

well-planned strategy



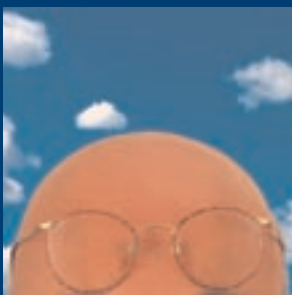
well-managed growth



well-calculated risk



far-reaching vision



2002 ANNUAL REPORT



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We succeeded a well-managed growth based on well-planned strategies and taking on only well-calculated risks. All this has been achieved through our management's far reaching vision - a product of the collective mind.



## Achievements in 2002

Encouraged by its dynamic financial performance even during times of economic difficulty and with strong, consistent shareholder support, DenizBank was able to make good use of recent developments in the Turkish banking industry. During 2002, many of the effects of the 2000 and 2001 crises faded away enabling DenizBank to reap the benefits of its successful crisis management and continue as a banking entity that looks ahead with optimism and confidence.

Capitalizing on well-chosen strategies, finely calculated risks and a superbly managed growth potential, DenizBank now ranks among the leading banking groups in Turkey and has recently taken a step closer to the EU.

- DenizBank expanded its branch network to 164 nationwide by acquiring selected branches from SDIF owned banks and provided employment to over 1,000 bankers. A total of US\$ 6.5 million was spent, including the license

acquisition cost, to renovate these branches and incorporate them into the present IT structure of the Bank.

- DenizBank acquired Esbank AG, Vienna, and had the opportunity to expand its presence in EU countries. The name of the bank was changed to DenizBank AG. It has four local branches in Austria.

- DenizBank acquired all shares of Intertech, a financial software and systems development company currently serving six banks including DenizBank.

- DenizBank acquired Tarihbank from SDIF and the merger of the two banks was finalized by the end of the year. DenizBank completed Tarihbank's merger into its existing operations and accounting systems successfully within a very short time without any flaws.

- To accommodate the expanding organization of the Bank, DenizBank Headquarters were moved to a more spacious high-rise building on the same street in the Esentepe district of Istanbul.

- Number of corporate credit clients increased from 2,528 to 6,970 in 2002.

- Number of credit cards increased from 150,000 to 356,000 as a result of intensive marketing efforts and the acquisitions of Toprakbank and Tarihbank credit card portfolios.

- An agreement was signed between DenizBank and Garanti Bank to issue Garanti Bank's Bonus MasterCard for DenizBank's clients.

- DenizBank enhanced its international recognition by increasing the number of correspondent banks from 430 to 580.

- DenizYatırım Securities ranked third, with a market share of 4.2%, among the 119 brokerage houses trading equities on the Istanbul Stock Exchange. Among banks, it ranked second.

- Two of the A-Type mutual funds managed by DenizYatırım Securities have been rated in the top ten funds in terms of yield. Within their respective categories, Composite Fund ranked third, the Variable Fund fourth and the Equity Fund first.

- DenizYatırım Securities acquired EkspresInvest from SDIF to cater to foreign institutional clients and Demir Investment Trust Co., a publicly traded company; its name was changed to Deniz Investment Trust Co.

- DenizBank's non-interest expense-to-total assets ratio stood at 2%, same as in 2001, despite further organizational growth. This was the result of a successful cost management scheme.

- DenizBank has adapted its MasterCard and Visa credit cards and POS terminals to EMV smart card standards and became the first bank to obtain the EMV certification.

DenizBank now ranks among the leading banking groups  
in Turkey and has recently taken a step  
closer to the EU.

## Financial Highlights

Supported by its strong shareholder base and successful financial performance, DenizBank aims to become the leader among medium-size Turkish banks.

| Inflation Adjusted                   | 2002          |             | 2001          |             |
|--------------------------------------|---------------|-------------|---------------|-------------|
|                                      | US\$ millions | TL billions | US\$ millions | TL billions |
| Government Securities*               | 855           | 1,402,497   | 375           | 542,250     |
| Loans, net                           | 728           | 1,193,003   | 250           | 361,339     |
| Equity Participations                | 6             | 9,652       | 5             | 6,841       |
| Fixed Assets, net                    | 46            | 75,901      | 24            | 34,413      |
| Total Assets                         | 2,336         | 3,829,808   | 1,436         | 2,076,007   |
| Deposits                             | 1,866         | 3,059,789   | 1,006         | 1,455,607   |
| Demand                               | 346           | 567,597     | 196           | 282,893     |
| Time                                 | 1,412         | 2,315,810   | 763           | 1,103,128   |
| Interbank                            | 108           | 176,382     | 48            | 69,586      |
| Funds Borrowed from Banks            | 129           | 212,289     | 146           | 210,929     |
| Net Worth                            | 244           | 400,294     | 165           | 238,995     |
| Paid-in Capital                      | 123           | 202,000     | 84            | 121,970     |
| L/Cs & L/Gs                          | 702           | 1,151,563   | 395           | 572,071     |
| Interest Income                      |               | 546,744     |               | 370,267     |
| Interest Expense                     |               | (376,343)   |               | (248,769)   |
| Net Interest Income after Provisions |               | 124,710     |               | 107,272     |
| Non-Interest Income                  |               | 216,387     |               | 129,249     |
| Non-Interest Expense                 |               | (169,629)   |               | (173,938)   |
| Net Income                           |               | 55,486      |               | 8,747       |
| Number of Branches                   |               | 164         |               | 120         |
| Number of Staff                      |               | 2,967       |               | 1,980       |
| Capital Adequacy Ratio               |               | 18.8%       |               | 21.0%       |
| ROE (on net profit in real terms)    |               | 18%         |               | 8%          |

\* Securities Portfolio totals are evaluated at market prices.

### Realization of the medium-term plan (US\$ millions)

|                  | 1998<br>Planned | 1998<br>Realized | 1999<br>Planned | 1999<br>Realized | 2000<br>Planned | 2000<br>Realized | 2001<br>Planned | 2001<br>Realized | 2002<br>Planned | 2002<br>Realized |
|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| Total Assets     | 393             | 368              | 550             | 795              | 1,200           | 1,035            | 1,200           | 1,436            | 2,000           | 2,336            |
| Capital Increase | 20              | 20               | 20              | 25               | 20              | 10               | 20              | 60               | 20              | 40               |
| Net Worth        | 45              | 52               | 75              | 94               | 120             | 146*             | 180             | 165              | 200             | 244              |
| ROE (%)          | -               | 25               | 10.5            | 42               | 10.7            | 28               | 10              | 8                | 15              | 18               |

\* The Bank bought a 20% share of Zorlu Energy at par value. This resulted in a US\$ 44 million value increase in net worth at year-end market prices.



## DenizBank in Brief

DenizBank was established as a state-owned bank in 1938 primarily for the purpose of financing the newly emerging Turkish maritime industry. Following many years of success, DenizBank became one of the foremost names in the Turkish banking industry earning a well-deserved reputation for excellent service. In 1992, following a decision by the government to merge some state-owned banks, DenizBank joined with Emlakbank. In 1997, DenizBank broke from this union and was privatized as a separate entity. At that time, the Bank possessed no significant assets with the exception of a small number of branch offices that had been inactive since 1992. Operations commenced again in September after Zorlu Holding acquired DenizBank from the Privatization Administration early in 1997.

In adherence to the highest ethical business practices and corporate governance principles, DenizBank has created sustainable, multi-faceted relationships with corporate and retail customers. The focus of DenizBank is on small and medium-size establishments, exporters, private companies and retail banking clients. Utilizing a carefully developed branch network that employs the latest technology along with alternative distribution channels, the Bank strives for excellence in its core business areas. Drawing on the collective

wisdom of its management team coupled with prudent banking practices, DenizBank provides customers with service that is comparable to the best international banks.

With the Central Operations Unit for both corporate and retail banking activities as well as financial control and accounting functions centralized at the Head Office, the Bank has successfully transformed its branch offices into marketing centers thereby optimizing on the number of employees and improving operational efficiency. The Bank attained a lower than industry average for non-interest expenses to total assets ratio of 2% at the end of 2002. DenizBank's operations are guided by manuals developed under the principles of the ISO 9001/2000 Quality Management Certificate obtained from Moody International.

Following new branch office acquisitions in 2001 and 2002, the physical distribution network of DenizBank now consists of 164 branches. In line with Zorlu Holding's commitment to strong capitilization of DenizBank, a US\$ 40 million cash addition to the capital base was realized during 2002. At the end of 2002, total assets reached US\$ 2,336 million with an increase of 63% over the 2001 figure of US\$ 1,436 million. At the end of the year, the Bank's net worth stood at US\$ 243 million, recording an



increase of 47% over the year 2001 figure of US\$ 165 million and the capital adequacy ratio was as high as 18.8%.

Adhering to its conservative approach, DenizBank allocates full coverage against possible problem loans.

Encouraged by its strong capitilization and good financial standing, DenizBank was able to take advantage of rapid developments in the banking industry and acquired a number of financially sound companies to complement its services. Noteworthy among these financial institutions and financial-sector related companies are Esbank AG in Vienna, Intertech - a financial software development company, AKK -Turkey's first and only third-party credit card processing company, Demir Investment Trust - a successful publicly traded investment trust company and EkspresInvest - a brokerage house. Other DenizBank Financial Services Group companies include DenizYatırım Securities, DenizLeasing and DenizFactoring.

Supported by its strong shareholder base and successful financial performance, DenizBank aims to become the leader among medium-size Turkish banks.



## Zorlu Holding

The history of Zorlu Holding goes back to the early 1950s when it was established as a home-based producer of textiles. It later grew into a dynamic group of companies that have earned global recognition for high quality. Zorlu Holding now is one of the largest and most extensive industrial conglomerates in Turkey. With 46 companies in total, Zorlu Holding has 18 large-scale industrial concerns and three energy plants that employ 18,000 workers. Zorlu Holding companies realized a total turnover of US\$ 1.9 billion and an export volume of US\$ 1.3 billion in 2002.

Currently, Zorlu Holding concentrates on four major business areas:

- Home textiles and polyester yarn
- Electronics, consumer durables and information technology
- Financial services
- Energy production

Having steadily grown in the area of home textiles during the 1980s, the TAÇ brand of the Zorlu Holding Textiles Group has become the leading brand in the Turkish home textiles industry. In 1994, the Holding acquired Vestel Electronics



and in 1996 began operations in the energy sector through Zorlu Enerji. The Holding ventured into the finance sector in 1997 with the acquisition of DenizBank, thereby increasing the number of companies under its management.

In the years 1998 to 2001, the Holding had exports totaling US\$ 600 million, US\$ 744 million, US\$ 960 million and US\$ 1.1 billion, respectively. Notwithstanding the economic stagnation, export figures of the Holding continued to increase in 2002 and totaled US\$ 1.3 billion.

### *Home Textiles and Polyester Yarn*

Operations in the home textiles sector have developed rapidly over the course of time prompting Zorlu Holding to enter international markets. Currently, the Holding has 14 textile plants in Turkey, France, South Africa and the USA.

The Home Textiles Group has manufacturing subsidiaries abroad; Bel-Air in Lyon, Zorlu USA in the state of Georgia, Korteks in South Africa and Zorlu Haskova in Bulgaria produce curtain material and cotton-based home textiles as end-products.

With investments in home textiles in both domestic and overseas markets, large-scale plants and high quality products, the Home Textiles Group is aiming to further strengthen its presence in international markets with the addition of retail stores. The Group plans to introduce new competitive brands to world markets during this decade.

### *Electronics, Consumer Durables and Information Technology*

Vestel is the flagship company in the Consumer Durables, Electronics and IT Group and is made up of 22 companies; 13 domestic and nine overseas.

### **Key Financial and Operational Figures** (US\$ millions)

|                                                    | 2002  | 2001  | 2000  |
|----------------------------------------------------|-------|-------|-------|
| <i>Home Textiles Group</i>                         |       |       |       |
| Total assets                                       | 1,400 | 1,317 | 1,100 |
| Net sales                                          | 500   | 500   | 490   |
| Exports                                            | 225   | 215   | 212   |
| Imports                                            | 180   | 117   | 159   |
| Total foreign trade volume                         | 405   | 332   | 371   |
| <i>Electronics, IT and Consumer Durables Group</i> |       |       |       |
| Total assets                                       | 1,250 | 991   | 826   |
| Net sales                                          | 1,300 | 1,118 | 1,100 |
| Exports                                            | 1,100 | 670   | 605   |
| Imports                                            | 800   | 517   | 508   |
| Total foreign trade volume                         | 1,900 | 1,187 | 1,113 |
| <i>Energy Group</i>                                |       |       |       |
| Total assets                                       | 168   | 105   | 122   |
| Net sales                                          | 87    | 83    | 60    |
| Imports                                            | 42    | -     | -     |
| Installed capacity (MW)                            | 211   | 156   | 156   |
| Power generated (kWh millions)                     | 1,174 | 1,157 | 391.8 |
| Steam generated (tons thousands)                   | 496   | 462.3 | 212.0 |

Financial and Operational Highlights of Zorlu Holding

|                               |                         |
|-------------------------------|-------------------------|
| Total employment              | 18,000                  |
| Total covered production area | 1,500,000 square meters |

Foreign Trade  
(US\$ millions)

|                            | 2002  | 2001  | 2000  |
|----------------------------|-------|-------|-------|
| Total exports              | 1,325 | 885   | 817   |
| Total imports              | 1,022 | 634   | 667   |
| Total foreign trade volume | 2,347 | 1,519 | 1,484 |

Vestel has marketing subsidiaries in major European countries, including Germany, France, Spain, Italy and the Netherlands as well as a manufacturing subsidiary in Russia. It also has two R&D subsidiaries in San Diego, California in the USA and Bristol, England. Vestel has tapped into 20% of the television market in Europe while ninety percent of its electronics production is exported. Vestel Electronics alone was the largest Turkish exporter in 2000 and ranked third in 2001.

In 2002, the export revenue of Vestel reached US\$ 1.1 billion; 80% of this total went to EU countries, while the balance was exported to Eastern Europe, North and South Africa, the USA, Russia, the Balkan states, Australia, the Middle East and the Turkic Republics.

Vestel succeeded in obtaining US\$ 200 million and Euro 75 million through two five-year bond issues that took place in May 2002 and October 2002. This gave further evidence of Vestel's strength since it was the only Turkish private sector company capable of raising funds from international capital markets during 2002. In fact, the ranking Vestel obtained from international rating agencies such as Moody's and Fitch are higher than Turkey's sovereign rating.

Vestel was the first electronics manufacturer in Turkey to produce 100

Hz television sets, Flat TVs, the TV-DVD Player Combi, Web TV, Web Phone, Personal Recorder Televisions, Digital TVs, Plasma and LCD TVs.

Established in late 1997 in the Manisa Organized Industrial Zone, Vestel White produces mainly refrigerators and other household appliances. Refrigerators were first produced in June 1999, followed by air conditioners in 2000. Investments for the making of washing machines began in 2002 with production scheduled to start in 2003. The Manisa plant operates at an annual production capacity of 1.2 million refrigerators and 250,000 split air conditioners.

Another important company operating within the Consumer Durables, Electronics and IT Group is Vestel Communications, a leading producer of personal computers, digital and analog satellite receivers, DVBs and DVDs. This Company has the largest surface-mounted assembly operation in the country.

Energy Production

Zorlu Enerji was established in 1993, as the first company founded by Zorlu Holding in the energy sector, to meet the power requirements of the group companies. In 2002, Zorlu Enerji met electricity and/or steam requirements of 196 industrial establishments.



The Company has an installed capacity to generate 211 MW of electricity and 150 tons of steam per hour. It operates out of three plants; two combined cycle power plants in Bursa and Ankara and a co-generation power plant in Lüleburgaz.

Zorlu Enerji successfully completed its initial public offering in May 2000 as the first auto-producer energy company to go public. It raised US\$ 55 million that was used for capacity expansion projects. Currently, 27.50% of the Company's shares are traded on the Istanbul Stock Exchange.

Another energy sector-related company within Zorlu Holding, Zorlu O&M, was established in 2000 to provide operation and maintenance services to Zorlu Enerji and non-Zorlu Holding companies. It is the first and only Turkish company of its kind operating in this field.

Zorlu Industrial and Power Plants was established in 2000 to develop, implement and provide financial support to industrial and power plant projects.



We consistently follow well-planned strategies, only taking on well-calculated risk and successfully implementing a well-managed growth.



**1 DR. VEYSİ SEViĖ** / Chairman

Dr. SeviĖ is currently lecturing on finance at Istanbul University and at B.R.A. in Brussels.

**2 CEM BODUR** / Vice Chairman

Mr. Bodur serves as a Member of the Board of Directors at Vestel Electronics.

## Board of Directors

### 3 HAKAN ATEŞ / Member, President and CEO

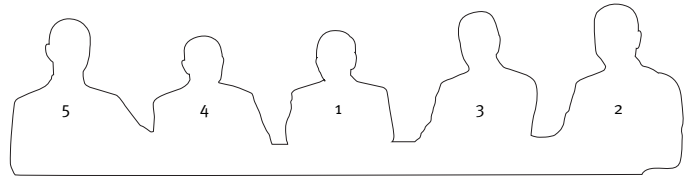
Mr. Ateş has been the President and Chief Executive Officer of DenizBank since June 1997. Previously, he established Garanti Bank, Moscow, and was the President and CEO of this bank until May 1997.

### 4 M. TINAZ TİTİZ / Member

Mr. Titiz has been active in the Turkish Parliament and has served as Minister of State, Minister of Culture and Minister of Tourism. He also lectured at Middle East Technical University between 1991 and 1995.

### 5 CAN TAŞPULAT / Member

Mr. Taşpulat has been the Executive Vice President in charge of financial and legal affairs at DenizBank since 1997. Previously, he was the Executive Vice President responsible for Operations at Interbank.





We have often heard that the favorite disguise of opportunity is trouble. For us at DenizBank, these past two years have proved that concept is correct. Turbulent market conditions necessitated a real reshuffling of the Turkish banking industry, but thanks to the strong support of our shareholders and with necessary precautions taken at precisely the right time, we successfully overcame adverse effects of these crises. Zorlu Holding has consistently committed itself to the Bank's strong capitalization and I am proud to report that DenizBank's Capital Adequacy Ratio now stands at a high 18.8%, far above the internationally required minimum level of 8%. In addition, DenizBank's Free Capital Ratio\* as a percentage of total assets is 4%, having a positive ratio in this context puts DenizBank among the very few examples in the Turkish banking system. No doubt, this represents great strength on our part and has encouraged us to actualize expansion plans into the EU with our most recent acquisition of Esbank Vienna whose name was subsequently changed to DenizBank AG.

The DenizBank AG case is a very good example of our upward momentum. Several strategic acquisitions were made from the State under favorable conditions during the liquidation process of the SDIF-controlled banks. We have formed a network of financial institutions with complementary services that, when taken together, represent our supermarket approach – all financial services, at global standards, under one roof. I would like to mention a few of the most significant acquisitions.

- Intertech, a top-notch provider of banking software, currently serving six banks, including DenizBank, in addition to a number of industrial and service companies.
- Our subsidiary, DenizYatırım Securities, which acquired EkspresInvest, Demir Investment Trust, as well as Ege Portfolio Management, has ranked third in overall equity trading volume among 119 brokerage houses in Turkey.
- In October, we bought the credit card portfolio of Toprakbank adding 82,000 new credit card customers to our existing portfolio.
- In October, we made another strategic acquisition - Tarihbank. With 29 branches, Tarihbank was a cooperative bank active in agribusiness in the Aegean region. Following the completion of the merger by the year-end, our intention is to continue supporting farmers in this area bringing a competitive edge to DenizBank in the agribusiness markets.
- DenizBank has increased the number of its branches from 120 at the end of last year to today's total of 164. This substantial increase has been realized mainly by the acquisition of branches from previously failed banks and also

## Message from the President

by the addition of the Tarihbank branch network into our own.

Our market penetration also expanded during 2003, and by the year end; the number of corporate clients, number of customer accounts, and the number of credit cards reached 6,970, 500,000 and 356,000, respectively, all showing substantial increases from the previous year.

Since the first day of our establishment, we have been endlessly on-the-go. I believe it is now time to sit back and reflect on what we have accomplished to date. It is not an overstatement to say that we have been very successful in creating the most dynamic bank in the Turkish banking industry with the potential for further growth and strong fundamentals even in EU countries. This achievement is the result of a combination of factors such as our adherence to prudent banking policies, special attention to risk management principles, the backing of strong shareholder support and the right marketing approach as well as efficient and effective operations in all areas of the banking business.

We consistently follow well-planned strategies, only taking on well-calculated risk and successfully implementing a well-managed growth.

Our costs are effectively controlled and we have achieved a non-interest expenses-to-total assets ratio of 2%, equal to almost half of the banking industry's average. In addition, non-interest expenses are fully covered by commissions and fees together with the gain from our demand deposit base - one of the best ratios in the Turkish banking industry. Our attentive risk management process and conservative risk-taking policies have enabled us to maintain a

strong credit portfolio. At the end of the year, all non-performing loans were fully provisioned.

