IV</i>	57,839	--
<i>Loans and Receivables in Group V</i>	43,754	143,842
Non-performing Commissions and Other Receivables	--	--
General Loan Loss Provisions	64,573	40,933
Free Provision for Probable Risks	5,264	10,007
Impairment Losses on Securities:	5,500	6,647
<i>Financial Assets at Fair Value Through Profit or Loss</i>	2	4,790
<i>Investment Securities Available-for-Sale</i>	5,498	1,857
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	24,921	7,774
<b>Total</b>	<b>258,153</b>	<b>209,203</b>

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

	Current Period	Prior Period
Personnel Expenses	362,707	299,497
Reserve for Employee Termination Benefits	3,982	3,044
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	43,904	34,477
Impairment Losses on Intangible Assets	--	--
Amortization Charges of Intangible Assets	15,100	10,494
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	710	559
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	231,262	189,798
<i>Operational Leases Expenses</i>	59,421	44,402
<i>Repair and Maintenance Expenses</i>	6,876	5,119
<i>Advertisement Expenses</i>	31,885	24,316
<i>Other Expenses (*)</i>	133,080	115,961
Losses on Sale of Assets	909	712
Other	63,519	53,969
<b>Total</b>	<b>722,093</b>	<b>592,550</b>

(\*) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationery, entertainment and representation, heating and lighting, credit card service fee and others amounting to TL 31,243, TL 20,286, TL 7,492, TL 2,977, TL 8,632, TL 14,549, and TL 47,901, respectively (1 January - 30 June 2011: TL 24,279, TL 15,490, TL 7,566, TL 2,196, TL 7,249, TL 16,810 and TL 42,371, respectively).

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

As of 30 June 2012, DFS Group does not have profit before tax from discontinued operations (30 June 2011: TL 17,263). As of 30 June 2012, DFS Group has a profit before tax from continuing operations amounting to TL 453,911 (30 June 2011: TL 516,850).

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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 June 2012 the current period taxation charge on continuing operations is TL 178,554 (1 January-30 June 2011: TL 59,965) while deferred tax benefit is TL 58,849 (1 January-30 June 2011: TL 45,064 deferred tax charge). As 1 January-30 June 2012 there are no tax reserve from discontinued operations (1 January-30 June 2011: TL 3,436 the current period taxation charge on discontinued operations, TL 33 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 (+)	39,744	7,455
Arising from Reversal of Deductible Temporary Differences (-)	(20,970)	(30,843)
Arising from Origination of Taxable Temporary Differences (-)	(17,422)	(23,723)
Arising from Reversal of Taxable Temporary Differences (+)	57,497	2,047
<b>Total</b>	<b>58,849</b>	<b>(45,064)</b>

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

Sources of deferred tax benefit/charge	Current Period	Prior Period
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	18,774	(23,388)
Arising from Origination (-)/ Reversal (+) of Taxable Temporary Differences	40,075	(21,676)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
<b>Total</b>	<b>58,849</b>	<b>(45,064)</b>

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

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

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

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

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

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	1,145	282

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

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See Note 3.1.2*

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

<b>Other Fees and Commissions Received</b>	<b>Current Period</b>	<b>Prior Period</b>
Credit card clearing and other commissions	97,313	61,247
Contracted merchant / POS commissions	87,939	48,018
Intermediary services	28,514	48,343
Account management fees	25,479	14,702
Insurance services	18,990	17,045
Remittance commissions	11,283	9,112
Expertise fees	1,436	7,818
Other	50,589	47,143
<b>Total</b>	<b>321,543</b>	<b>253,428</b>

<b>Other Fees and Commissions Paid</b>	<b>Current Period</b>	<b>Prior Period</b>
Credit card / POS commissions	87,342	52,851
EFT fees and commissions	2,288	1,474
Other	28,351	20,246
<b>Total</b>	<b>117,981</b>	<b>74,571</b>

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

**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 June 2012, DFS Group's own risk group balances are:

Cash loans, finance lease receivables, placements, other asset, deposits, funds borrowed, subordinated loans and non-cash loans amounting to TL 4,871, TL 204,817, TL 13,501, TL 3,706, TL 37,158, TL 1,995, TL 896,858 and TL 133, 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 8,905 and TL 10,013 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
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	201,779	107	2,401	--	60	4
Balance at the End of the Period	213,334	129	13,501	--	60	4
<b>Interest and Commission Income Received</b>	2,431	--	95	27	--	--

**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
<b>Loans and Other Receivables</b>						
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
<b>Interest and Commission Income Received</b>	4,296	--	798	31	1,593	--

(\*) 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	16,811	17,982	902,300	405,738	16,900	4,129
Interest and Commission Expenses	804	575	10,359	36,106	295	471

(\*) 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	--	--	20,929	3,420	7,161	3,778
Total Income/Loss	--	--	(9,667)	(16,210)	(346)	32
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	276,768	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	144	--	--

(\*) 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 June 2012, cash loans and other receivables of the risk group represent 0.6% of DFS Group's total cash loans and bank deposits granted, the deposits and borrowings represent 2.4% 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**