We have all the reasons to be proud of the accomplishments we have achieved since our establishment in 1997. Employing moderation and not avarice, we will continue on our way toward becoming one of Turkey's strongest and most admired banking groups. We plan to become a role model for our competitors. With all the strength and expertise that we have accumulated through the past few years, I can confidently state that, we have grown strong enough to resist any possible threat that we may encounter at some future time.

On behalf of the Board of Directors, I would like to thank our shareholders, our parent organization - Zorlu Holding, our clientele, our correspondents and our dedicated, hard-working staff that has helped create this dynamic Bank - to the envy of much of the competition.

Sincerely yours,

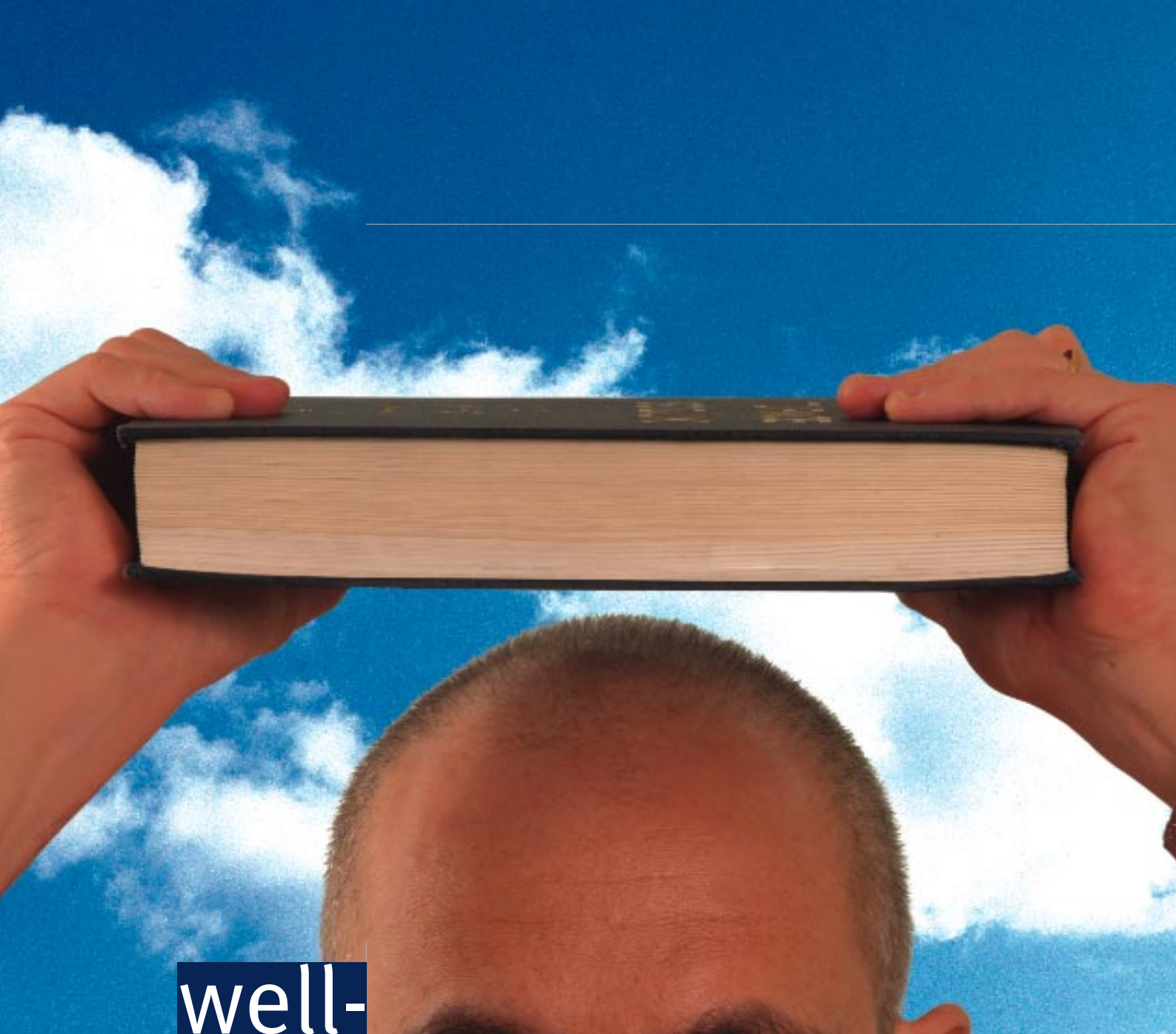


**Hakan Ateş**  
President and CEO

\* Free Capital Ratio: Shareholders' Equity less fixed assets, participations, investments in affiliates and associated companies, and the unreserved portion of NPLs.

Employing moderation and not avarice, we will continue on our way toward becoming one of Turkey's strongest and most admired banking groups. We plan to become a role model for our competitors.





well-

## planned strategy

Aiming toward mutually beneficial relationships  
with its corporate customers, DenizBank  
has been successful in creating a loyal and  
satisfied clientele.

### *Credit Allocation Policies*

DenizBank consistently adheres to prudent banking practices and principles when selecting credit customers. As a result, the Bank has built a broad-based credit portfolio composed of creditworthy companies from across all segments of the economy. All major economic sectors benefit from DenizBank's credit facilities that range from short-term cash credits that finance working capital requirements to the more specialized sector-specific credit packages. With the acquisition and subsequent merger with Tarihbank, DenizBank has started to support the agricultural sector, which was Tarihbank's traditional area of involvement. Working as a financial supermarket, DenizBank offers its customers contemporary corporate banking products and services that go far beyond mere credit facilities. Aiming toward mutually beneficial relationships with its corporate customers, DenizBank has been successful in creating a loyal and satisfied clientele.

The quality of DenizBank's credit portfolio is improving continuously even with the rapid development of the customer base through the acquisition of new branches from SDIF banks. Utmost

care is given to include those companies in the portfolio that best comply with the Bank's credit policies.

### *International Trade Finance*

DenizBank prioritizes financing of international trade transactions and has developed credit packages tailored to meet the requirements of customers involved in exports and/or imports. Service and product packages include tools that facilitate international transactions as well as those that provide financing when needed at conditions comparable to international terms and standards. The extensive correspondent bank network at DenizBank that covers most regions of the world is largely instrumental in addressing ever-increasing customer needs.

### *Credit Portfolio*

Despite the crises that ruled out the credit markets in the past two years, DenizBank was among a handful of banks that were least affected by the



DenizBank prioritizes financing of international trade transactions and has developed credit packages tailored to meet the requirements of customers involved in exports and/or imports.



Thanks to well-calculated risk-taking principles, centralized screening and decision-making processes, DenizBank continued to serve its customers without interruption even in the midst of the crises.

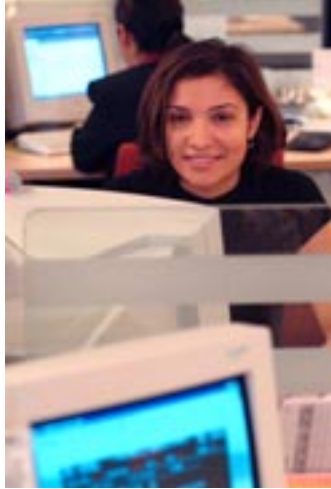


difficulties. Thanks to well-calculated risk-taking principles, centralized screening and decision-making processes, DenizBank continued to serve its customers without interruption even in the midst of the crises. Excellent customer relationships have consistently been maintained, strengthening ties and helping to build a solid and stable customer base.

During the past two years, DenizBank was required to monitor its credit portfolio even more attentively, evaluating the impact of the crises on customers' financial situations. Those customers with ailing financial positions, with no potential to improve, were excluded from the portfolio on an amicable basis without problems. New customers were taken on during the year to replace those excluded and as a result, the number of corporate credit customers doubled to almost 7,000 by the end of 2002.

#### *Restructuring of the Corporate Banking Departments*

In an effort to meet the requirements of an expanding branch network and the additional workload brought about by this expansion, DenizBank has separated its Corporate Banking Division into Corporate Marketing and Corporate Credits Divisions, each reporting to different assistant general managers. Six separate credit allocation units were created and branches reporting to these units were distributed among these units on the basis of branch locations. The number and quality of the staff in these new units have been increased along with enhanced decision support systems to prepare for the anticipated arrival of additional work.



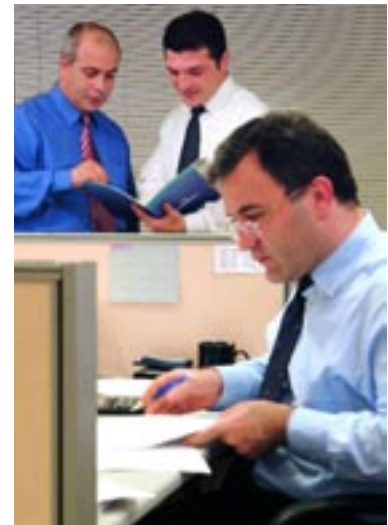
Within the restructuring program, Financial Analysis and Market Investigation Units were also transformed into separate departments - doubling the support given to the Credit Allocation Departments. The new Corporate Credits Division has boosted efficiency and has formed a more dynamic synergy between functional and support units.

#### *Credit Scoring System*

The credit scoring system in place at DenizBank is an expert model built upon the vast experience of the credit staff. This model reflects DenizBank's unique credit culture and has so far proved to be an excellent system that foresees problem loans in advance thus providing support to credit decisions made by senior credit officers. Pricing, collaterals and follow-up systems were developed based on scoring system outcomes, making the most of the credit scores assigned to each customer at each allocation. The scoring system also helps the credit officers monitor risk as well as the profitability of the entire portfolio. Branches, regional directorates and economic sectors can be analyzed, evaluated and compared with one another in terms of risk.

#### *Project Finance*

Structured and project finance products complement the corporate banking services available at DenizBank. These products are provided to customers through US Eximbank, Hermes, ERG and some of the world's other export credit agencies with which DenizBank cooperates. With facilities obtained from these international institutions at favorable terms and ample limits, DenizBank can extend long-term investment and project credits to its customers.



#### **Composition of Loans by Business Sector (TL millions)**

| Sectors                        | TL millions | 2002 |
|--------------------------------|-------------|------|
|                                |             | %    |
| Construction - Glass - Soil    | 182,540,153 | 22   |
| Textile - Leather              | 107,813,187 | 13   |
| Consumer Durables              | 70,500,058  | 9    |
| Petroleum Products             | 69,834,155  | 9    |
| Electronics - Info. Technology | 69,292,405  | 8    |
| Foodstuff                      | 67,968,833  | 8    |
| Tourism - Transportation       | 62,348,303  | 8    |
| Finance                        | 47,307,361  | 6    |
| Metal - Machine                | 39,753,798  | 5    |
| Printing - Media               | 19,146,164  | 2    |
| Other                          | 85,874,499  | 10   |
| Total                          | 822,378,916 | 100  |





well-

## managed growth

As the first and only electronic B2B product application in the Turkish banking industry, e-denizbank facilitates order processing and collections of companies operating through a network of distributors.



In the aftermath of the economic crises, it is expected that year 2003 and beyond will represent a period of reconstruction and expansion, especially in the corporate world and create a greater demand for banking services. In an effort to develop a structure within DenizBank that will meet the demand for banking services as it addresses the needs of the corporate world, a Corporate Marketing Division was established in March 2002. Previously, the Corporate Banking Division was responsible for both marketing and credits.

With the establishment of this Division, corporate marketing activities are now carried out through 132 branches and seven regional directorates. Coordination, market research, pricing, management information systems, reporting and cash management services are handled by the Corporate Marketing Division. There are three regional directorates for Istanbul branches in addition to the Çukurova, Aegean, Mediterranean and Central Anatolian regional directorates. Regional directorates enable closer monitoring of branch performance and training while assisting with marketing efforts.

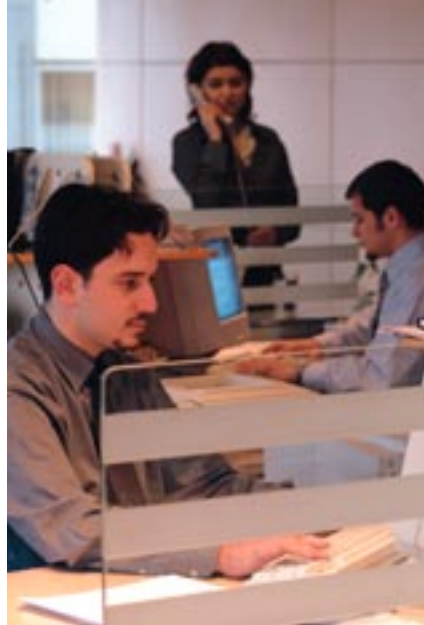
In less than nine months after the establishment of the Corporate Marketing Division, the number of corporate credit customers increased from 2,528 to approximately 7,000. With the inclusion of commercial customers, DenizBank served about 12,500 companies at the end of 2002.

Corporate banking services are complemented by comprehensive financial services offered by;

- the Bahrain branch, opened in 2002,
- DenizBank AG in Vienna, formerly Esbank AG Vienna, acquired in 2002,

- DenizLeasing, DenizFactoring and DenizYatırım Securities.

The Cash Management Department oversees the collection of electricity, water, natural gas, telephone, mobile phone, cable TV and private TV channel bills, social insurance premiums and taxes of all types through agreements



with public utilities and private service companies. Electronic data transfer (EDT), joint electronic fund transfer, joint money transfer, check scanning and processing systems and a continuous check writing system for high volume customers are some of the technology-driven products developed by the Cash Management Department. As the first and only electronic B2B product application in the Turkish banking industry, e-denizbank facilitates order processing and collections of companies operating through a network of distributors. This product, reaching remote sales outlets, has greatly enhanced the service capability of the Bank.

The Project Development Department, organized within the Corporate Marketing Division in 2002, designs tailor-made products that meet specific requirements of more sophisticated corporate customers and actively administers the implementation of such products within the branch network.

**With the establishment of the Corporate Marketing Division, corporate marketing activities are now carried out through 132 branches and seven regional directorates.**

## Retail Banking



### *Cooperation with BonusCard*

BonusCard is issued by one of the leading players in the credit card business - Garanti Bank, controlling a 16% share of the entire credit card market in Turkey. Garanti Bank and DenizBank have entered into a strategic partnership that enables DenizBank to issue BonusCard to its clients. This cooperation represents a first in its kind in Turkey. BonusCards, bearing DenizBank's logo, will entitle DenizBank clients to all benefits of the card, which include installment purchases and accumulation of cash rewards that may be used instantly at member stores.

DenizBank decided to join the BonusCard family because developing a new brand in the credit card business is costly in terms of effort, time and investment. BonusCard, recognized widely throughout the country, has an excellent

reputation. An alliance with this brand will create additional synergy with DenizBank's existing cards and other retail products. Issuing BonusCard branded credit cards and being part of the network will enable DenizBank to reach new clientele easily.

At the end of 2002, DenizBank has obtained the EMV certification and started to issue both MasterCard and Visa credit cards under this certification.

### *Western Union*

DenizBank became an official agent of Western Union in Turkey in May 2002. In an agreement entered into with Western Union, all DenizBank branches were authorized to make fast money transfers within the Western Union network all over the world. Western Union had the opportunity to reach a wide potential user base through the branch network of DenizBank, which encompasses all major regions of the country.

DenizBank became an official agent of Western Union in Turkey in May 2002. In an agreement entered into with Western Union, all DenizBank branches were authorized to make fast money transfers within the Western Union network all over the world.

Following the necessary training and technical adaptations, DenizBank made the first transaction in August. The system was then quickly extended to all DenizBank network. Until the end of the year, DenizBank executed 3,199 transfers and 1,772 payment transactions, which amounted to US\$ 2.2 million.

### *Cooperation with Clubs and Associations*

While issuing affinity cards in cooperation with clubs and associations, DenizBank also issued a credit card for the members of the Adana Tennis and Mountaineering Club. This card, like DenizBank's previous affinity cards, serves a dual purpose - it is both a credit card and an identity card for the Club's 2,000 members. Other affinity cards will be issued for Izmir's Cultural Park and the Mimar Kemalettin Association in early 2003.

#### Consumer Loans (TL billions)

|                       | 2002   | 2001   |
|-----------------------|--------|--------|
| Mortgage loans        | 678    | 788    |
| Car loans             | 5,846  | 6,988  |
| General purpose loans | 10,458 | 2,109  |
| Overdraft facility    | 2,912  | 887    |
| Small business loans  | 6,233  | 832    |
| Total                 | 26,127 | 11,604 |

#### Deposits (US\$ thousands)

|                                 | 2002    |         | 2001    |         |
|---------------------------------|---------|---------|---------|---------|
|                                 | Demand  | Time    | Demand  | Time    |
| Savings and commercial deposits | 73,322  | 470,913 | 46,252  | 246,910 |
| Foreign currency                | 272,828 | 941,386 | 149,292 | 515,661 |
| Interbank deposits-TL           | -       | 72,264  | 24      | 23,572  |
| Interbank deposits-FX           | 22,622  | 12,681  | -       | 49,428  |
| Total TL deposits               | 73,322  | 543,177 | 46,276  | 270,482 |
| Total FX deposits               | 295,450 | 954,067 | 149,292 | 565,089 |

#### @çıkDeniz Internet Branch

First installed in 1999 with capabilities limited to only modular transactions and information search facilities, the Internet branch was revitalized in 2000 to incorporate a large number of retail and corporate banking transactions. The number of active users reached 100,000 with 40% of all routine banking transactions handled through the Internet branch.

Customers may start using the facilities of the @çıkDeniz Internet Branch without the need to physically visit a branch office. They may register on-line for this branch and start their banking transactions immediately. This application represented a first in Internet banking in Turkey. At the end of 2001, smart card implementation provided users with enhanced security within the Internet branch application.

The @çıkDeniz Internet Branch allows customers to communicate directly with

an expert and obtain information on banking and financial matters through a 'live chat' facility via the Internet. All incoming e-mail to the Bank is answered within 30 minutes.

The Kiosk project, which began in 2000 as a pilot application at ten selected branches, was extended to include all DenizBank branches in 2002. Kiosks installed at DenizBank branches serve customers rapidly and uninterruptedly throughout the business day, eliminating the need to wait in queues to carry out transactions with a teller.

Account and credit card statements are sent to customers via SMS messages and e-mail. This and other IT applications improve customer satisfaction and strengthen their loyalty while raising the standards of service quality.

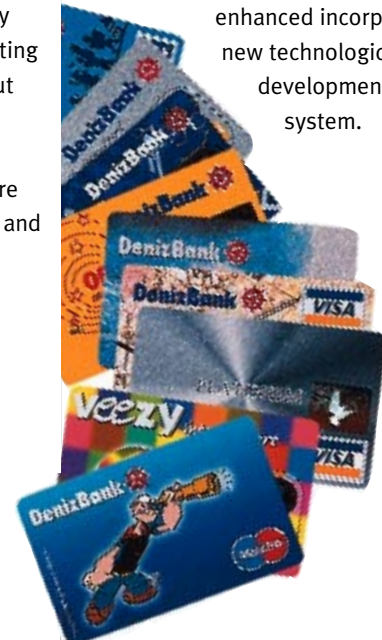
#### Contact Center

DenizBank's call center project - the Contact Center - was begun in 1999 and completed in 2000. A customer may conduct all basic banking transactions by calling an agent at the Center who uses the Internet Branch platform.

With a mission to operate the fastest, highest quality and most user-friendly call center within the banking industry, DenizBank is continuously enhancing the IT infrastructure of the Contact Center and developing new applications that represent 'firsts' in the industry.

The Contact Center handles both incoming and outgoing calls. Various departments or branches may request customer calls for information delivery purposes that are handled through the Contact Center. Tele-marketing calls to existing and potential customers may also be made through the Center in addition to commemorative calls on special days such as customers' wedding anniversaries and birthdays.

For all incoming and outgoing calls, there is top-tier security system. The IT-base of the Contact Center is continuously enhanced incorporating all new technological developments into the system.





well-

## calculated risk

With successful acquisitions of deposits, branch offices, banks and financial companies of former banks from the SDIF, DenizBank's reputation in the international financial markets has grown bringing a wider acceptance and higher visibility in global banking environments.



DenizBank's market share in trade finance increased significantly in line with the increase in its branch network and enhanced international recognition.

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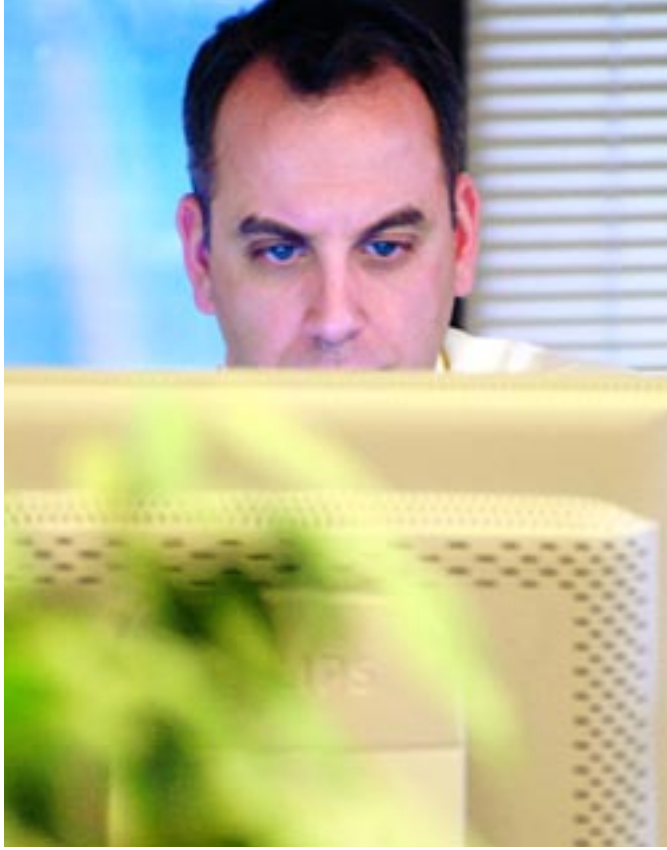
Due to significant expansion in the branch network, the number of customers active in international trade finance showed a substantial increase. This enlargement contributed to the efforts of the Financial Institutions Division to increase the number of correspondent banks from 430 to 580 by the end of the year. During 2002, foreign trade transactions volume (L/Cs, L/Gs and documentary collections only) increased to US\$ 850 million over the year 2001 level of US\$ 400 million.

Within the course of the year, DenizBank continued to utilize GSM 102-103 credit facilities and achieved a line increase extended by the CCC of the US



Department of Agriculture. The Bank also acted as an intermediary in long-term import transactions insured by Hermes of Germany, ERG of Switzerland, ÖKB of Austria, OND of Belgium and other similar export credit agencies. In order to support exporters and corporate customers, the Bank provided pre-export finance and working capital loans from international markets with attractive pricing and terms.

DenizBank plans to tap the international syndicated loan market for the second time in 2003 to raise additional funding for the pre-financing requirements of its exporting clientele. Additionally, studies will be carried out within the Bank during 2003 to explore new avenues of raising funds from international markets by securitizing credit card receivables, in cooperation with AKK, which has a strong market presence in foreign credit card acquiring business.



Denizbank was able to transform a year that began with gloomy expectations to a year of success and opportunity. Within the confines of the ‘supermarket approach’, a wide range of treasury products were put up to customers’ choice which enabled DenizBank to capture a greater market share both in retail and corporate banking.

## Treasury

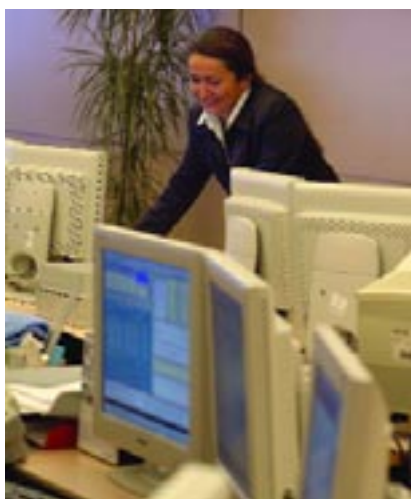
The revised economic program securing US\$ 6 billion from the IMF until 2004 aimed at providing the funds necessary for economic reforms and rolling over the public debt by rising the confidence in the financial markets. It also envisaged a free float exchange rate regime and inflation targeting, however disguised, with respect to the Central Bank’s monetary policy. In consequence, the US dollar remained stable within the range of TL 1,500,000 - TL 1,700,000 throughout the year, real interest rates hovered around 15 to 30% and inflation fell five percentage points below the targeted rate of 35% in consumer prices.

As for the macroeconomic fundamentals, the frantic pace of growth reaching as high as 6% in 2002 was relieving after the dreary recession in 2001. Since it was propelled by booming exports and inventory replenishment rather than domestic demand as in the past, it had no negative impact on inflation nor on balance of payments, which in fact yielded net foreign exchange inflows. Nevertheless, the banking sector was not able to intermediate economic growth as it should, as the ratio of bank deposits-to-credits fell to 25% by the end of 2002, from 32% in the beginning of the year.

Yet, DenizBank completed the 2002 fiscal year successfully in terms of money and capital market activities. Within the confines of the ‘supermarket approach’, a wide range of treasury products were put up to customers’ choice, which enabled the Bank to capture a greater market share both in retail and corporate banking. As a result, customer transactions in FX trading rose by a whopping 130% to US\$ 7 billion while those in Turkish lira debt instruments ballooned by a remarkable 1,600% to TL 800 trillion by the end of 2002.

These virtually risk free client deals also provided the Bank with substantial earnings throughout the year. As such, DenizBank was able to transform a year that began with gloomy and disheartening expectations to a year of success and opportunity for further accomplishments ahead.

DenizBank's prudent banking guidelines also prioritized risk management while pursuing large volumes in the financial markets. Its overall profitability on equity increased producing a high capital adequacy ratio well above the international standards. The portfolio of the Turkish lira-denominated domestic debt securities comprised only 14% of its assets on average most of which concentrated on Floating Rate Notes to avoid interest rate risk. Also, the share of sovereign Turkish Eurobonds and US Treasury Bonds were raised to 22% of its assets to balance the exchange rate risk arising from the high share of FX funding on the liability side of the balance sheet. Liquidity was always the main focus as the liquid assets never fell below 15% of total assets throughout the year. All treasury transactions and investments were carried out within the limits set by the Board of Directors as well as those within the VAR criteria as crafted by the Risk Management Division.



## Risk Management

The Risk Management Division at DenizBank is primarily concerned with the definition, calculation and management of daily Value-at-Risk throughout Denizbank's market operations. For each risk category, daily risk limits have been set and are controlled closely. Back testing analysis is made on a daily basis and the variances between the computations of Value-at-Risk and the actual profit and loss of the Bank are also monitored daily. Daily stress testing, another analysis evaluating market risks, is also conducted attentively.

Monthly market risks analysis report, made compulsory by the BRSA, started to be prepared at DenizBank in October 2001. Official reporting to the BRSA began in March 2002. The consolidated quarterly Value-at-Risk report of the Bank, its subsidiaries and other reports concerning internal controls and risk management systems demanded by the BRSA were prepared and sent to the BRSA in September 2002. Another report requested by the BRSA, the weekly FX risk analysis report, was officially submitted for the first time in July 2002.

Riskman, a package risk management reporting software developed jointly between Intertech and the Risk Management Division of the Bank during 2001 was applied the following year after successful testing. Branch and management reporting units have enhanced the contents of their MIS reports due to the extended number of branches and the formation of regional directorates. The performance and profitability targets of the new branches were determined after their integration into the DenizBank system and their operations were monitored and reported to the management levels.



The outcome of risk analysis and management reports are presented to the Board of Directors and the Executive Committee to help them set risk taking limits and develop strategies relating to risk management as well as other major issues. Results of policy implementation are evaluated and recommendations are made to enhance decision making systems in place at the Bank.

## Auditing Committee

The audit and internal control system at DenizBank is an integral part of the management system and provides a secure, fault-free environment for all banking transactions in compliance with regulations and the Bank's internal policies.

The mission of the audit and internal control system is to help realize the Bank's goals and long-term strategic targets while assembling a reliable financial and management reporting system. To this end, a strong audit culture has been developed in all levels of the Bank. The audit and internal control system, independent of management, is comprised of the Internal Auditing Committee, Internal Control Center and the Risk Management Group.



These bodies report directly to the Board of Directors to ensure their independence - an inseparable principle of the internal control mechanism.

The Internal Auditing Committee, headed by a Committee Chairperson, is made up of 22 internal auditors. The internal audit function relies heavily on past experience and the accumulation of knowledge. The Committee functions in such a way to foresee potential problem areas that might cause losses for the Bank, also helping to prevent any such occurrences. Within the scope of the internal audit system, efficiency and profitability of the unit under audit is also assessed as well as the reliability, timeliness and integrity of the data produced by the unit. Compliance with regulations and the Bank's policies are also put under scrutiny.

An internal audit is conducted within the framework of annual programs. During 2002, all branches and head office departments and subsidiaries with heavy work loads were audited as planned.

In addition to its internal audit task, the Committee also contributes to the assessment of risk associated to new products and services. The internal

auditors, when on duty, help with on-the-job training by teaching personnel of the subsidiaries about the Bank's policies and procedures. New branches that have recently been included into the Bank's organization also receive such training.

The team members of the Internal Auditing Committee are provided with regular training dealing with related matters. Within the scope of this activity, training programs specifically geared to internal auditors continued throughout 2002.

## Internal Control Center

A total of 41 personnel, including the Chairperson, are currently serving at the Internal Control Center. Fifteen of these are stationed at the Head Office and frequently visit branches; eight carry out the control function of the branches and other units at the Head Office, seventeen are permanently located at Head Office operational units.

The Internal Control Center is a relatively new unit within the Bank's organizational structure, devised according to the legal framework put forward by the BRSA in 2002.

The Internal Control Center comprises of the following units:

- Financial Control Unit
- Branches Internal Control Unit
- Treasury Internal Control Unit
- Retail Banking Internal Control Unit
- Corporate Credits Control and Follow-up Unit
- IT Internal Control Unit
- Centralized Operations Internal Control Unit
- Reconciliation Unit

Correspondent bank reconciliation is handled by the newly established Reconciliation Unit under the Internal Control Center.

## Operations

Since its establishment, DenizBank has carried out all operations - from the simple and routine to the most complex and sophisticated - in a centralized manner. Keeping pace with advances in technology and their applications in banking operations, DenizBank has developed centralized operations systems similar to ones used at many highly developed banks throughout the world.

Workforce efficiency measurements, error analysis and process redesigning in the Central Operations Division have resulted in optimum usage of the work force and operational effectiveness. As a consequence, cost control measures can be most effectively implemented in the operational processes of DenizBank.

The flexible structure of centralized operations easily copes with an increasing volume of transactions in retail and corporate banking activities with neither mistakes nor delays in the functioning of all transactions. Integration of the credit card and deposit transactions of the two banks acquired from the SDIF and the adaptation of the new branches to the existing structure, where the number of branches increased rapidly from 48 to 120 in 2001, and then to 164 in 2002, was accomplished flawlessly. The fact that the new branches taken over from SDIF banks were fully incorporated within DenizBank's system in only two weeks is evidence of the flexible structure of its centralized operations.



In the Cash Management Operations Unit, the non-physical check settlements program was implemented successfully in July 2002. This program was developed jointly by the Cash Management Operations Unit and the IT Department.

The Treasury and Investment Banking Operations Units successfully handled all transactions fault-free in the face of increased in-bank and customer transactions without any parallel increase in the number of personnel. These units also provided custody services for customers' securities and utilized SWIFT and EFT systems effectively and efficiently.

#### *Accounting*

Following the centralization of all accounting functions, tax and other legal liability operations have been added to the functions of the Department.

The External Reporting Unit within the General Accounting Department prepares regular reports for the BRSA, the Central Bank and the Turkish Bankers Association in a totally computerized environment.

The General Accounting Department was very busy in the first half of the year due to the three-tier audit scheme of the BRSA. Nevertheless, the Department carried out all of its routine tasks, tax and social security payments, purchases, and all third party payments as well as all centralized services provided to the branches and Head Office departments, without any delays.

The General Accounting Department, working in close cooperation with the IT Department, has succeeded in reducing the workload needed to prepare reports required by the governing bodies. This result was achieved due to the superb IT infrastructure of the Bank.

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## Administrative Services



Taking bold yet calculated steps toward becoming a leading bank DenizBank attracted new attention and appreciation. As a result, DenizBank was elected to the Board of Directors of the Turkish Bankers' Association with the task of representing the banking industry within the Association.

### *Human Resources*

On its way toward becoming one of Turkey's largest banks, DenizBank has increased the number of its branches from 120 to 164 in just one year. Concurrently, the number of personnel has grown from 1,980 to 2,967. The branch network has been divided into manageable sizes with the establishment of seven regional directorates within the administrative structure of the Bank. All branches of the Bank now report to the Head Office through their designated regional directorates.

The expanding branch network and the growing number of customers have necessitated a revision of personnel configurations at the Head Office and at the branches. DenizBank grew at a time when some banks were taken over by the SDIF. New positions were opened and filled by experienced bankers that had previously been employed at these liquidated banks. DenizBank took advantage of this situation and chose some of the best bankers in the industry - further raising the quality of its personnel. Through these acquired branches previously belonging to SDIF banks as well as the acquisition of Tarıřbank, 620 banking professionals were subsequently employed, helping to ease the unemployment problem in the banking sector.

Taking bold yet calculated steps toward becoming a leading bank, DenizBank attracted new attention and appreciation. As a result, DenizBank was elected to the Board of Directors of the Turkish Bankers' Association with the task of representing the banking industry within the Association.

Seventy percent of DenizBank personnel are university graduates with an average of seven years in the banking sector. It is

the qualities of this staff that makes DenizBank recognized as an innovative and creative bank within the Turkish banking industry.

### *Training*

The training programs at DenizBank are geared to elevating the knowledge and expertise of the personnel in technical banking issues. At the same time, this training provides the staff with the opportunity to improve their personal skills and adopt the corporate philosophy and culture of the Bank. In 2002, DenizBank organized a total of 480 training programs in which 6,015 staff participated, receiving 43,615 hours of training. These programs are held at DenizBank's Training Center in Istanbul, as well as at training facilities located on site at the Central Anatolia, Aegean and Çukurova regional directorates.

To facilitate a smooth transition into the DenizBank culture by the newly acquired branches from SDIF banks, the 'Sister Branch' program was launched. Within this scheme, all new branches were assigned an associate branch from among existing branches; under their guidance, these new branches were rapidly converted into full service DenizBank branches. Apprenticeship

programs were organized for new branch personnel at various existing branches and at Head Office departments to facilitate swift adaptation of the Bank's systems and procedures.

To bring all DenizBank branches, new and old, to the same level of technological advancement and to maintain the already high standard of technology within the branches, a 'Technology and Products' training program was organized targeting primarily the new branch staff members.

Four development programs (two Central Corporate Operations Development Programs and two Contact Center Development Programs) were organized in 2002 to assist in teaching the corporate culture of DenizBank right from day one of employment. Only new graduates or inexperienced employees attend these development programs that shape them into DenizBank bankers.

### *Projects and Process Management*

Utilizing the advantages of technology to meet the expanding need for document and information storage, DenizBank invested US\$ 700,000 for a system that will keep all processes and documents in an electronic environment. This technology will help DenizBank facilitate

new product and service development as well as elevating the quality of the existing ones.

DenizBank was the first bank to adopt the 2000 version of the ISO 9000 Quality Management Certificate. The annual review process for this certificate was successfully completed in June 2000.

### *Advertising and Public Relations*

DenizBank commemorated its fifth anniversary on August 25, 2002, with a reception in the gardens of Yıldız Palace. On this occasion, merit awards in the form of plaques were distributed to staff who had completed their fifth year at the Bank.

Year 2002 was a period of growth and a higher attention to internal communications. Numerous activities and meetings were organized throughout the year to bring new staff together to get to know each other and DenizBank better and more closely.

This year DenizBank also continued publishing cultural books. Within the series was a new book entitled Grand Palace Topkapı - Its History, Premises and Written Monuments. Previous books were One Thousand Days and One Thousand Nights; Entertainment from the Ottoman Times to Present, Reflections from the Ottoman World and Abdülmecit - A Sultan on the Way to Europe.

### *New Head Office Building*

The Head Office of DenizBank was relocated to a new, more spacious 17,000-square meter high-rise building in June 2002. The new building is only a hundred meters away from the old one, which has now been allocated to the new subsidiaries, Intertech and AKK. Close proximity with these subsidiaries will create operational synergies.





far-

## reaching vision

Backed with both the support and trust reflected  
by its parent DenizBank, DenizYatırım Securities  
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in markets throughout 2002.



### DenizYatırım Securities

Backed with both the support and trust reflected by its parent DenizBank, DenizYatırım Securities took advantage of developments that prevailed in markets throughout 2002. Following in the footsteps of DenizBank and pursuing wise, courageous yet well-calculated strategies, DenizYatırım Securities turned times of crisis into times of opportunity. DenizYatırım Securities acquired EkspresInvest, which is expected to grow into the international capital markets arm of the Company in the coming years. Newly acquired DenizBank branches, also acting as DenizYatırım Securities agents, expanded the market reach into previously unexplored regions. The merger of DenizBank with Tarihbank and at the same time acquiring TarihYatırım Securities will also contribute to the volume of domestic equity brokerage business as well as to the Asset Management Department in terms of increased number of sales outlets for the Company's mutual funds.

In 2002, DenizYatırım Securities developed an in-house performance evaluation system for the measurement of personal performance and the management of growth. This system has been devised to assess performance and capabilities, first on a team basis then individually. Promotion, enumeration, financial rewards and fringe benefits are all dependent on the outcome of this system, which has helped to develop an excellent, comprehensive human resource for the Company.

### Domestic Markets

DenizYatırım Securities carried forward its target of being among Turkey's five largest brokerage houses in terms of equity trading market share. It ranked third among all brokerage houses and second among banks in 2002 with a market share of 4.2%. Equity trading volume increased to TL 9 quadrillion by the end of 2002 with a total customer portfolio size of TL 400 trillion, compared to TL 178 trillion the previous year. This business volume was achieved

through 67 agents across the country. At the end of 2002, the number of investment accounts with a balance stood at 26,883.

### Asset Management

Market value of funds under the management of DenizYatırım Securities' Asset Management Department reached US\$ 50 million and the number of mutual fund customers increased from 6,236 in 2001 to 13,438 in 2002. All mutual funds were among the top performers within their respective categories and all were designed to address differing risk taking and income expectation attitudes of the investors.

The Asset Management Department performed very successfully in the management of mutual funds and discretionary portfolios in a year full of economic difficulties. The Company believes that there is an enormous untapped potential in the mutual funds market where long-term vision, stability, trust and continuity are the key issues



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that need to be taken into account for successful results.

Performances of mutual funds should be evaluated with a long-term perspective rather than by making daily, monthly or yearly analysis. Since 2000, all DenizBank mutual funds ranked in the highest echelon of their respective groups. The A-Type Equity Fund, when assessed in terms of yield since 2000, ranks first among all equity funds. Similarly, A-Type Composite Fund ranks the third, A-Type Variable Funds the 15th, while the B-Type Variable Fund ranks the third, the B-Type Bonds and Bills Fund the fourth and the B-Type Liquid Fund the second. DenizYatırım Securities strongly believes that this successful trend will continue well into the future.



### *Corporate Finance*

In 2002, the Corporate Finance Department at DenizYatırım Securities concentrated on acquisitions, IPOs, the formation of foreign partnerships and project evaluation. Advisory services were provided to DenizBank in its strategy of mergers and acquisitions as well as the Company's own acquisition of EkspresInvest, which became a wholly-owned subsidiary. The Petrol Ofisi IPO was the major scheme for the year and DenizYatırım Securities participated in the distribution consortium, ranking ninth as a consortium member among 26 players, in terms of sales volume achieved.

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### *Research*

The Research Department primarily serves the equity investor clients of the Domestic Markets Department providing investment recommendations. Additionally, it serves the market analysis needs of the Asset Management and Corporate Finance Departments by providing reports that reflect the latest economic and financial market developments.

The Department issued 116 company reports, 10 industry reports and 30 company visit reports in 2002. The number of investors benefiting from these services increased to approximately 6,000 by the end of 2002, compared to a mere 450 at the beginning of the year.

## EkspresInvest

EkspresInvest was acquired by DenizBank (49%) and DenizYatırım Securities (29%) from the SDIF on November 20, 2002. The underlying reason for the acquisition was to establish a new company to serve mainly foreign institutional investors and to increase the strength of DenizBank Financial Services Group in the Turkish capital markets. EkspresInvest was identified as a suitable acquisition target because of its clean and transparent balance sheet.

Following the acquisition at the end of November, a core team was established within two months. All team members are experienced professionals who have outstanding track records in this field.

EkspresInvest's primary goal is to focus on providing service to foreign institutional clients. The capability to identify the trends in the market with fast and accurate execution is the main strength of the ICM team in serving this client base. The Research team will issue high quality products including concise and timely equity reports, daily market briefs and intra-day comments. The business principle will be to provide personalized service on a one-to-one communication basis between analysts and clients.

Within the year, EkspresInvest will establish the Domestic Brokerage Department. Its purpose will be to provide brokerage and advisory services to a limited number of clients as a boutique company.

Furthermore, the Company intends to establish a leading position in corporate finance in Turkey. It intends to become one of the key players in IPO and SPO transactions and M&A advisory.

## DenizLeasing

DenizLeasing was established in 1997 with a paid-in capital of TL 75 billion; in 2002, this capital had subsequently increased to TL 3 trillion. Capturing a 2% share of the leasing market in Turkey, DenizLeasing achieved US\$ 20 million worth of financial leasing contracts in 2002. At the end of the year, total assets had reached TL 43 trillion.

The Company's customer portfolio increased to 450, thanks in part to active marketing policies and the synergy created with the parent, DenizBank. Textiles and office machinery make up the largest part of the equipment portfolio.

The target for 2003 is to realize contracts worth US\$ 30 million. DenizLeasing aims to reach the upper echelons of the leasing sector by providing fast, high-quality services while achieving a larger business volume.

## DenizFactoring

DenizFactoring was established in 1998 with a paid-in capital of TL 1 trillion; in 2001, this figure was TL 3 trillion. Zorlu Holding, at the same time, became the largest shareholder of DenizFactoring with 91.54% of its capital.