The main shareholder of the Bank, Dexia Group, has been applying a comprehensive restructuring plan, approved also by the European Commission, since 2008. Nevertheless, Dexia Board of Directors has authorized Dexia Management to set up measures with the purpose of solving, in a sustainable way, the structural problems of Dexia Group, due to effects of sovereign debt crisis affecting the financial markets. The Board of Directors executed a set of measures in line with the decisions taken by the French, Belgian and Luxembourg states, aimed at stabilizing the Group's liquidity position. In this context, on 20 October 2011 the acquisition process of Dexia SA's entire holding in Dexia Bank Belgium (now renamed as Belfius Bank & Insurance) by the Belgian State with an amount of EUR 4 billion is completed; Group CEO was authorized to enter into exclusive negotiations with French Banks to maintain support for French operations and it was decided to dispose of Dexia BIL (Banque Internationale à Luxembourg), RBC Dexia Investor Services, Dexia Asset Management and Dexia Municipal Agency and necessary studies have been initiated. As a result, on 20 December 2011, a binding memorandum was signed concerning the sale of 90% of Dexia BIL's shares, 99.906% of which is owned by Dexia Group, to Precision Capital, a Qatari Investment Group and the remaining 10% to the Grand Duchy of Luxembourg at an amount of EUR 730 million and a sale and purchase agreement was signed on 4 April 2012. This transaction is expected to be finalized in the third quarter of 2012. In addition, on 3 April 2012, Dexia Group signed a sale and purchase agreement with Royal Bank of Canada to sell its 50% shareholding in RBC Dexia Investor Services. With regard to maintain support for French operations by French Banks, following the signing by the French State, the Caisse des dépôts and La Banque Postale of a protocol of intention with Dexia on 16 March 2012, a process is initiated in June enabling the takeover of the Dexia Group's financial activities in France under the best conditions. At the same time, Dexia Group came to the final stage and entered into final negotiations with three international investors for the disposal of Dexia Asset Management (DAM) of which the sale process has been started in April.

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 DenizBank (99.85% of total) and the evaluation studies were started. As of 24 May 2012, further to a competitive bidding process with interested buyers, Dexia SA and JSC Sberbank of Russia ("Sberbank") have decided to enter into exclusive negotiations on the sale of DenizBank, following the Sberbank's binding offer. On 8 June 2012, Dexia has signed with Sberbank the sale and purchase agreement for its 99.85% stake in DenizBank. This sale transaction covers DenizBank as well as all of its subsidiaries in Turkey, Austria and Russia. The sale consideration at the end of the competitive bidding is TRY 6,469 million, representing around EUR 2,821 million after conversion at the prevailing exchange rate at the date of the transaction. The sale consideration is determined based on the DenizBank's shareholders equity excluding non-controlling interests prepared as of 31 December 2011 as per the BRSA standards. The sale consideration will be adjusted at the transaction's closing so as to take into account the evolution of DenizBank's net asset value, based on calculations under IFRS rules, between 31 December 2011 and the closing date. Subject to all the necessary regulatory authorizations including that of the European Commission, the sale transaction is planned to be finalized in the course of the fourth quarter of 2012.

In nine months, Dexia has undertaken six sale transactions of its Group companies, excluding DAM, which are valued at approximately EUR 8.7 billion in total. As at 27 June 2012, Pierre Mariani, the CEO of Dexia Group since 2008 gave his resignation to the Board of Directors but upon the request of the Board of Directors, he will continue to fulfill his duties until the approval of the semiannual 2012 accounts. Besides, Mariani will continue his duties as Chairman of DenizBank and DAM until finalization of their sale processes.

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.

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

**Moody's\***

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

**Fitch Rating's\*\***

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

\*As of 3 July 2012

\*\*As of 20 April 2012

**3. Subsequent events**

Within the context of the sale and purchase agreement signed on 8 June 2012, the applications of Sberbank to the official authorities in Turkey related to the transfer of Denizbank shares held by Denizbank main shareholder Dexia Group and representing 99.85% of its capital are as follows:

On 11 July 2012;

(1) To the Banking Regulation and Supervision Agency for the approval of the change in the shareholding structure of Denizbank A.Ş. in accordance with “Regulation on Operations of Banks Subject to Permission and Indirect Shareholding”,

(2) To the Banking Regulation and Supervision Agency for the approval of the indirect change in the shareholding structure of Deniz Finansal Kiralama A.Ş. and Deniz Faktoring A.Ş. in accordance with “Regulation on Procedures and Principles for Establishment and Operations of Financial Leasing, Factoring and Consumer Financing Companies”,

(3) To the Capital Markets Board for the approval of the indirect change in the shareholding structure of Deniz Yatırım Menkul Kıymetler A.Ş., Ekspres Yatırım Menkul Değerler A.Ş. and Deniz Portföy Yönetimi A.Ş.,

(4) To the Capital Markets Board for the notification about the indirect change in the shareholding structure of Deniz Yatırım Ortaklığı A.Ş.,

On 13 July 2012, required filing was made to the Competition Authority for the approval of the transfer of Denizbank shares held by Dexia Group representing totally 99.85% of Denizbank’s capital to Sberbank.

**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 1 August 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.