In May 2000, DenizFactoring became a member of the Turkish Factoring Association and in September 2001, was accepted as a member to FCI, the largest factoring chain in the world. Following its membership to this highly respected international organization, DenizFactoring enhanced its service quality and had an opportunity to expand its international business volume. The Company was represented at this year's annual FCI meeting in Sydney, Australia, by its top-level officers.



Following well-calculated strategies, DenizFactoring preferred international business over domestic business during the last two economically difficult years for Turkey. The Company remained liquid and successfully collected all of its receivables from potentially problematic customers most affected by the crisis. As a result, the domestic factoring turnover contracted to US\$ 10 million in 2001 but there were no bad loans. Encouraged by the positive developments and the optimism that surrounded the market in 2002, domestic turnover increased to US\$ 44 million.

Vestel and Zorlu Foreign Trade, two of Turkey's largest exporters, are in the same group as DenizFactoring. This has helped DenizFactoring to achieve a substantial export turnover ranking the Company third in 2001 among Turkish factoring companies with an export turnover of US\$ 104 million. This position was maintained in 2002 in spite of increased competition in the marketplace. As a result of its successful performance with regard to exports, DenizFactoring obtained generous cash credit limits from its correspondents abroad.



DenizFactoring is convinced that 2003 will present a more favorable climate for domestic factoring transactions. Coupled with the additional synergy generated by the enlarged branch network of DenizBank, DenizFactoring will once again emphasize domestic business in 2003. Export factoring will continue to be a preferred tool over traditional L/Cs because of the guarantee, financing and the collection service it provides to the exporters. DenizFactoring aims at keeping pace with the upward momentum it gained in 2001 and 2002 and will reach an export turnover of US\$ 200 million by the end of 2003.

The Company envisages that this business volume will rank it at the top of the list of factoring companies in Turkey in terms of international business.

AKK believes that outsourcing will increase in Turkey as it has globally in the last few years and the Company will have the biggest share with its fast, flexible and high quality services backed by 26 years of experience in payment systems.

#### Anadolu Kredi Kartı (AKK)

Established in 1976, AKK was Turkey's first credit card processing company. It has pioneered the development of the credit card market in Turkey. Shares of AKK were transferred to the SDIF in 1999 following its parent bank's acquisition by the same organization. At the end of 2001, DenizBank purchased AKK shares from the SDIF, making it a part of its Financial Services Group.

AKK received the ISO 9002 Quality Certificate in 1998 and is now a leading company in the highly competitive payment systems sector. It has achieved many firsts in its history, some of which include;

- Acquisition services for EuroCard in Turkey started in 1976 through an agreement with EuroCard in Belgium.
- Turkey's first domestic credit card 'PAKKART' was issued in 1978.
- Turkey's first international credit card 'AKK EuroCard' was issued in May 1984.
- AKK became the first Turkish member of EuroCard in 1986, issuing the first international credit card under its license in July the same year.
- AKK started offering credit card services to banks and became Turkey's first TPP (Third Party Processing) Company.
- AKK was the first company to securitize credit card receivables in 1991.
- AKK was appointed exclusive agent in Turkey to acquire JCB cards in 1993.
- AKK was the first Company to obtain the certification to acquire and issue EMV chip cards in Turkey in 2001.

Operations of AKK may be grouped under four headings: issuing, acquiring, TPP services and tourism. Under acquiring services, AKK accepts domestic and international debit and credit cards (VISA, MasterCard, JCB and Diners). AKK's member merchants started to acquire



Diners Club cards in 2002. Under the ownership of DenizBank, in 2002, the Company achieved US\$ 127 million in international and US\$ 98 million in domestic credit card turnover with 14 branches. During the year, AKK launched a new product - NETPOS to enable secure payments to merchants through e-commerce transactions in Turkey and abroad. In its issuing business, AKK serves a small and distinguished group of customers with EMV chip cards.

AKK offers a full package of services in both TPP issuing and TPP acquiring businesses. Serving 10 banks and financial institutions, AKK is the leader in TPP business in Turkey. In TPP services, credit card operations are outsourced except marketing and product management. AKK believes that outsourcing will increase in Turkey as it has globally in the last few years and the Company will have the biggest share with its fast, flexible and high quality services backed by 26 years of experience in payment systems.

In addition to its card related services, AKK has been an A-rated IATA travel agent since 1985. In 2002, revenue from ticket and hotel sales reached TL 5.9 trillion.

### Intertech

Intertech is a software development company specializing primarily in banking and financial applications. Established in 1991, Intertech provides contemporary IT solutions to a wide range of banks, financial institutions and various industries. Intertech was acquired by DenizBank and became a Zorlu Holding company in 2002. With the synergy that will be created among Intertech and Zorlu Holding's financial and industrial companies, Intertech aims towards large projects in 2003.

Since its establishment 12 years ago, the Company has successfully developed numerous projects and currently provides six financial institutions with software products and IT support services. Other companies served by Intertech belong to media, healthcare and manufacturing sectors.

Services of Intertech include project management and consulting, turn-key IT solutions, software development, application development, maintenance and support, system network operations and communications and hiring of technical personnel.

Package software products of Intertech include; Quantis Banking Software, Quantra Banking Software, Q-Risk Risk Management Software, Inter21 Capital Markets Software and Q-Net Internet Banking Software.

### DenizBank AG

Established in 1996 by the former Esbank of Turkey, Esbank AG in Vienna offered comprehensive foreign trade finance and payment services to a large customer base in Europe and Turkey through four local branches in Austria, three in Vienna and one in Bregenz. DenizBank acquired Esbank AG in August 2002 for a sum of Euro 26 million and entered the EU's banking sector. The name of the bank was changed to DenizBank AG in the beginning of 2003. DenizBank AG will help to create additional synergies within Zorlu Holding's international subsidiaries and foreign trade companies.

DenizBank in Turkey will cooperate closely with its subsidiary in Austria to offer any support needed as new frontiers are discovered in Europe. Backed by strong shareholder support, the Bank plans to expand its activities in the Eurozone through new branches in Frankfurt and other cities in Germany.



DenizBank AG will continue to act as an intermediary to foreign trade transactions of Turkish companies in Eurozone countries, delivering forfaiting and foreign payment services. Other services of the Bank include small business loans, alternative savings programs, credit cards, money transfers and various insurance products. Currently, the Bank has 4,100 active customers.

DenizBank AG is also involved in project finance credits. Two of the energy plants built with credit lines from the Bank are currently in operation. Other project finance credits are directed to tourism investments in Turkey.

At the end of 2002, DenizBank AG had a balance sheet footing of Euro 227 million, shareholders' equity of Euro 26.7 million, year-end profit before tax of Euro 4.8 million and a capital adequacy ratio of 63%. Above all, it has a highly qualified, experienced staff.

DenizBank AG is a member of the Austrian Deposit Insurance Fund, International Forfaiting Association and Austrian-Turkish Business Association.

## Executive Management



### From left to right standing:

Fikret Özdemir, *Executive Vice President - Corporate Marketing*  
Nesrin Sungu, *Executive Vice President - Financial Institutions*  
Can Taşpulat, *Board Member - Risk Management*  
Behçet Perim, *Executive Vice President - Risk Management and Internal Control*  
Reha Çobanoğlu, *Executive Vice President - Operations*  
Hüseyin Uyar, *Executive Vice President - Corporate Marketing*  
Bora Böcügöz, *Executive Vice President - Treasury*

### From left to right seated:

Fikret Arabacı, *Executive Vice President - Corporate Credits*  
Nihat Sevinç, *Executive Vice President - Foreign Subsidiaries*  
Hakan Ateş, *President and CEO*  
Necmi Kavuşturan, *Executive Vice President - Administrative Services*  
A. Dinçer Alpman, *Executive Vice President - Retail Banking*



**DENİZBANK ANONİM ŞİRKETİ**

**Consolidated Financial Statements**

**As of 31 December 2002 Together With Report of Independent Auditors**





## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of  
Denizbank Anonim Şirketi:

We have audited the accompanying consolidated balance sheet of Denizbank Anonim Şirketi ("the Bank" - a Turkish Corporation) as of 31 December 2002 and the related consolidated statements of income, changes in equity and cash flows for the year then ended, all expressed in the equivalent purchasing power of Turkish Lira (TL) at 31 December 2002. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We did not audit the fully consolidated financial statements of Esbank Wien AG, Euro Deniz Off Shore, Tarih Yatırım Menkul Değerler A.Ş., Ekspres Yatırım Menkul Değerler A.Ş. and Deniz Yatırım Menkul Kıymetler A.Ş. whose statements reflect, respectively, total assets of 10%, 3%, 0.07%, 0.15% and 0.6% of the consolidated totals. Those statements (except for the unaudited statements of Tarih Yatırım Menkul Değerler A.Ş. and Euro Deniz Off Shore) were audited by other auditors whose reports thereon have been furnished to us, and to our opinion, in so far as it relates to the amounts included for these subsidiaries are based solely on the reports of other auditors.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Denizbank Anonim Şirketi as of 31 December 2002 and the consolidated results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Kapital Yeminli Mali Müşavirlik A.Ş.  
Correspondent Firm of RSM International



Engagement Partner  
Lokman Ketenci

28 February 2003  
Istanbul, Turkey

# DENİZBANK ANONİM ŞİRKETİ

## CONSOLIDATED BALANCE SHEET

As at 31 December 2002

(Currency: In billions of Turkish Lira in equivalent purchasing power of TL at 31 December 2002)

|                                                     | Notes  | 2002             | 2001             |
|-----------------------------------------------------|--------|------------------|------------------|
| <b>ASSETS</b>                                       |        |                  |                  |
| Cash and due from banks and Central Bank            | 3      | 162,872          | 63,595           |
| Placements with banks and Central Bank              | 4      | 390,061          | 392,873          |
| Other money market placements                       | 5      | 176,311          | 186,499          |
| Reserve deposits at Central Bank                    | 6      | 173,729          | 128,720          |
| Investments in securities                           | 7      | 1,604,874        | 1,051,066        |
| Originated loans and advances, net                  | 8      | 1,193,003        | 530,315          |
| Accrued income                                      | 9, 21  | 8,112            | 150,811          |
| Investments in unconsolidated subsidiaries          | 10     | 9,652            | 6,334            |
| Goodwill, net                                       | 13     | (436)            | --               |
| Premises, equipment and leasehold improvements, net | 11     | 75,901           | 45,027           |
| Deferred tax asset                                  | 17     | 14,198           | --               |
| Other assets                                        | 12     | 21,531           | 13,428           |
| <b>Total assets</b>                                 |        | <b>3,829,808</b> | <b>2,568,668</b> |
| <b>LIABILITIES AND EQUITY</b>                       |        |                  |                  |
| Deposits                                            | 14     | 3,059,789        | 1,919,025        |
| Other money market deposits                         | 14     | 46,750           | 47,530           |
| Funds borrowed                                      | 15     | 212,289          | 254,795          |
| Accrued expense                                     | 16, 21 | 10,869           | 25,791           |
| Deferred tax liability                              | 17     | 694              | 17,143           |
| Income taxes payable                                | 17     | 1,226            | --               |
| Other liabilities and provisions                    | 18     | 96,620           | 33,452           |
| <b>Total liabilities</b>                            |        | <b>3,428,237</b> | <b>2,297,736</b> |
| Minority interest                                   |        | 1,277            | -                |
| <b>Equity</b>                                       |        |                  |                  |
| Share capital                                       | 19     | 372,251          | 283,509          |
| Legal reserves and accumulated deficit              | 20     | (27,521)         | (15,025)         |
| Currency translation difference                     |        | 78               | -                |
| Net income for the year                             |        | 55,486           | 2,448            |
| <b>Total equity</b>                                 |        | <b>400,294</b>   | <b>270,932</b>   |
| <b>Total liabilities and equity</b>                 |        | <b>3,829,808</b> | <b>2,568,668</b> |

The accompanying policies and explanatory notes form an integral part of the consolidated financial statements.

# DENİZBANK ANONİM ŞİRKETİ

## CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2002

(Currency: In billions of Turkish Lira in equivalent purchasing power of TL at 31 December 2002)

|                                                                                                           | Notes | 2002             | 2001             |
|-----------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Interest Income</b>                                                                                    |       |                  |                  |
| Interest on loans                                                                                         |       | 209,091          | 225,836          |
| Interest on investment securities                                                                         |       | 264,920          | 141,731          |
| Interest on deposits in banks                                                                             |       | 63,713           | 129,044          |
| Other                                                                                                     |       | 9,020            | 3,478            |
| <b>Total interest income</b>                                                                              |       | <b>546,744</b>   | <b>500,089</b>   |
| <b>Interest Expense</b>                                                                                   |       |                  |                  |
| Interest on deposits                                                                                      |       | (358,661)        | (271,381)        |
| Interest on funds borrowed                                                                                |       | (15,717)         | (50,824)         |
| Other                                                                                                     |       | (1,965)          | (3,285)          |
| <b>Total interest expense</b>                                                                             |       | <b>(376,343)</b> | <b>(325,490)</b> |
| Net interest income                                                                                       |       | 170,401          | 174,599          |
| Provision for possible loan losses                                                                        | 8     | (45,691)         | (18,613)         |
| Foreign exchange loss, net                                                                                |       | (62,151)         | (170,040)        |
| <b>Net interest (expense) / income after provision for possible loan losses and foreign exchange loss</b> |       | <b>62,559</b>    | <b>(14,054)</b>  |
| <b>Other operating income</b>                                                                             |       |                  |                  |
| Fees and commission received                                                                              |       | 59,335           | 31,092           |
| Income from equity investments                                                                            |       | 1                | 1,729            |
| Trading income                                                                                            |       | 157,051          | 139,799          |
| <b>Total other operating income</b>                                                                       |       | <b>216,387</b>   | <b>172,620</b>   |
| <b>Other operating expense</b>                                                                            |       |                  |                  |
| Fees and commission paid                                                                                  |       | (18,120)         | (8,617)          |
| Trading expense                                                                                           |       | (29,045)         | (33,865)         |
| Salaries and employee benefits                                                                            |       | (50,822)         | (26,478)         |
| General and administrative expenses                                                                       |       | (11,265)         | (6,841)          |
| Depreciation and amortization                                                                             |       | (14,680)         | (4,920)          |
| Taxes other than on income                                                                                |       | (21,552)         | (11,240)         |
| Rent expense                                                                                              |       | (11,758)         | (8,062)          |
| Other (expense) / income, net                                                                             |       | (12,387)         | 14,344           |
| <b>Total other operating expense</b>                                                                      |       | <b>(169,629)</b> | <b>(85,679)</b>  |
| Income before taxation, minority interest and loss on net monetary position                               |       | 109,318          | 72,887           |
| <b>Taxation charge</b>                                                                                    |       |                  |                  |
| Current                                                                                                   | 17    | (1,124)          | -                |
| Deferred                                                                                                  | 17    | 11,893           | 2,931            |
| <b>Net taxation charge</b>                                                                                |       | <b>10,769</b>    | <b>2,931</b>     |
| Net (loss) / income before minority interest and loss on net monetary position                            |       | 120,087          | 75,818           |
| Minority interest                                                                                         |       | 330              | -                |
| <b>Net (loss) / income before loss on net monetary position</b>                                           |       | <b>120,417</b>   | <b>75,818</b>    |
| Loss on net monetary position                                                                             |       | (64,931)         | (73,370)         |
| <b>Net income</b>                                                                                         |       | <b>55,486</b>    | <b>2,448</b>     |

The accompanying policies and explanatory notes form an integral part of the consolidated financial statements.

**DENİZBANK ANONİM ŞİRKETİ**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2002**

(Currency: In billions of Turkish Lira in equivalent purchasing power of TL at 31 December 2002)

|                                                                                      | Share Capital  | Legal Reserves | Retained Earnings | Total          |
|--------------------------------------------------------------------------------------|----------------|----------------|-------------------|----------------|
| Consolidated balances at 31 December 2000 as previously stated                       | 213,343        | 4,832          | (24,008)          | 194,167        |
| Effect of adopting IAS 19                                                            | -              | -              | 686               | 686            |
| Effect of adopting IAS 39                                                            | -              | -              | (137)             | (137)          |
| Cash increase in share capital                                                       | 70,166         | -              | -                 | 70,166         |
| Effect of not applying consolidation in 2001 financial statements                    | -              | (485)          | 4,087             | 3,602          |
| Net income for 2001                                                                  | -              | -              | 2,448             | 2,448          |
| <b>Balances at 31 December 2001</b>                                                  | <b>283,509</b> | <b>4,347</b>   | <b>(16,924)</b>   | <b>270,932</b> |
| Prior year consolidation effect                                                      | -              | -              | (1,023)           | (1,023)        |
| Cash increase in share capital                                                       | 73,210         | -              | -                 | 73,210         |
| Gain on sale of investment transferred to share capital                              | 15,532         | -              | (15,532)          | -              |
| Addition to legal reserves (consolidated entities)                                   | -              | 387            | -                 | 387            |
| Addition to retained earnings (consolidated entities)                                | -              | -              | (1,850)           | (1,850)        |
| Effect of merger with Milli Aydın Bankası T.A.Ş. (Tarişbank) transferred to reserves | -              | -              | 3,074             | 3,074          |
| Currency translation differences                                                     | -              | -              | 78                | 78             |
| Net income for 2002                                                                  | -              | -              | 55,486            | 55,486         |
| <b>Balances at 31 December 2002</b>                                                  | <b>372,251</b> | <b>4,734</b>   | <b>23,309</b>     | <b>400,294</b> |

*The accompanying policies and explanatory notes form an integral part of the consolidated financial statements.*



# DENİZBANK ANONİM ŞİRKETİ

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2002

(Currency: In billions of Turkish Lira in equivalent purchasing power of TL at 31 December 2002)

|                                                                                          | 2002               | 2001             |
|------------------------------------------------------------------------------------------|--------------------|------------------|
| <b>Cash flows from operating activities</b>                                              |                    |                  |
| Net (loss) income                                                                        | 55,485             | 2,448            |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                    |                  |
| Provision for possible loan losses                                                       | 45,691             | 18,613           |
| Depreciation and amortization                                                            | 14,680             | 4,920            |
| Provision for retirement pay liability                                                   | 3,768              | (1,345)          |
| Decrease/(increase) in accrued interest receivable and other assets                      | 134,596            | (86,741)         |
| (Decrease)/increase in accrued expense and other liabilities                             | 40,043             | (201,095)        |
| (Decrease)/increase in current and deferred taxes payable                                | (29,421)           | (38,791)         |
| (Decrease)/in reserve deposits                                                           | (45,009)           | (59,666)         |
| <b>Net cash provided by operating activities</b>                                         | <b>219,833</b>     | <b>(361,657)</b> |
| <b>Cash flows from investing activities</b>                                              |                    |                  |
| Decrease/(increase) in marketable security portfolio                                     | (553,787)          | (254,801)        |
| (Increase) in loans                                                                      | (708,379)          | (4,231)          |
| Additions to property, plant and equipments (net)                                        | (45,554)           | 4,548            |
| (Increase) in investments                                                                | (3,339)            | (8,928)          |
| (Increase) in placements with banks                                                      | 2,812              | (578,494)        |
| Minority interest and other consolidation effects                                        | 690                | 4,154            |
| <b>Net cash (used in) investing activities</b>                                           | <b>(1,307,556)</b> | <b>(837,752)</b> |
| <b>Cash flows from financing activities</b>                                              |                    |                  |
| (Decrease)/increase in deposits                                                          | 1,140,764          | 1,236,441        |
| Increase in funds borrowed from banks and interbank                                      | (42,506)           | (217,700)        |
| Increase in share capital                                                                | 88,742             | 70,166           |
| <b>Net cash provided from financing activities</b>                                       | <b>1,187,000</b>   | <b>1,088,907</b> |
| Net (decrease) increase in cash and due from banks                                       | 99,277             | (110,502)        |
| Cash and due from banks at beginning of year                                             | 63,595             | 174,097          |
| <b>Cash and due from banks at end of year</b>                                            | <b>162,872</b>     | <b>63,595</b>    |

The accompanying policies and explanatory notes form an integral part of the consolidated financial statements.

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2002

(Currency: In billions of TL in equivalent purchasing power at 31 December 2002 unless otherwise stated)

### 1. CORPORATE INFORMATION

#### General

Denizbank Anonim Şirketi ("the Bank") was established by the Directorate of Privatization of the Turkish Republic on 18 September 1996, in accordance with the decision number 96/8532 taken by the Council of Ministers. The Bank was privatized on 20 March 1997 as a commercial bank and started its operations on 25 August 1997 after obtaining the necessary banking permissions from the Treasury and the Central Bank of Turkey. The registered head office address of the Bank is located at Büyükdere Caddesi No.106 Esentepe İstanbul. The parent and the ultimate parent of the Bank is Zorlu Holding A.Ş.

#### Nature of Activities of the Bank/Group

For the purpose of the consolidated financial statements, the Bank and its consolidated subsidiaries are referred to as "the Group".

The operations of the Group consist of banking and securities trading, portfolio management and investment consultancy. The Bank's activities include wholesale, retail and internet banking services, international transactions and securities trading. As of 31 December 2002 the Bank had 164 (2001 - 120) branches. The Bank is a member of the Zorlu Group of companies, which is one of the largest conglomerate groups in Turkey.

As of 31 December 2002, the number of personnel of the Banking Group is 2,967.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the IASB, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect. The consolidated financial statements have been prepared on an historical cost convention except for the measurement at fair value of trading securities.

The Bank and its subsidiaries which are incorporated in Turkey, maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with the regulations on accounting and reporting framework and accounting standards which are determined by the provisions of Banking Law, accounting standards promulgated by the Turkish Capital Markets Board, Turkish Commercial Code and Tax Legislation. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from statutory financial statements of the Bank and its subsidiaries and presented in accordance with IFRS in Turkish Lira (TL) with adjustments and certain reclassifications for the purpose of fair presentation in accordance with IFRS. Such adjustments mainly comprise effects of restatement for the changes in the general purchasing power of Turkish Lira (respective local currencies) deferred taxation, employee termination benefits and trading securities.

#### Reclassifications on 2001 Financials

The Group has made certain reclassifications in the financial statements as of 31 December 2001 to be consistent with the current year presentation. Such reclassifications relate to presentation of accrued income and accrued expense on interest bearing financial assets and financial liabilities.

## Changes in Accounting Policies

The Group adopted IAS 39- Financial Instruments: Recognition and Measurement and IAS 19-Employee Benefits in 2001. The financial effects of adopting IAS 39 and IAS 19 were reported in previous years' financial statements.

## Measurement Currency, Reporting Currency and Translation Methodology

### Measurement Currency, Reporting Currency and Translation Methodology for the Bank and Its Subsidiaries Which Operate in Turkey:

Measurement currency of the Bank and its subsidiaries, which operate in Turkey, is Turkish Lira (TL). The restatement for the changes in the general purchasing power of TL as of 31 December 2002 is based on IAS 29 ("Financial Reporting in Hyperinflationary Economies"). IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for previous periods be restated in the same terms. One characteristic that necessitates the application of IAS 29 is a cumulative three year inflation rate approaching or exceeding 100%. As of 31 December 2002, the three year cumulative rate has been 227% (2001- 308%) based on the Turkish countrywide wholesale price index published by the State Institute of Statistics. Such index and conversion factors as of the end of the three-year period ended 31 December 2002 are given below:

| Dates            | Index   | Conversion Factors |
|------------------|---------|--------------------|
| 31 December 2000 | 2,626.0 | 2.467              |
| 31 December 2001 | 4,951.7 | 1.308              |
| 31 December 2002 | 6,478.8 | 1.000              |

The main guidelines for the above mentioned restatement are as follows:

- the financial statements of prior year, including monetary assets and liabilities reported therein, which were previously reported in terms of the measuring unit current at the end of that year are restated in their entirety to the measuring unit current at 31 December 2002.
- monetary assets and liabilities reported in the consolidated balance sheet as of 31 December 2002 are not restated because they are already expressed in terms of the monetary unit current at that balance sheet date.
- the inflation adjusted share capital was derived by indexing cash contributions, dividends reinvested, transfers from statutory retained earnings and income from sale of investments and property transferred to share capital from the date they were contributed.
- non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date and other components of equity (except for the statutory revaluation adjustment which is eliminated) are restated by applying the relevant conversion factors.
- items in the statements of income are restated by applying appropriate average conversion factors except for depreciation, amortization, gain or loss on disposal of non-monetary assets (which have been calculated based on the restated gross book values and accumulated depreciation/amortization).

Restatement of balance sheet and income statement items through the use of a general price index and relevant conversion factors does not necessarily mean that the Group could realize or settle the same values of assets and liabilities as indicated in the consolidated balance sheets. Similarly, it does not necessarily mean that the Group could return or settle the same values of equity to its shareholders.

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2002

(Currency: In billions of TL in equivalent purchasing power at 31 December 2002 unless otherwise stated)

### Measurement and Reporting Currencies of Foreign Subsidiaries:

|                      | Local Currency | 2002                 |  |
|----------------------|----------------|----------------------|--|
|                      |                | Measurement Currency |  |
| Esbank Wien AG       | Euro           | Euro                 |  |
| Euro Deniz Off-Shore | TL             | USD                  |  |

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries drawn up to 31 December 2002.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The consolidated financial statements of the Group include the Bank and its subsidiaries, which it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheet and income statement, respectively. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The subsidiaries included in consolidation and their shareholding percentages at 31 December 2002 are as follows :

| Company name         | Nature of Activities  | Country of Incorporation | Direct/Indirect Ownership (%) |       |          | Share Capital |          |           |
|----------------------|-----------------------|--------------------------|-------------------------------|-------|----------|---------------|----------|-----------|
|                      |                       |                          | 2002                          |       | Currency | 2002          |          | 2001      |
|                      |                       |                          | 2002                          | 2001  |          | Amount        | Currency | Amount    |
| Esbank Wien AG       | Banking               | Austria                  | 99.99                         | -     | EUR      | 6,831,262     | EUR      | 6,831,262 |
| Euro Deniz Off Shore | Banking               | Cyprus                   | 99.88                         | -     | USD      | 500,000       | USD      | 500,000   |
| Ekspres Yatırım      | Securities Investment | Turkey                   | 78.01                         | -     | TL       | 6,816         | TL       | 6,816     |
| Tariş Yatırım        | Securities Investment | Turkey                   | 99.99                         | -     | TL       | 5,251         | TL       | 4,599     |
| Deniz Yatırım        | Securities Investment | Turkey                   | 99.97                         | 99.99 | TL       | 5,730         | TL       | 4,506     |

The purchase method of accounting is used for acquired businesses. Subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

As of 31 December 2001 the Bank did not prepare consolidated financial statements as due to immateriality of the subsidiary (Deniz Yatırım) to the operating results of the Bank as a whole. Therefore, the comparative financial statements for 2001 include the financial statements of the Parent alone.

During November 2002, in accordance with the share transfer agreement between the Bank and the Savings Deposit Insurance Fund the Bank purchased from the Fund 78.01% of the shares in Ekspres Yatırım Menkul Değerler A.Ş. a securities investment firm engaged in the sale/purchase of securities, portfolio management and investment consultancy.

During February 2002, in accordance with the share transfer agreement between the Bank and the Savings Deposit Insurance Fund the Bank purchased from the Fund 99.88% of the shares of Euro Deniz Off Shore, a bank located in Cyprus.

During September 2002, in accordance with the share transfer agreement between the Bank and the Savings Deposit Insurance Fund the Bank purchased from the Fund 99.99% of the shares of Esbank Wien AG, a bank located in Austria.

On 27 December 2002, the Bank acquired 100% of the shares Tarihbank Milli Aydın Bankası T.A.Ş. (taken over by the Savings Deposit Insurance Fund) in accordance with the approval of the Banking Regulation and Supervision Agency. In connection with this purchase the Bank also acquired 100% of the share of Tarih Yatırım Menkul Değerler A.Ş. (a former subsidiary of Tarihbank Milli Aydın Bankası T.A.Ş.), a securities investment firm engaged in the sale/purchase of securities, portfolio management and investment consultancy.

Subsidiaries unconsolidated (Destek Oto Kiralama ve Temizlik Anonim Şirketi, AKK Anadolu Kredi Kartı Turizm ve Ticaret A.Ş. and Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.) because of immateriality are carried at restated less any impairment in value other than temporary.

#### **Investments in Securities**

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. The Group maintains two separate securities portfolios, as follows:

##### *Trading securities*

Trading securities are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exist. After initial recognition, trading securities are remeasured at fair value based on quoted bid prices. All related realized and unrealized gains or losses are recognized in trading income.

##### *Held-to-maturity securities*

Investment securities with fixed or determinable payments and fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Management determines the appropriate classification of its investments at the time of the purchase.

Held-to-maturity investments are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

Interest earned whilst holding held-to-maturity securities is reported as interest income.

#### **Sale and Repurchase Agreements**

The Group enters into short-term sales of securities under agreements to repurchase such securities. Such securities, which have been sold subject to a repurchase agreement, continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the security portfolio which they are part of. The counterparty liability for amounts received under these agreements is included in other money market deposits. The difference between sale and repurchase price is treated as interest expense and accrued over the life of the repurchase agreements.



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Assets purchased with a corresponding commitment to resell at a specified future date (reverse repurchase agreements) are not recognized in the balance sheet, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in other money market placements. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement.

#### Originated Loans and Advances to Customers

Loans and advances originated by the Group by providing money to the borrower are classified as originated loans and are carried at amortized cost less any amounts written-off and specific and general provisions. All loans and advances are recognized when cash is advanced to borrowers.

#### Allowance for Possible Loan Losses

Based upon its evaluation of credits granted, management estimates the total credit risk provision that it believes is adequate to cover uncollectible amounts in the Group's loan and receivable portfolio and losses under guarantees and commitments. If there is objective evidence that the Group will not be able to collect all amounts due (principal and interest) according to original contractual terms of the loan; such loans are considered impaired and classified as "loans in arrears". The amount of the loss is measured as the difference between the loan's carrying amount and the present value of expected future cash flows discounted at the loan's original effective interest rate or as the difference between the carrying value of the loan and the fair value of collateral, if the loan is collateralized and foreclosure is probable.

Impairment and uncollectibility are measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired.

The Group ceases to accrue interest on those loans that are classified as "loans in arrears" and for which the recoverable amount is determined primarily in reference to fair value of collateral.

The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance for impairment account. A write off is made when all or part of a loan is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principle amount of a loan. Recoveries of loans written off in earlier period are included in income.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the provision for loan losses expense. Unwinding of the discount is treated as income and remaining provision is then reassessed.

#### Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. Goodwill is amortized on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is stated at cost less accumulated amortization and any impairment in value.

## Premises and Equipment

Premises and equipment are carried at restated cost less depreciation computed on a similar basis using the straightline method. The depreciation and amortization rates, which approximate the estimated economic useful lives of related assets are as follows:

|                                                 |       |
|-------------------------------------------------|-------|
| Buildings                                       | 2%    |
| Equipment, furniture and motor vehicles         | 20%   |
| Leased assets                                   | 20%   |
| Leasehold improvement and pre-operating expense | 9-20% |

Leasehold improvements are depreciated by the straight-line method over the lease period.

Using an option granted by the Turkish tax laws and regulations, the Bank has revalued, in the statutory books of account, its property, plant and equipment (excluding land and current year acquisitions) and the related accumulated depreciation as of each year end by using the rates and procedures prescribed by the related legislation. Such revaluation rates were 59% and 53.2% for the fiscal years ended 31 December 2002 and 2001, respectively. In the statutory financial statements, the related increases in the net book value of assets are included under shareholders' equity as revaluation surplus. The Bank may use the revaluation fund to issue free capital shares to existing shareholders. However, if the revaluation surplus is included in an account other than the revaluation surplus account, such amount is subject to tax. In the statutory books of account depreciation is provided on the revalued amounts (except for the net revaluation applicable to buildings) and such depreciation is deductible in the computation of income subject to corporation tax. All entries related to such revaluation, which were recorded in the Bank's statutory books of account have been eliminated in the accompanying financial statements as part of the restatement process. A full year's depreciation is provided in the year in which an asset was brought into operations except for the motor vehicles which are depreciated on a monthly basis.

The carrying values of premises and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of premises and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

## Deposits and Funds Borrowed

Deposits and funds borrowed are initially recognized at cost. After initial recognition, all interest liabilities are subsequently measured at amortized cost using effective yield method, less amounts repaid. Amortized cost is calculated by taking into account any discount or premium on settlement. Gain or loss is recognized in the income statement when the liability is derecognized or impaired as well as through the amortization process.

## Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

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Foreign currency translation rates used by the Group as of respective year-ends are as follows:

| Dates             | USD / TL (full) |
|-------------------|-----------------|
| December 31, 2000 | 671,765         |
| December 31, 2001 | 1,446,638       |
| December 31, 2002 | 1,639,745       |

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements of foreign subsidiaries are translated at yearly average exchange rates, which is considered as a proxy to restate such income statement amounts at year-end purchasing power of TL. The resulting differences were taken to shareholders' equity as currency translation differences reserve.

On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction and restated thereafter.

### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

### Leases

#### The Group as Lessee

##### Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

#### Reserve for Retirement Pay

Under the provisions of Turkish Labor Law, the Group is required to make certain lump-sum payments to employees whose employment ceases due to retirement or due to reasons other than misconduct or resignation. Such payments are determined on the basis of an agreed formula and are subject to certain upper limits per year of service and are recognized in the accompanying financial statements as accrued.

In the accompanying financial statements as of 31 December 2002, in accordance with revised IAS 19 (Employee Benefits), the Bank has reflected a liability based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their service and being eligible to receive retirement pay and discounted by using an appropriate discount rate. The consolidated entities other than the Bank, did not adopt IAS 19 (revised)-Employee Benefits, which became applicable for the accounting periods beginning on or after 1 January 1999. Had the Banking Group applied IAS 19 (revised), the retirement pay liability would have been

discounted as per provisions of the standard which would have resulted in a decrease of retirement pay liability. This adjustment would not have a significant impact on the accompanying financial statements. The Banking Group's estimated maximum liability for such termination indemnities as of 31 December 2002 and 2001 is reflected in the accompanying balance sheets.

### **Income Tax**

Tax expense/(income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences:

- except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **Derivative Financial Instruments**

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. These derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair value.

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Fair values are obtained from quoted market prices, to the extent publicly available, discounted cash flows and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

### **Related Parties**

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Bank is controlled by Zorlu Holding, which owns 99.99% (2001 - 100%) of the Bank's ordinary shares. For the purpose of these financial statements companies having common shareholders are also referred to as related parties.

### **Income and Expense Recognition**

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investment (and trading) securities and accrued discount and premium on treasury bills and other discounted instruments.

Commission income and fee for various banking services are recorded as income when collected. Dividends are recognized when the shareholders' right to receive the payments is established.

### **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and liability simultaneously.

### **Recognition and Derecognition of Financial Instruments**

The Group recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion financial asset. The Group derecognizes a financial liability when and only when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expires.

### **Cash and Cash Equivalents**

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash and balances with the Central Bank, deposits with banks and other financial institutions and other money market placements with an original maturity of three months or less.

### **Use of Estimates**

The preparation of financial statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Amounts subject to significant estimates and assumptions are items such as the allowance for credit losses, employee termination benefits and the fair value of financial instruments. Actual results could differ from those estimates.



### Fiduciary Assets

Assets held by the Group in a fiduciary, agency or custodian capacity for its customers are not included in the balance sheet, since such items are not treated as assets of the Group.

### 3. CASH AND DUE FROM BANKS AND CENTRAL BANK

Cash and due from banks as of 31 December 2002 and 2001 are comprised of:

|                            | 2002           | 2001          |
|----------------------------|----------------|---------------|
| Cash and checks at banks   |                |               |
| - Turkish Lira             | 10,567         | 2,786         |
| - Foreign currency         | 39,514         | 22,956        |
| Due from banks             |                |               |
| - Turkish Lira             | 59,477         | 13            |
| - Foreign currency         | 16,931         | 25,775        |
| Balances with Central Bank |                |               |
| - Turkish Lira             | 34,841         | 12,035        |
| - Foreign currency         | 1,542          | 30            |
|                            | <b>162,872</b> | <b>63,595</b> |

Balances with Central Bank represent funds deposited for liquidity requirements as per Turkish Banking Regulations.

### 4. PLACEMENTS WITH BANKS AND CENTRAL BANK

Placements with banks as of 31 December 2002 and 2001 are comprised of:

|                              | 2002           | 2001           |
|------------------------------|----------------|----------------|
| Placements with banks        |                |                |
| - Turkish Lira               | 21,643         | -              |
| - Foreign currency           | 312,642        | 267,555        |
| Placements with Central Bank |                |                |
| - Turkish Lira               | -              | -              |
| - Foreign currency           | 55,776         | 125,318        |
|                              | <b>390,061</b> | <b>392,873</b> |

As of 31 December 2002, placements with banks comprised foreign currency placements earning interest between 1.3% and 4.3% (2001: 1.5% and 6.3%) and Turkish Lira placements earning interest between 36% and 48% (2001: none) per annum. Foreign currency balances comprise mainly of USD and EUR.

As of 31 December 2002, placements with banks include accrued interest income on banks of TL 183 (2001: TL 101), on funds sold to the interbank of TL 1,067 (2001: TL 707) and on placements with Central Bank of TL 25 (2001: TL 70).

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#### 5. OTHER MONEY MARKET PLACEMENTS

|                                                                                                                                                          | 2002           | 2001           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Interbank placements                                                                                                                                     | 165,867        | 186,499        |
| Funds lent under reverse repurchase agreements                                                                                                           | 19             | -              |
| Placements at Istanbul Menkul Kıymetler Borsası<br>Takas ve Saklama Bankası Anonim Şirketi<br>(Istanbul Stock Exchange Settlement and Custody Bank Inc.) | 10,425         | -              |
|                                                                                                                                                          | <b>176,311</b> | <b>186,499</b> |

As of 31 December 2002, interest rates of interbank placements were 43% and 45.3% (2001: 52% and 69%), maturing between 2 January 2003 and 24 January 2003.

#### 6. RESERVE DEPOSITS

Reserve deposits with Central Bank as of 31 December 2002 and 2001 comprised:

|                  |                    | 2002           | 2001           |
|------------------|--------------------|----------------|----------------|
| Reserve deposits | - Turkish Lira     | 25,817         | 13,993         |
|                  | - Foreign currency | 147,912        | 114,727        |
|                  |                    | <b>173,729</b> | <b>128,720</b> |

As of 31 December 2002, reserve deposits include accrued interest income on reserve deposits at Central Bank of TL 2,747 (2001: TL 1,384).

According to the regulations of the Central Bank of Turkish Republic (the Central Bank), banks are obliged to reserve a certain portion of their deposits other than interbank deposits. Such reserves are deposited with the Central Bank.

As of 31 December 2002, reserve deposit rates applicable for Turkish Lira deposits were 6% (2001- 4%) and 11% for foreign currency deposits.

As of 31 December 2002, the interest rates applied for Turkish Lira and foreign currency reserve deposits are 25% and 0.55% (31 December 2001 - 40% and 0%), respectively.

## 7. INVESTMENTS IN SECURITIES

Investments in securities as of 31 December 2002 and 2001 comprised:

|                                                      | Effective Average<br>Interest Rate (%) | 2002             | 2001             |
|------------------------------------------------------|----------------------------------------|------------------|------------------|
| <b>Trading securities</b>                            |                                        |                  |                  |
| <b>Debt Instruments:</b>                             |                                        |                  |                  |
| Government bonds and treasury bills (TL)             | 48.37                                  | 407,326          | 233,243          |
| Foreign currency indexed government bonds            | 9                                      | 16,208           | 69,480           |
| Turkish government Eurobonds (FC)                    | 9.93                                   | 402,508          | 169,366          |
| Turkish private sector bonds (FC)                    | 12.27                                  | 11,466           | -                |
| Turkish private sector Eurobonds (FC)                | 12.27                                  | 8,900            | -                |
| Foreign government bonds (FC)                        | 7.61                                   | 13,848           | -                |
| <b>Common stocks</b>                                 |                                        | <b>199,739</b>   | <b>127,017</b>   |
| Total trading portfolio                              |                                        | 1,059,995        | 599,106          |
| <b>Available-for-sale securities</b>                 |                                        |                  |                  |
| <b>Debt Instruments:</b>                             |                                        |                  |                  |
| Foreign currency government bonds and treasury bills | 7.46                                   | 303,021          | 278,993          |
| <b>Common stocks</b>                                 |                                        | <b>2,638</b>     | <b>2,617</b>     |
|                                                      |                                        | 305,659          | 281,610          |
| <b>Held-to-maturity securities</b>                   |                                        |                  |                  |
| <b>Debt Instruments:</b>                             |                                        |                  |                  |
| Government bonds (TL)                                | 48.37                                  | 90,924           | -                |
| Foreign currency government bonds                    | 7.46                                   | 36,752           | -                |
| Foreign currency indexed government bonds            | 4.33                                   | 65,332           | -                |
| Foreign government Eurobonds (FC)                    | 7.61                                   | 46,212           | -                |
| Gold                                                 |                                        | -                | 170,350          |
| Total investment/guarantee portfolio                 |                                        | 239,220          | 170,350          |
| <b>Total securities portfolio</b>                    |                                        | <b>1,604,874</b> | <b>1,051,066</b> |

As of 31 December 2002, Turkish Lira government bonds and treasury bills of the Bank classified as trading securities with a carrying value of TL 408,325 were stated at market values quoted on the Istanbul Stock Exchange at year-end. As of 31 December 2002, Turkish Lira government bonds and treasury bills classified as trading securities included securities given as collateral under repurchase agreements amounting to TL 39,192.

As of 31 December 2002, Turkish government bonds classified as held-to-maturity securities with a carrying value of 90,924 were stated at amortized cost.

Foreign currency government bonds classified in available-for-sale securities with a carrying value of TL 303,021 were stated at amortized cost due to volatility of their respective market prices.

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Foreign currency government bonds and foreign government Eurobonds (pertaining to the portfolio of a consolidated subsidiary, Esbank Wien AG) classified as held-to-maturity securities were stated at acquisition costs of EUR 46,752,411 (equivalent to TL 80,365) and accrued interest of EUR 1,511,867 (equivalent to TL 2,599), total value of EUR 48,264,278 (equivalent to TL 82,964).

Foreign currency indexed government bonds classified as trading securities with a carrying value of TL 16,198 were stated at unit market prices declared by the Central Bank at year-end.

Foreign currency indexed government bonds classified as held-to-maturity portfolio with a carrying value of TL 65,332 were valued by the average exchange rate of USD for the last ten days declared by the Treasury.

Turkish government Eurobonds, Turkish private sector bonds, Turkish private sector Eurobonds and foreign government bonds classified as trading portfolio with a carrying value of TL 436,722 were stated at market prices plus coupon interest payment.

As of 31 December 2002, the Turkish Lira treasury bills and government bonds earned interest between 36.5% and 70.95% (2001: 55% and 183%) per annum.

Turkish government Eurobonds earned interest between 5.75% and 13.94% (2001: 9.25% and 12.75%) per annum. Turkish private sector bonds and Eurobonds denominated in USD and EUR, earning interest between 5.72% and 12.75% per annum. Foreign government bonds consisted of USD denominated government bonds earning interest between 9.58% and 9.60% per annum.

As of 31 December 2002, common stocks are composed of securities traded on the Istanbul Stock Exchange and are stated at market prices. The difference between cost and market value of TL 56,825 is taken to capital market gains in the accompanying statement of income. Common stocks in the trading portfolio included foreign shares (pertaining to the portfolio of consolidated subsidiary, Esbank Wien AG) with acquisition cost of EUR 9,588 (equivalent to TL 16).

As of 31 December 2002, 34.50% (2001: 39.92%) interest of the Bank in Zorlu Enerji was classified as trading securities, rather than accounted for under the equity method based on the intent of the Bank to trade those shares rather than for long-term investment purposes.

As of 31 December 2002, securities given as collateral for borrowings comprised:

- i) Nominal value USD 78,500,000 eurobonds at Standard Bank London as guarantee for the USD 59,457,751 borrowing;
- ii) Nominal value USD 23,980,000 and Euro 1,900,000 Eurobonds at Morgan Stanley as guarantee for the USD 19,430,041 borrowing;
- iii) Nominal value EUR 6,633,642 private sector bonds at Esbank Wien AG.

Unlisted equity securities classified as available-for-sale securities represent the Group's equity holdings in Çukurova Holding A.Ş., shares of which are not publicly traded. Consequently, they are reflected at restated cost, as a reliable estimate of their fair values could not be made.

### Legal Requirements

As of 31 December 2002, government bonds and treasury bills with nominal value of TL 29,100 and USD 37,800,000 and carrying value of TL 29,868 and USD 37,831,144 (TL 62,033), respectively are kept in the Central Bank for liquidity requirements and as collateral for the interbank and foreign currency market transactions. Additionally, treasury bills and government bonds with nominal value of TL 39,032 and book value of TL 41,762 are kept in Istanbul Stock Exchange Settlement and Custody Bank Inc. as a guarantee for stock exchange and money market operations.

## Liquidity Requirements

Communiqués issued by the Central Bank of Turkey require that banks maintain minimum ratios of deposits with the Central Bank of Turkey and government bonds in their portfolio against their liabilities. Such liquidity requirements were as follows:

| Type of Liability                                                                              | Liquidity Requirement          |
|------------------------------------------------------------------------------------------------|--------------------------------|
| -Turkish Lira deposits other than local inter-bank deposits, repo and shareholders' equity     | 4% (min) government securities |
| -Foreign currency deposits other than local inter-bank deposits, repo and shareholders' equity | 1% (min) government securities |
| -Qualifying Turkish Lira liabilities other than deposits                                       | 4% (min) government securities |
| -Qualifying foreign currency liabilities other than deposits                                   | 1% (min) government securities |

## 8. ORIGINATED LOANS AND ADVANCES

Originated loans and advances as of 31 December 2002 and 2001 comprised:

|                                    | 2002             | 2001           |
|------------------------------------|------------------|----------------|
| <u>Short-term loans:</u>           |                  |                |
| Turkish Lira                       | 311,778          | 116,851        |
| Foreign currency                   | 538,961          | 259,869        |
| Foreign currency indexed           | 148,382          | 97,922         |
|                                    | 999,121          | 474,642        |
| <u>Medium and long-term loans:</u> |                  |                |
| Turkish Lira                       | 3,537            | 22,101         |
| Foreign currency                   | 192,632          | -              |
| Foreign currency indexed           | 1,796            | 127            |
|                                    | 197,965          | 22,228         |
| Total performing loans             | 1,197,086        | 496,870        |
| Non-performing loans               | 62,926           | 61,341         |
| Less: Loan allowances              | (67,009)         | (27,896)       |
| <b>Total loans, net</b>            | <b>1,193,003</b> | <b>530,315</b> |



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As of 31 December 2002, the maturities of short-term loans are less than one year and the range of interest rates applied is as follows:

- for short-term Turkish Lira Eximbank loans: between 34% and 51% (2001: 35% and 58%),
- for other Turkish Lira loans: between 47% and 110% (2001: 60% and 95%),
- for various foreign currency Eximbank loans: between Libor + 0.5% and Libor + 5.5% (2001: Libor + 0.5% and Libor + 5.5%),
- for other foreign currency loans: between 10% and 12% (2001: 6% and 14%),
- for foreign currency indexed loans: between 6% and 12% (2001: 7% and 15%),
- for Turkish Lira and foreign currency indexed loans, for medium-term loans: between 6% and 13% (2001: 7% and 19%).

Movement in the provision for loan losses during the year ended 31 December 2002 and 2001 were as follows:

|                                            | 2002          | 2001          |
|--------------------------------------------|---------------|---------------|
| Balance at beginning of the year           | 27,896        | 17,140        |
| Additional provision during the year (net) | 45,691        | 18,613        |
| Recoveries                                 | (3,268)       | (7,267)       |
| Monetary gain/(loss)                       | (3,310)       | (590)         |
| <b>Balance at end of the year</b>          | <b>67,009</b> | <b>27,896</b> |

#### 9. ACCRUED INCOME

Accrued income is comprised of the following:

|                                                  | 2002         | 2001           |
|--------------------------------------------------|--------------|----------------|
| Accrued income on derivative contracts (Note 21) | 7,897        | 150,811        |
| Other accrued income                             | 215          | -              |
|                                                  | <b>8,112</b> | <b>150,811</b> |

#### 10. INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES

The breakdown of investments in unconsolidated subsidiaries are comprised of the following:

|                                                    | 2002                            |                         | 2001                            |                         |
|----------------------------------------------------|---------------------------------|-------------------------|---------------------------------|-------------------------|
|                                                    | Participation<br>Percentage (%) | Participation<br>Amount | Participation<br>Percentage (%) | Participation<br>Amount |
| Destek Oto Kiralama<br>ve Temizlik Anonim Şirketi  | 98.40                           | 27                      | 98.40                           | 27                      |
| Anadolu Kredi Kartı Turizm<br>ve Ticaret A.Ş.      | 99.98                           | 6,281                   | -                               | -                       |
| Intertech Bilgi İşlem ve<br>Pazarlama Ticaret A.Ş. | 100.00                          | 3,344                   | -                               | -                       |
| DenizYatırım Menkul Kıymetler A.Ş.                 | -                               | -                       | 99.99                           | 6,307                   |
|                                                    |                                 | <b>9,652</b>            |                                 | <b>6,334</b>            |

During January 2002, in accordance with the share transfer agreement between the Bank and the Savings Deposit Insurance Fund, the Bank acquired 99.98% of the shares of Anadolu Kredi Kartı Turizm ve Ticaret A.Ş., an unlisted company specialized in domestic and international credit card operations and tourism agency activities.

During July 2002, in accordance with the share transfer agreement between the Bank and the Savings Deposit Insurance Fund, the Bank acquired 99.99% of the shares of Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. an unlisted company specialized in data processing services.

Destek Oto Kiralama ve Temizlik Anonim Şirketi is principally engaged in the provision of administrative services.

Based on the immateriality of operating results on the Bank's financial statements, consolidation is not applied for these subsidiaries in the accompanying financial statements.

## 11. PREMISES AND EQUIPMENT

The breakdown of property and equipment during the years ended 31 December 2002 and 2001 were as follows:

|                                          | 2002          | 2001          |
|------------------------------------------|---------------|---------------|
| <b>Restated Cost</b>                     |               |               |
| Buildings                                | 34,428        | 27,204        |
| Leasehold improvement                    | 21,787        | 17,750        |
| Vehicles                                 | 5,931         | 555           |
| Leased assets                            | 35,370        | 25,435        |
| Furniture, fixture, equipment and others | 30,038        | 2,603         |
|                                          | 127,554       | 73,547        |
| Less: Accumulated Depreciation           | (51,653)      | (28,520)      |
| <b>Net Book Value</b>                    | <b>75,901</b> | <b>45,027</b> |

## 12. OTHER ASSETS

|                                        | 2002          | 2001          |
|----------------------------------------|---------------|---------------|
| Prepaid taxes                          | 3,300         | 5,245         |
| Prepaid expenses                       | 1,355         | 689           |
| Pre-operating expenses, net            | 2,524         | 597           |
| Fixed asset to be sold                 | 4,144         | 2,640         |
| Deposits and guarantees given          | 4,258         | -             |
| Advances given                         | 533           | 377           |
| Stationary inventory                   | 739           | 360           |
| Remittances received                   | 1,485         | -             |
| Receivables from legal expenses        | 549           | 837           |
| Receivables from credit card customers | 930           | 141           |
| Other                                  | 1,714         | 2,542         |
|                                        | <b>21,531</b> | <b>13,428</b> |

Fixed assets to be sold represent collateralized properties acquired by the Bank from the debtors in the course of its lending activities. Such properties have been valued at current prices. The valuation was carried out by values normally employed by the Bank for routine valuations of the property of loan customers offered as security.

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#### 13. GOODWILL

Positive and negative goodwill (net) arise from the acquisition of the following subsidiaries:

|                      | 2002     |          |
|----------------------|----------|----------|
|                      | Positive | Negative |
| Esbank Wien AG       | 4,399    | -        |
| Ekspres Yatırım      | -        | (4,650)  |
| Euro Deniz Off Shore | -        | (3)      |
| Tariş Yatırım        | -        | (182)    |
|                      | 4,399    | (4,835)  |
|                      | (436)    |          |

#### 14. DEPOSITS

The breakdown of deposits as of 31 December 2002 and 2001 is as follows:

|                           | 2002             |           | 2001             |           |
|---------------------------|------------------|-----------|------------------|-----------|
|                           | Demand           | Time      | Demand           | Time      |
| Customer deposits         | 567,597          | 2,315,810 | 370,092          | 1,457,823 |
| Deposits from other banks | 37,094           | 139,288   | 44               | 91,066    |
|                           | 604,691          | 2,455,098 | 370,136          | 1,548,889 |
| <b>Total deposits</b>     | <b>3,059,789</b> |           | <b>1,919,025</b> |           |

Maturity of time deposits are less than one year. As of 31 December 2002, interest rates applied to Turkish Lira deposits vary between 43% and 46% (2001: 55% and 65%) for time and between 0% and 5% (2001: 0% and 5%) for demand deposits. As of 31 December 2002, interest rates applied for foreign currency deposits vary between 1% and 5% (2001: 3% and 5%) for USD and EUR time deposits and 0% (2001: 0%) for USD and EUR demand deposits.

Money market deposits:

|                                                 | 2002   | 2001   |
|-------------------------------------------------|--------|--------|
| <b>Obligations under repurchase agreements:</b> |        |        |
| -Due to customers                               | 38,486 | 323    |
| <b>Interbank deposits</b>                       | -      | 47,207 |
| <b>Other money market deposits</b>              | 8,264  | -      |
|                                                 | 46,750 | 47,530 |

Effective weighted average interest rate of repurchase agreements is between 38% and 49.5% (2001: 57.58%).

As of 31 December 2002, interest on other money market deposits at İMKB Takas ve Saklama Bankası A.Ş. (Istanbul Stock Exchange Settlement and Custody Bank Inc.) were 42% for Turkish Lira deposits maturing 2 January 2003.

## 15. FUNDS BORROWED

The breakdown of funds borrowed from banks as of 31 December 2002 and 2001 comprised:

|                                      | 2002           | 2001           |
|--------------------------------------|----------------|----------------|
| Turkish Lira funds borrowed from     |                |                |
| - Eximbank                           | 14,946         | 9,152          |
| Foreign currency funds borrowed from |                |                |
| - Eximbank                           | 10,547         | 9,652          |
| - Other banks                        | 174,953        | 235,991        |
| - Supplementary capital              | 11,843         | -              |
|                                      | <b>212,289</b> | <b>254,795</b> |

Funds were borrowed from the Export Import Bank (Eximbank) of Turkey by the Bank to finance certain export loans given to customers, with maturity up to six months.

On 17 April 2002 and 21 June 2002, the Bank obtained two loans of USD 59,457,757 (equivalent to TL 97,496) from Standard Bank London maturing in one year to be used for the Bank's general funding requirements for various banking transactions. Based on the loan agreement the interest rate applicable on the loan facility is between 4.51% and 4.83% per annum. The loan is collateralized by Turkish government Eurobonds pledged for a nominal amount of USD 78,500,000 kept at Standard Bank London's custody account.

As of 31 December 2002, foreign currency funds borrowed from other banks include collateralized loans obtained from Morgan Stanley Capital Group Inc. of USD 19,430,041 (equivalent to TL 31,860) with an interest rate between 0.9% and 1.37% per annum maturing 3 January 2003. Turkish government Eurobonds with nominal values of USD 23,980,000 and EUR 1,900,000 were placed as collateral against these loans.

Other foreign currency funds borrowed include funds obtained from various foreign banks with the interest rates varying between 0.9% and 5.6% (2001: 2% and 6.81%).

## 16. ACCRUED EXPENSE

Accrued expense consists of the following:

|                                                     | 2002          | 2001          |
|-----------------------------------------------------|---------------|---------------|
| Unrealized losses on derivative contracts (Note 21) | 7,246         | 21,349        |
| Accrual for deposit insurance fund                  | 1,605         | 2,723         |
| Other accrued expenses                              | 2,018         | 1,719         |
|                                                     | <b>10,869</b> | <b>25,791</b> |

## 17. TAXATION ON INCOME

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group and its subsidiaries operate.

In Turkey the effective corporate tax rate including the fund levied is 33%. Items exempted from corporation tax (except dividends collected) are subject to income tax at the effective rate of 11% or 19.8%. In case of dividend distributions in the form of cash, depending on public or privately owned status of the entity, 5% or 15% income

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tax (plus 10% additional fund) is calculated over that portion of the distributed amount which is subject to 33% corporation tax and paid to tax authorities on behalf of shareholders.

In Turkey, tax regulations do not provide a procedure for final agreement of tax assessments. Tax returns are filed within the fourth month after the end of the year to which they relate to and tax authorities may examine the accounting records and revise assessments within five years.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

In accordance with the advance tax payment regulation in Turkey, entities are required to file temporary tax returns quarterly and pay 25% of their quarterly earnings which is offset from the final tax liability computed on the current year's operating results. Accordingly, the taxation charge computed is not equal to the final tax liability appearing on the balance sheet.

Fiscal losses that are reported in the corporation tax return can be carried forward and deducted from the corporation tax base for a maximum of five consecutive years.

Turkish Tax Procedural Law does not include a procedure for final agreement of tax assessments. Tax returns must be filed within four months of the year and may be examined, together with their underlying accounting records, by the tax authorities who may revise tax computations within five years.

As of 31 December 2002, the tax charge in the accompanying statement of income includes the current and deferred tax portions as follows:

|                                      | 2002     | 2001    |
|--------------------------------------|----------|---------|
| Included in the statement of income: |          |         |
| Current tax charge                   | (1,124)  | -       |
| Deferred tax charge/(credit)         | 11,893   | (2,931) |
|                                      | 10,769   | (2,931) |
| Included in the balance sheet:       |          |         |
| Taxation payable on income (current) | 1,226    | -       |
| Deferred tax (asset)/liability (net) | (13,504) | 17,143  |
|                                      | (12,278) | 17,143  |



As of 31 December 2002 and 2001, the deferred income tax assets and liabilities are attributable to the following items: (Deferred tax (assets)/liabilities):

|                                                                                                                                                         | 2002     | 2001   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|
| Source of temporary differences (deductible or taxable):                                                                                                |          |        |
| -Valuation of securities portfolio, income accruals of forwards, loss provisions, effect of adopting IAS 39 and other reversing timing differences, net | (868)    | 1,524  |
| -Realized and unrealized gains related to the equity shares                                                                                             | -        | 12,737 |
| -Property, plant and equipment restatement differences                                                                                                  | 318      | 801    |
| -Equity investments restatement differences                                                                                                             | 1,244    | 2,081  |
| -Statutory tax losses of the Bank originating in the current period (*)                                                                                 | (14,198) | -      |
|                                                                                                                                                         | (13,504) | 17,143 |

(\*) Major part of the tax base loss of the Bank in the current year originated from the deduction of carry forward tax losses from fiscal year 2001 of TL 207,703 and losses taken over from the acquisition of Tarih Bank in 2002 of TL 75,207.

## 18. OTHER LIABILITIES AND PROVISIONS

The breakdown of other liabilities and provisions is as follows:

|                                                                                                   | 2002   | 2001   |
|---------------------------------------------------------------------------------------------------|--------|--------|
| Taxes and duties payable                                                                          | 10,994 | 6,329  |
| Taxes collected from customers to be paid to government                                           | -      | 2,074  |
| Financial lease payables                                                                          | 8,969  | -      |
| Reserve for employee termination benefits                                                         | 4,573  | 674    |
| Deferred commission income                                                                        | 6,878  | -      |
| Provisions and accrued expenses                                                                   | 2,562  | -      |
| Various payables (comprised of import cost, payment orders, blocked checks and other liabilities) | 62,644 | 24,375 |
|                                                                                                   | 96,620 | 33,452 |

### Employee Termination Benefits

In accordance with existing social legislation, the Bank and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In Turkey, such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 1.260 and TL 0.978 at 31 December 2002 and 31 December 2001 respectively) per year of employment at the rate of pay applicable at the date of retirement or termination. The actual amount paid as termination benefits are considered as tax deductible and the provisions set up to reflect the obligation related to currently employed personnel are not allowable for tax purposes. In the financial statements as of 31 December 2002 and 31 December 2001, the Group reflected a liability based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their service and being eligible to receive retirement pay and discounted by using an appropriate discount rate.

The principal actuarial assumptions used at the balance sheet dates are as follows:

|                                          | 2002 |
|------------------------------------------|------|
| Discount rate                            | 33%  |
| Expected rates of salary/limit increases | 25%  |

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### 19. SHARE CAPITAL

As of 31 December 2002, the issued share capital of the Bank comprised 202 million (2001 - 130 million) of authorized shares with a nominal value of TL 1,000,000 (full) each amounted to TL 202,000 (historical amount). The composition of the paid-in share capital and the shareholders at 31 December 2002 and 2001 are shown below:

|                                                                                     | 2002    |        | 2001    |        |
|-------------------------------------------------------------------------------------|---------|--------|---------|--------|
|                                                                                     | TL      | %      | TL      | %      |
| Zorlu Holding A.Ş.                                                                  | 201,980 | 99.99  | 121,970 | 100.00 |
| Others                                                                              | 20      | 0.01   | -       | -      |
| Total historic share capital                                                        | 202,000 | 100.00 | 121,970 | 100.00 |
| Add: restatement adjustment                                                         | 170,251 |        | 161,539 |        |
| Restated share capital at the equivalent purchasing power of TL at 31 December 2002 | 372,251 | 100.00 | 283,509 | 100.00 |

In accordance with a Board decision on 26 January 2002, the Bank's historic share capital was increased from TL 130,000 to TL 144,006 and further to TL 202,000 in accordance with a Board decision on 19 August 2002, through transfers from the fund of gain on sale of investments of TL 14,006 and cash of TL 57,994.

### 20. LEGAL RESERVES AND ACCUMULATED DEFICIT

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution subject to the legal reserve requirement referred to below. Under Turkish Banking Law, the Bank is required to create the following legal reserves from appropriations of earnings, which are available only in the event of liquidation or losses.

- First reserve is appropriated out of statutory profits before tax at the rate of 5% until it reaches a maximum of 20% of the Bank's paid-up capital.
- Second reserve is appropriated at the rate of 10% of all dividend distributions in excess of 5% of the share capital. This reserve is available for distribution after it exceeds 50% of the share capital.

### 21. DERIVATIVES

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures and options.

The table below shows the favorable (assets) and unfavorable (liabilities) fair values of derivative financial instruments together with the notional amounts analyzed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

As of 31 December 2002, accrued income and accrued expense on outstanding forward contracts amounted to TL 7,897 and TL 7,246, respectively (net: income of TL 651) (2001: TL 129,462 income net) (See also Notes 9 and

16). Currency forwards represent commitments to purchase foreign and domestic currency including undelivered spot transactions. Transactions in foreign currency forward contracts are undertaken to reduce the Group's foreign exchange risk exposure.

The Banking Group calculated the fair values of the forward contracts by estimating a forward rate at the maturity with effective interest rates of Turkish Lira and foreign currency instruments at the reporting date which is then discounted to the reporting date by 55% which is the annual compound rate of TL instruments compound rate of TL instruments effective at the reporting date.

|                                     | 2002                   |                        |                    |                   |               |          |
|-------------------------------------|------------------------|------------------------|--------------------|-------------------|---------------|----------|
|                                     | Positive<br>Fair Value | Negative<br>Fair Value | Notional<br>Amount | Up to 3<br>months | 3-6<br>months | Over     |
| Derivatives held for trading        |                        |                        |                    |                   |               |          |
| Forward Purchase and Sale Contracts |                        |                        |                    |                   |               |          |
| a) Forward Purchase Contracts       | 3,048                  | 1,852                  | 786,139            | 785,714           | 425           | -        |
| b) Forward Sale Contracts           | 4,849                  | 5,394                  | 783,527            | 783,193           | 334           | -        |
| <b>Total</b>                        | <b>7,897</b>           | <b>7,246</b>           | <b>1,569,666</b>   | <b>1,568,907</b>  | <b>759</b>    | <b>-</b> |

## 22. COMMITMENTS AND CONTINGENCIES

In the normal course of business activities, the Bank and its subsidiaries undertake various commitments and incur certain contingent liabilities that are not presented in the financial statements including:

|                                                 | 2002             | 2001           |
|-------------------------------------------------|------------------|----------------|
| Letters of guarantee                            | 588,729          | 319,262        |
| Acceptance credits and import letters of credit | 398,330          | 282,250        |
| Other commitments and liabilities               | 344,804          | 129,685        |
|                                                 | <b>1,331,863</b> | <b>731,197</b> |

Management does not anticipate any material losses as a result of these commitments and contingencies. Maturity of open import letters of credit are less than one year. Letters of guarantee are, on the other hand, generally issued for indefinite terms.

### Litigations

There were a number of legal proceedings outstanding filed by the Group (TL 169, EUR 207,579 and USD 26,288) or against the Group (TL 1,851, EUR 21,000 and USD 16,111) as of 31 December 2002 totaling TL 2,482. This mainly include matters relating to claims made in respect of loss compensations, legal proceedings for doubtful loans and other lawsuits involving personnel. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

## 23. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. The Group is controlled by the Zorlu Holding Group, comprised of several companies engaged in energy, electronics white goods, telecommunication, textile, home textile, hotel management, insurance, leasing, factoring, marketable securities trading, trading and tourism and other services (Note 1).

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For the purpose of these consolidated financial statements, unconsolidated subsidiaries, shareholders and companies having common shareholders are referred to as related parties. Related parties also include individuals that are principal owners, management and members of the Group's Board of Directors and their families.

In the course of conducting its banking business, the Group conducted various business transactions with related parties on commercial terms and at rates which approximate market rates.

The following balances were outstanding from related parties as of 31 December 2002 and 2001:

|                                                   | 2002    | 2001      |
|---------------------------------------------------|---------|-----------|
| Cash loans                                        | 90,870  | 50,545    |
| Non-cash loans                                    | 215,529 | 227,050   |
| Deposits                                          | 12,181  | 1,464     |
| Net accrued income/(expense) on forward contracts | (616)   | 110,357   |
| Foreign currency purchase forward contracts       | 15,976  | 1,155,857 |
| Foreign currency sale forward contracts           | 16,397  | 1,079,716 |

### 24. FINANCIAL RISK MANAGEMENT

#### Credit risk

Credit risk is the risk that one party to a financial institution will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties. In addition to monitoring credit limits, the Group manages the credit exposure relating to its trading activities by limiting the duration of exposure.

Concentrations of credit risk arise when a number of counterparties are engaged in similar activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with industrials or groups of customers in specific locations or businesses. It also obtains security when appropriate.

As of 31 December 2002, the concentration of the Bank's cash and non-cash loans as to industry groups is as follows:

| Sectors                                      | Share (%)     |
|----------------------------------------------|---------------|
| Construction, glass and soil                 | 20.30         |
| Textile and leather                          | 11.99         |
| Consumer durables                            | 7.84          |
| Consumer loans (house, automobile and other) | 2.19          |
| Credit cards                                 | 6.35          |
| Petroleum products                           | 7.77          |
| Electronics and information technology       | 7.71          |
| Foodstuff                                    | 7.56          |
| Tourism and transportation                   | 6.93          |
| Finance                                      | 5.26          |
| Metal and machine                            | 4.42          |
| Printing and media                           | 2.13          |
| Other                                        | 9.55          |
| <b>Total</b>                                 | <b>100.00</b> |

## Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to become unavailable. To mitigate the risk, the Banking Group diversifies funding sources and assets are managed with liquidity in mind, maintaining balance of cash and cash equivalents.

The table below summarizes the maturity profile of the Banking Group's major assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. As of 31 December 2002, the maturity profile is monitored by the Banking Group to ensure sufficient liquidity is maintained.

|                                                            | Up to 1<br>month | 1-3<br>months    | 3-6<br>months   | 6-12<br>months   | Over             | Total            |
|------------------------------------------------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| <b>ASSETS</b>                                              |                  |                  |                 |                  |                  |                  |
| Cash and due from banks                                    | 162,872          | -                | -               | -                | -                | 162,872          |
| Placements with banks and other<br>money market placements | 565,872          | 500              | -               | -                | -                | 566,372          |
| Reserve deposits                                           | 124,588          | 39,258           | 6,290           | 2,489            | 1,104            | 173,729          |
| Investments                                                | 79,805           | 56,693           | 37,906          | 484,971          | 945,499          | 1,604,874        |
| Originated loans and advances, net                         | 298,945          | 106,882          | 94,883          | 630,218          | 62,075           | 1,193,003        |
| Accrued income                                             | 8,112            | -                | -               | -                | -                | 8,112            |
|                                                            | <b>1,240,194</b> | <b>203,333</b>   | <b>139,079</b>  | <b>1,117,678</b> | <b>1,008,678</b> | <b>3,708,962</b> |
| <b>LIABILITIES</b>                                         |                  |                  |                 |                  |                  |                  |
| Deposits                                                   | 1,874,051        | 1,055,052        | 77,696          | 38,266           | 14,724           | 3,059,789        |
| Other money market deposits                                | 46,750           | -                | -               | -                | -                | 46,750           |
| Funds borrowed                                             | 106,169          | 24,505           | 79,465          | 2,150            | -                | 212,289          |
| Accrued expense                                            | 10,869           | -                | -               | -                | -                | 10,869           |
| Taxation on income                                         | -                | 1,226            | -               | -                | -                | 1,226            |
|                                                            | <b>2,037,839</b> | <b>1,080,783</b> | <b>157,161</b>  | <b>40,416</b>    | <b>14,724</b>    | <b>3,330,923</b> |
| <b>Net liquidity gap</b>                                   | <b>(797,645)</b> | <b>(877,450)</b> | <b>(18,082)</b> | <b>1,077,262</b> | <b>993,954</b>   | <b>378,039</b>   |

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2002

(Currency: In billions of TL in equivalent purchasing power at 31 December 2002 unless otherwise stated)

### Currency risk

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limit on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The Bank's exposure to foreign currency exchange rate risk at 31 December 2002, on the basis of the Bank's assets and liabilities at carrying amounts, categorized by currency, is shown in the following table:

|                                                            | TL               | USD              | EUR              | JPY             | CHF          | OTHER         | TOTAL            |
|------------------------------------------------------------|------------------|------------------|------------------|-----------------|--------------|---------------|------------------|
| <b>Assets</b>                                              |                  |                  |                  |                 |              |               |                  |
| Cash and due from banks                                    | 104,885          | 33,328           | 23,321           | 7               | 335          | 996           | 162,872          |
| Placements with banks and<br>other money market placements | 196,935          | 171,901          | 187,824          | 35              | 234          | 9,443         | 566,372          |
| Reserve deposits                                           | 25,817           | 117,811          | 30,101           | -               | -            | -             | 173,729          |
| Investments                                                | 698,972          | 602,036          | 282,846          | 19,831          | -            | 1,189         | 1,604,874        |
| Originated loans and advances                              | 378,238          | 480,658          | 334,096          | -               | -            | 11            | 1,193,003        |
| Accrued income                                             | 6,221            | 1,891            | -                | -               | -            | -             | 8,112            |
| Unconsolidated subsidiaries                                | 9,652            | -                | -                | -               | -            | -             | 9,652            |
| Goodwill, net                                              | (436)            | -                | -                | -               | -            | -             | (436)            |
| Premises, equipment and<br>leasehold improvements, net     | 74,073           | 692              | 1,136            | -               | -            | -             | 75,901           |
| Deferred tax asset                                         | 14,198           | -                | -                | -               | -            | -             | 14,198           |
| Other assets                                               | 19,115           | 775              | 1,641            | -               | -            | -             | 21,531           |
| <b>Total Assets</b>                                        | <b>1,527,670</b> | <b>1,409,092</b> | <b>860,965</b>   | <b>19,873</b>   | <b>569</b>   | <b>11,639</b> | <b>3,829,808</b> |
| <b>Liabilities</b>                                         |                  |                  |                  |                 |              |               |                  |
| Deposits                                                   | 1,010,902        | 1,340,862        | 696,336          | 56              | 2,691        | 8,942         | 3,059,789        |
| Other money market deposits                                | 46,750           | -                | -                | -               | -            | -             | 46,750           |
| Funds borrowed                                             | 14,946           | 167,647          | 28,980           | 5               | 14           | 697           | 212,289          |
| Accrued expense                                            | 9,233            | 1,636            | -                | -               | -            | -             | 10,869           |
| Deferred tax liability                                     | 694              | -                | -                | -               | -            | -             | 694              |
| Taxation on income                                         | 117              | -                | 1,109            | -               | -            | -             | 1,226            |
| Other liabilities                                          | 84,857           | 1,223            | 10,540           | -               | -            | -             | 96,620           |
| Minority interest                                          | 158              | -                | 1,119            | -               | -            | -             | 1,277            |
| <b>Total shareholders' equity</b>                          | <b>400,294</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>        | <b>-</b>     | <b>-</b>      | <b>400,294</b>   |
| <b>Total liabilities and shareholders' equity</b>          | <b>1,567,951</b> | <b>1,511,368</b> | <b>738,084</b>   | <b>61</b>       | <b>2,705</b> | <b>9,639</b>  | <b>3,829,808</b> |
| <b>Currency swaps</b>                                      | <b>27,841</b>    | <b>100,052</b>   | <b>(115,803)</b> | <b>(20,444)</b> | <b>1,806</b> | <b>7,202</b>  | <b>654</b>       |
| <b>Net exposure</b>                                        | <b>(12,440)</b>  | <b>(2,224)</b>   | <b>7,078</b>     | <b>(632)</b>    | <b>(330)</b> | <b>9,202</b>  | <b>654</b>       |



## Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Board of Directors sets limit on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily and also the duration of the securities portfolio. The effective average interest rate by major currencies for monetary financial instruments as of 31 December 2002 is summarized at the following table:

|                               | USD (%) | EUR (%) | JPY (%) | CHF (%) | OTHER (%) |
|-------------------------------|---------|---------|---------|---------|-----------|
| <b>Assets</b>                 |         |         |         |         |           |
| Placements with banks         | 1.53    | 3.30    | -       | -       | 6.20      |
| Investments                   | 8.70    | 8.33    | 3.50    | -       | -         |
| Originated loans and advances | 7.70    | 5.90    | -       | -       | -         |
| <b>Liabilities</b>            |         |         |         |         |           |
| Deposits                      | 3.36    | 4.15    | -       | 1.79    | 2.45      |
| Funds borrowed                | 3.85    | 3.70    | -       | -       | -         |

## Capital adequacy

To monitor its capital, the Bank uses ratios established by the Bank for International Settlements (BIS). These ratios measure capital adequacy (minimum 8% as required by BIS) by comparing the Bank's eligible capital with its balance sheet assets, off-balance-sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of 31 December 2002, the Parent Bank's BIS Capital Ratio based on the unconsolidated financial statements is 18.81%, computed as follows:

| BIS Capital Ratio (31 December 2002) |                                                      | Billion TL       |                      |
|--------------------------------------|------------------------------------------------------|------------------|----------------------|
|                                      |                                                      | Nominal Amount   | Risk Weighted Amount |
| Balance Sheet Assets                 | Cash and due from banks and placements with banks    | 639,807          | 106,511              |
|                                      | Reserve deposits                                     | 173,729          | -                    |
|                                      | Investments                                          | 1,497,979        | 350,322              |
|                                      | Originated loans and advances, net                   | 872,409          | 790,875              |
|                                      | Accrued income                                       | 8,278            | -                    |
|                                      | Unconsolidated subsidiaries                          | 62,358           | 140,214              |
|                                      | Premises, equipment and leasehold improvements (net) | 72,610           | 57,225               |
|                                      | Deferred tax asset                                   | 14,198           | -                    |
|                                      | Other assets                                         | 20,432           | 23,991               |
|                                      | <b>TOTAL</b>                                         | <b>3,361,800</b> | <b>1,469,138</b>     |
| Off-Balance Sheet Positions          | Commitments and Contingencies                        | 1,113,399        | 373,255              |
|                                      | Derivatives                                          | 1,494,870        | 4,276                |
|                                      | <b>TOTAL</b>                                         | <b>2,608,269</b> | <b>377,531</b>       |
| Total Risk-Weighted Assets           |                                                      | 1,846,669        |                      |
| Capital                              | Core Capital                                         | 400,601          |                      |
|                                      | Capital Base                                         | 347,423          |                      |
| <b>BIS Capital Ratio (%)</b>         |                                                      |                  | <b>18.81</b>         |

# DENİZBANK ANONİM ŞİRKETİ

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2002

(Currency: In billions of TL in equivalent purchasing power at 31 December 2002 unless otherwise stated)

### 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The following table summarizes the carrying values and fair values of those financial assets and financial liabilities not presented on the consolidated balance sheet at their fair values:

|                                                         | 2002           |            | 2001           |            |
|---------------------------------------------------------|----------------|------------|----------------|------------|
|                                                         | Carrying value | Fair value | Carrying value | Fair value |
| <b>Financial Assets</b>                                 |                |            |                |            |
| Cash and due from banks                                 | 162,872        | 162,874    | 63,595         | 63,595     |
| Placements with banks and other money market placements | 566,372        | 566,365    | 579,372        | 579,372    |
| Reserve deposits at the Central Bank                    | 173,729        | 173,729    | 128,720        | 128,720    |
| Portfolio held-to-maturity                              | 239,220        | 239,220    | 170,350        | 170,350    |
| Portfolio available-for-sale                            | 303,021        | 303,021    | -              | -          |
| Originated loans and advances, net                      | 1,193,003      | 1,192,069  | 530,315        | 549,316    |
| <b>Financial Liabilities</b>                            |                |            |                |            |
| Deposits                                                | 3,059,789      | 3,059,138  | 1,919,025      | 1,918,584  |
| Other money market deposits                             | 46,750         | 46,750     | 323            | 323        |
| Funds borrowed                                          | 212,289        | 212,260    | 302,002        | 301,972    |

The following methods and assumptions were used to estimate the fair value of financial instrument for which it is practicable to estimate that value;

The fair values of due from banks and short-term bank placements are considered to be their carrying amount due to their short term nature. The estimated fair values of fixed interest bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity.

The fair values of originated loans and advances to customers represent the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. Loans and advances are carried net of specific and other provision for impairment.

The fair values of investments held-to-maturity assets is based on amortized cost using the effective yield method, less any provision for impairment.

The fair value of deposits and borrowings with no stated maturity, which includes non-interest bearing deposits is the amount payable on demand.

The estimated fair value of fixed interest bearing deposits and other borrowings without quoted prices is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

## 26. SEGMENT REPORTING

### a) Segment reporting by business division:

|                                                                                    | 31.12.2002 |            | 31.12.2001    |              |
|------------------------------------------------------------------------------------|------------|------------|---------------|--------------|
|                                                                                    | Banking    | Securities | Consolidated  | Banking      |
| Net interest income                                                                | 152,361    | 18,040     | 170,401       | 174,599      |
| Less: Provision for possible loan losses                                           | (44,955)   | (736)      | (45,691)      | (18,613)     |
| Less: Foreign exchange losses/(gains), net                                         | (62,237)   | 86         | (62,151)      | (170,040)    |
|                                                                                    | 45,169     | 17,390     | 62,559        | (14,054)     |
| Non-interest income                                                                | 159,517    | 56,871     | 216,388       | 130,138      |
| Non-interest expense                                                               | (110,735)  | (58,894)   | (169,629)     | (43,197)     |
| (Loss)/income before taxation, minority interest and loss on net monetary position | 93,951     | 15,367     | 109,318       | 72,887       |
| Unallocated expenses:                                                              |            |            |               |              |
| Taxation (charge)/credit                                                           | -          | -          | 10,769        | 2,931        |
| Minority interest                                                                  | -          | -          | 330           | -            |
| Loss on net monetary position                                                      | -          | -          | (64,931)      | (73,370)     |
| <b>Net (loss)/income</b>                                                           | <b>-</b>   | <b>-</b>   | <b>55,486</b> | <b>2,448</b> |

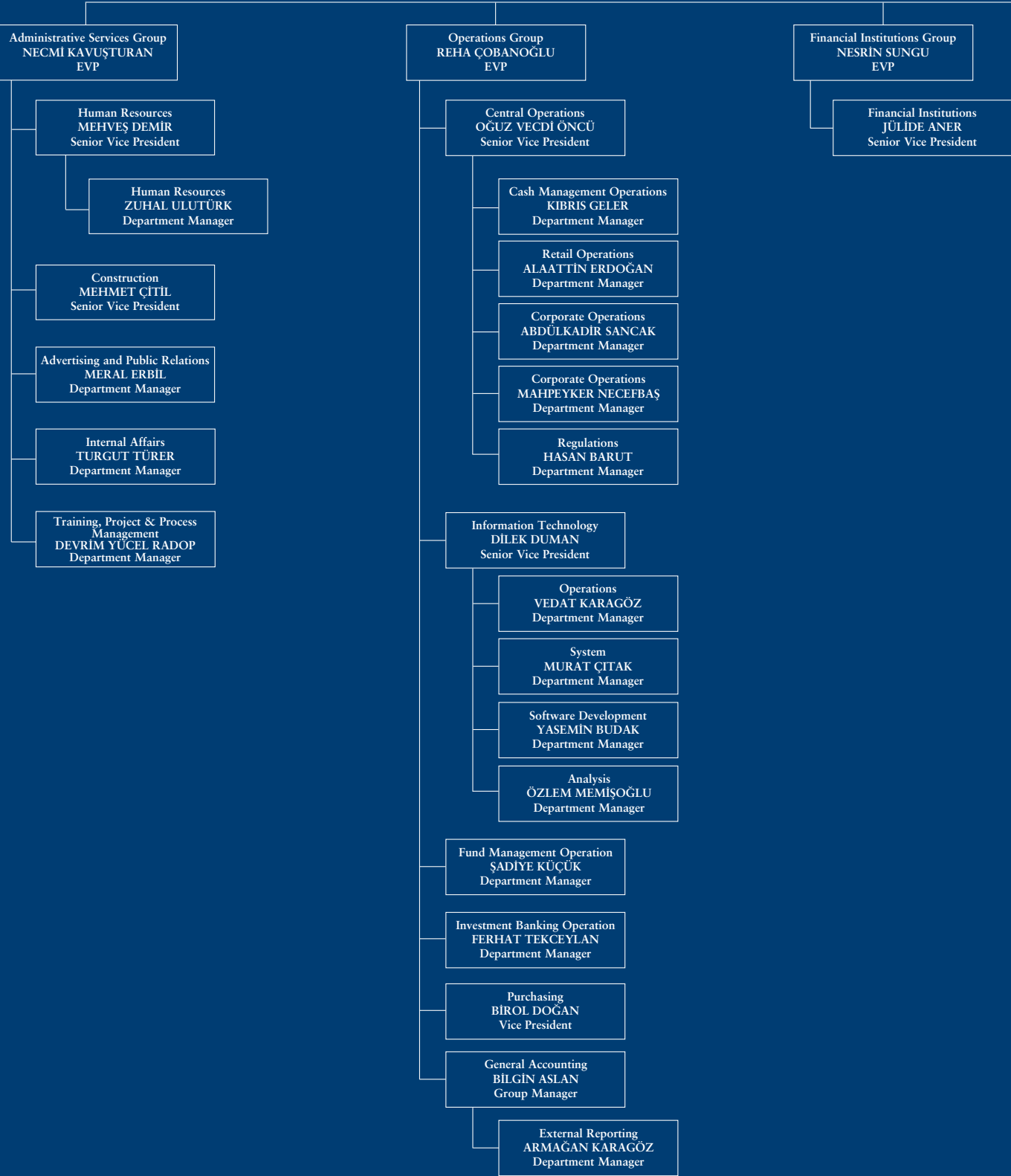
### b) Segment reporting by geographical location:

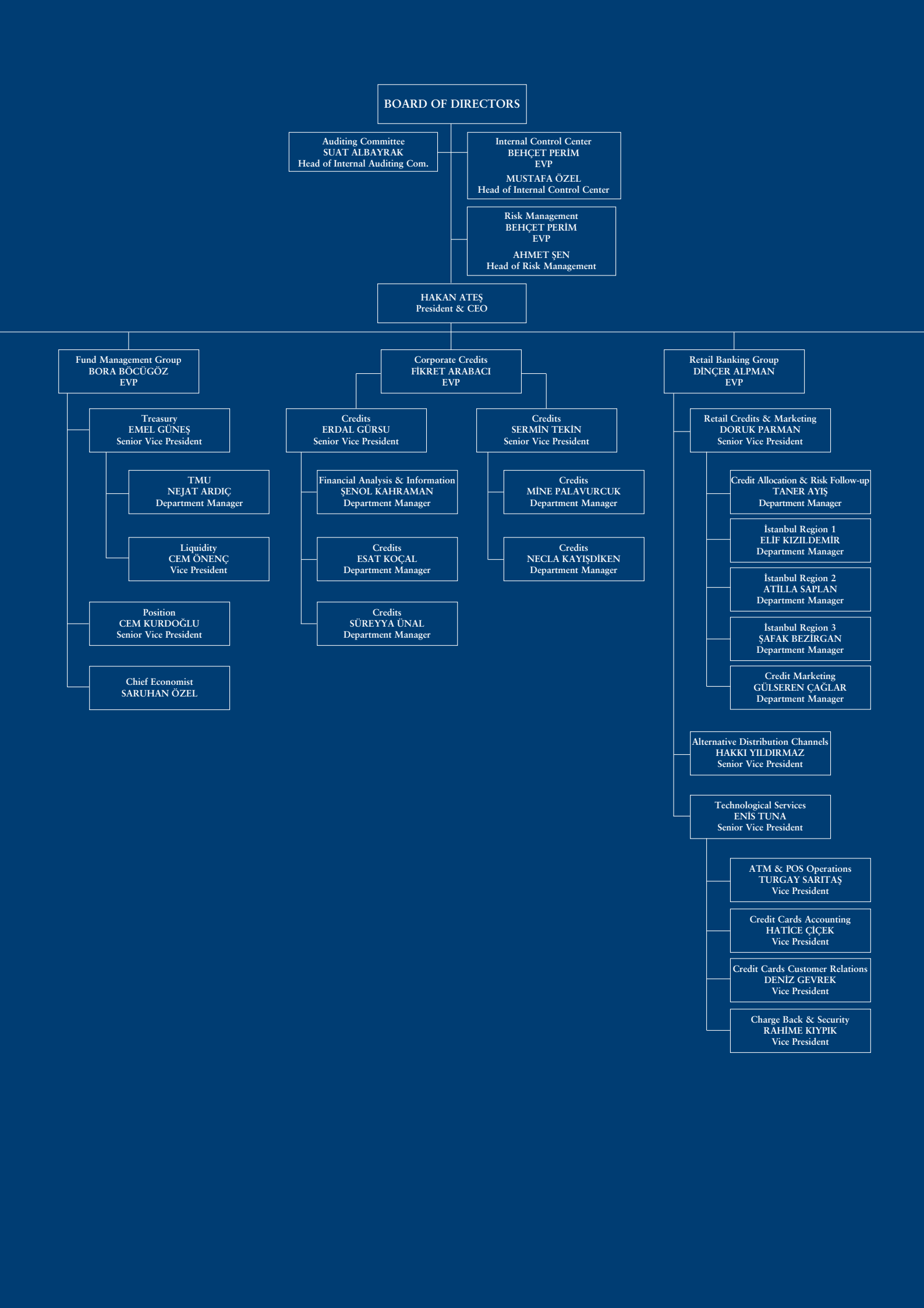
| Geographical Location        | Total Net Interest Income After Provisions and Foreign Exchange Loss |                 | Total Assets     |                  | Total Liabilities |                  |
|------------------------------|----------------------------------------------------------------------|-----------------|------------------|------------------|-------------------|------------------|
|                              | 31.12.2002                                                           | 31.12.2001      | 31.12.2002       | 31.12.2001       | 31.12.2002        | 31.12.2001       |
| Turkey                       | 48,888                                                               | (14,054)        | 3,386,200        | 2,568,668        | 2,973,921         | 2,297,736        |
| European Union Countries     | 8,434                                                                | -               | 389,771          | -                | 351,025           | -                |
| Non-European Union Countries | 5,237                                                                | -               | 118,058          | -                | 109,010           | -                |
|                              | 62,559                                                               | (14,054)        | 3,894,029        | 2,568,668        | 3,433,956         | 2,297,736        |
| Eliminations                 | -                                                                    | -               | (64,221)         | -                | (5,719)           | -                |
| <b>Net Total</b>             | <b>62,559</b>                                                        | <b>(14,054)</b> | <b>3,829,808</b> | <b>2,568,668</b> | <b>3,428,237</b>  | <b>2,297,736</b> |

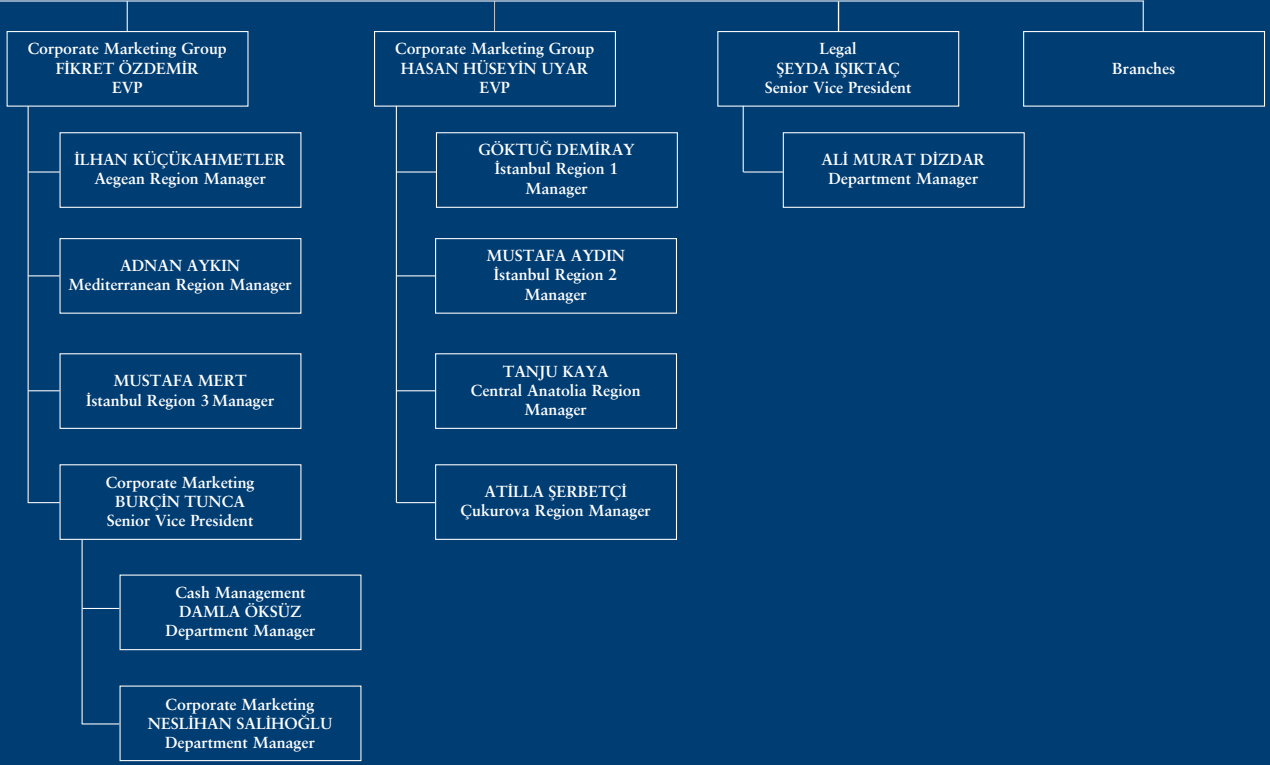
## 27. SUBSEQUENT EVENTS

In line with the resolution of the Banking Regulation and Supervision Agency on 17 February 2003, the Bank obtained permission to purchase the shares of CJSC İktisat Bank - Moscow in accordance with Banking Law Article 12(1).

# Organizational Chart









## DIRECTORY

### HEAD OFFICE

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 355 0 800  
Fax: 0 212 274 79 93  
e-mail: info@denizbank.com

### BRANCHES

#### ADANA

##### Adana Branch

Cemal Paşa Mah. Cevat Yurdakul  
Sok. No: 65 01120 Adana  
Tel : 0 322 458 70 72  
Fax: 0 322 458 67 20

##### Çarşı Adana Branch

Saydam Cad. No: 30  
01020 Seyhan/Adana  
Tel : 0 322 352 60 97  
Fax: 0 322 352 19 14

#### AFYON

##### Afyon Branch

Yüzbaşı Ağah Cad. No: 12  
03200 Afyon  
Tel : 0 272 213 16 14  
Fax: 0 272 215 14 15

#### ANKARA

##### Ankara Branch

Atatürk Bulvarı No: 103/A  
06610 Kızılay/Ankara  
Tel : 0 312 417 95 00  
Fax: 0 312 418 40 20

##### Bahçelievler Ankara Branch

Aşkabat Cad. No: 7/B  
06500 Bahçelievler/Ankara  
Tel : 0 312 212 50 78  
Fax: 0 312 221 32 07

##### Cebeci Branch

Cemal Gürsel Cad. No: 63/A  
06590 Cebeci/Ankara  
Tel : 0 312 319 14 19  
Fax: 0 312 362 20 58

##### Çankaya Branch

Cinnah Cad No: 84  
06690 Çankaya/Ankara  
Tel : 0 312 441 15 59  
Fax: 0 312 441 55 63

##### Gaziosmanpaşa Branch

Uğur Mumcu Cad.  
Kemer Sok. No: 6/5  
06700 Gaziosmanpaşa/Ankara  
Tel : 0 312 447 74 55  
Fax: 0 312 447 74 66

##### Gimat Branch

Anadolu Bulvarı No: 27 Gimat Han  
06370 Macunköy/Ankara  
Tel : 0 312 397 20 60  
Fax: 0 312 397 20 75

##### Mithatpaşa Branch

Mithatpaşa Cad. No: 31/B  
06441 Yenışehir/Ankara  
Tel : 0 312 435 51 15  
Fax: 0 312 433 25 44

##### Ulus Branch

Sanayi Cad. No: 13/A  
06050 Ulus/Ankara  
Tel : 0 312 309 79 29  
Fax: 0 312 309 79 30

##### Yıldız Ankara Branch

Yıldızevler Mah. Turan Güneş Bulvarı  
No: 34 06550 Yıldız/Ankara  
Tel : 0 312 442 24 11  
Fax: 0 312 442 24 23

#### ANTALYA

##### Alanya Branch

Müftüler Cad. No: 14/B  
07400 Alanya/Antalya  
Tel : 0 242 513 91 05  
Fax: 0 242 513 60 47

##### Antalya Branch

Ali Çetinkaya Cad. No: 7/B Yüksekalan  
Mah. 07040 Antalya  
Tel : 0 242 243 84 94  
Fax: 0 242 247 43 13

## DIRECTORY / continued

### **Antalya Hava Limanı Branch**

Antalya Hava Limanı Dış Hatlar  
Terminali Zemin Kat No: AZO-Z 64  
07000 Antalya  
Tel : 0 242 330 35 80  
Fax: 0 242 330 35 94

### **Antalya Yeni Hal Branch**

Sütçüler Mah. Yeni Toptancı Hali  
Büyükşehir Belediyesi Hal Daire  
Başkanlığı Binası  
No: 3-4-5-6-7 Antalya  
Tel : 0 242 338 40 40  
Fax: 0 242 338 31 00

### **Kalkan Branch**

Mustafa Kocakaya Cad.  
Kalkan Belediyesi Altı  
07960 Kalkan-Kaş/Antalya  
Tel : 0 242 844 13 80  
Fax: 0 242 844 13 50

### **Kumluca Branch**

Bağlık Mah. Gürbüzler Sok.  
Cumhuriyet Apt. No: 6  
07350 Antalya  
Tel : 0 242 887 85 76  
Fax: 0 242 887 85 74

### **Manavgat Branch**

Aşağı Pazarcı Mah. Fevzi Paşa Cad.  
No: 16 07600 Manavgat/Antalya  
Tel : 0 242 743 14 54  
Fax: 0 242 743 14 67

### **AYDIN**

#### **Aydın Branch**

Kazım Karabekir Cad. No: 7  
09100 Aydın  
Tel : 0 256 212 25 10  
Fax: 0 256 225 42 55

#### **İncirliova Branch**

Gazipaşa Cad. No: 85  
09600 İncirliova/Aydın  
Tel : 0 256 585 18 15  
Fax: 0 256 585 56 78

#### **Kuşadası Branch**

Sağlık Cad. Paşahan İş Merkezi  
No: 71-A 09400 Kuşadası/Aydın  
Tel : 0 256 612 71 71  
Fax: 0 256 614 87 80

#### **Nazilli Branch**

Türkocağı Cad. No: 47  
09800 Nazilli/Aydın  
Tel : 0 256 313 16 15  
Fax: 0 256 312 66 29

#### **Söke Branch**

Konak Mah. İstasyon Cad. No: 81  
09200 Söke/Aydın  
Tel : 0 256 513 15 05  
Fax: 0 256 513 15 04

### **BALIKESİR**

#### **Ayvalık Branch**

Atatürk Cad. No: 1  
10400 Ayvalık/Balıkesir  
Tel : 0 266 312 50 34  
Fax: 0 266 312 46 20

### **Balıkesir Branch**

Atalar Cad. No: 25  
10100 Balıkesir  
Tel : 0 266 245 01 50  
Fax: 0 266 245 01 48

### **Bandırma Branch**

Hacı Yusuf Mah. Kaşif Acar Cad.  
No: 1 10200 Bandırma/Balıkesir  
Tel : 0 266 715 05 01  
Fax: 0 266 715 15 03

### **Edremit Branch**

Soğanyemez Mah. Cumhuriyet  
Meydanı No: 1  
10300 Edremit/Balıkesir  
Tel : 0 266 373 15 89  
Fax: 0 266 373 64 76

### **BATMAN**

#### **Batman Branch**

Akyürek Mah. Cumhuriyet Cad.  
No: 30 72050 Batman  
Tel : 0 488 215 29 00  
Fax: 0 488 215 29 05

### **BOLU**

#### **Bolu Branch**

İzzet Baysal Cad. No: 97  
14100 Bolu  
Tel : 0 374 215 36 01  
Fax: 0 374 215 10 82

**BURSA****Bursa Branch**

Fevzi Çakmak Cad. Beyhan İş  
Merkezi No: 69  
16050 Fomara/Bursa  
Tel : 0 224 272 18 00  
Fax: 0 224 272 09 66

**Çekirge Branch**

Çekirge Cad. No: 54  
16070 Bursa  
Tel : 0 224 234 96 00  
Fax: 0 224 234 96 15

**Heykel Branch**

Atatürk Cad. No: 85  
16010 Bursa  
Tel : 0 224 223 10 01  
Fax: 0 224 223 10 06

**ÇANAKKALE****Çanakkale Branch**

Kemalpaşa Mah. Apaydınlar İş Hanı  
No: 40/A 17100 Çanakkale  
Tel : 0 286 213 93 00  
Fax: 0 286 213 93 06

**ÇORUM****Çorum Branch**

Gazi Cad. No: 20  
19200 Çorum  
Tel : 0 364 224 85 61  
Fax: 0 364 212 77 51

**DENİZLİ****Denizli Branch**

İstasyon Cad. No: 71  
20100 Denizli  
Tel : 0 258 242 42 10  
Fax: 0 258 263 73 95

**DİYARBAKIR****Diyarbakır Branch**

Ofis Ekinciler Cad. Evran Apt. No: 38  
B-42 21100 Diyarbakır  
Tel : 0 412 229 61 00  
Fax: 0 412 229 61 19

**EDİRNE****Edirne Branch**

Çilingirler Çarşısı No: 8  
22100 Edirne  
Tel : 0 284 213 14 07  
Fax: 0 284 225 26 30

**ELAZIĞ****Elazığ Branch**

Belediye Cad. Ardıçoğlu Sok. No: 2/A  
23100 Elazığ  
Tel : 0 424 238 59 94  
Fax: 0 424 238 97 67

**ESKİŞEHİR****Eskişehir Branch**

Cumhuriyet Mah. Cengiz Topel Cad.  
No: 6 26130 Eskişehir  
Tel : 0 222 220 26 06  
Fax: 0 222 230 03 35

**GAZİANTEP****Gaziantep Branch**

İncilipınar Mah. Kıbrıs Cad.  
No: 10 F-G 27090 Gaziantep  
Tel : 0 342 231 39 00  
Fax: 0 342 221 10 58

**HATAY****Antakya Branch**

Yavuz Selim Cad. Zühtiye Ökten  
İşhanı Zemin Kat B Blok  
31050 Antakya/Hatay  
Tel : 0 326 225 29 90  
Fax: 0 326 225 29 89

**INTERNET BRANCH**

[www.denizbank.com](http://www.denizbank.com)

**ISPARTA****Isparta Branch**

Cumhuriyet Cad. Vahdet Pasajı  
No: 13 32100 Isparta  
Tel : 0 246 233 01 25  
Fax: 0 246 218 40 13

**İSKENDERUN****İskenderun Branch**

Maraşal Çakmak Cad. Modern Çarşı  
İş Hanı No: 10 31200 İskenderun  
Tel : 0 326 613 62 83  
Fax: 0 326 614 62 48

## DIRECTORY / continued

### İSTANBUL

#### Aksaray Branch

Ordu Cad. No: 300  
34093 Aksaray/İstanbul  
Tel : 0 212 513 66 60  
Fax: 0 212 513 90 10

#### Altıyol Branch

Söğütlüçeşme Cad. No: 29  
34714 Kadıköy/İstanbul  
Tel : 0 216 347 61 13  
Fax: 0 216 348 34 19

#### Altunizade Branch

Nuh Kuyusu Cad. No: 92/1  
34662 Altunizade-Üsküdar/İstanbul  
Tel : 0 216 651 15 11  
Fax: 0 216 310 58 18

#### Ataköy Branch

5. Kısım Güney Çarşısı No: 4  
34158 Ataköy/İstanbul  
Tel : 0 212 560 71 70  
Fax: 0 212 560 72 16

#### Atatürk Havalimanı Serbest Bölgesi Branch

Atatürk Havalimanı Serbest Bölgesi  
No: 81/81 34149 Bakırköy/İstanbul  
Tel : 0 212 465 01 08  
Fax: 0 212 465 01 51

#### Atrium Branch

Ataköy 9.10. Kısım Atrium Çarşısı  
Bodrum Kat No: 35 34156  
Ataköy/İstanbul  
Tel : 0 212 661 64 84  
Fax: 0 212 661 66 04

#### Avcılar Branch

Cihangir Mah. Gülistan Sok. No: 1  
34310 Avcılar/İstanbul  
Tel : 0 212 591 00 63  
Fax: 0 212 593 90 45

#### Ayazağa Branch

Ayazağa Mah. Dereboyu Sok.  
No: 13/2 34396 Şişli/İstanbul  
Tel : 0 212 289 90 40  
Fax: 0 212 289 90 47

#### Bağcılar Branch

İstanbul Cad. No: 21  
34200 Bağcılar/İstanbul  
Tel : 0 212 634 50 53  
Fax: 0 212 634 50 70

#### Bahçelievler Branch

Eski Londra Asfaltı Ömür Sitesi  
A Blok No: 2 34196  
Bahçelievler/İstanbul  
Tel : 0 212 556 41 80  
Fax: 0 212 556 35 67

#### Bakırköy Branch

İncirli Cad. No: 90  
34740 Bakırköy/İstanbul  
Tel : 0 212 660 30 00  
Fax: 0 212 660 30 13

#### Bayrampaşa Branch

Abdi İpekçi Cad. No: 69  
34030 Bayrampaşa/İstanbul  
Tel : 0 212 674 54 20  
Fax: 0 212 567 70 22

#### Bebek Branch

Cevdet Paşa Cad. No: 3/A  
34342 Bebek/İstanbul  
Tel : 0 212 287 88 40  
Fax: 0 212 287 88 35

#### Beşyüzeler Branch

Cevatpaşa Mah. Eski Edirne Asfaltı  
No: 339 34045 Bayrampaşa/İstanbul  
Tel : 0 212 535 73 54  
Fax: 0 212 535 73 56

#### Beylikdüzü Branch

Beylikdüzü Sanayi Sitesi No: 363  
34520 Büyükçekmece/İstanbul  
Tel : 0 212 872 47 00  
Fax: 0 212 872 47 08

#### Beyoğlu Branch

İstiklal Cad. No: 91  
34433 Beyoğlu/İstanbul  
Tel : 0 212 245 04 08  
Fax: 0 212 243 59 59

#### Çağlayan Branch

Vatan Cad. No: 10  
34403 Kağıthane/İstanbul  
Tel : 0 212 225 67 63  
Fax: 0 212 296 13 84

**Çarşı Bakırköy Branch**

Zeytinlik Mah. Yakut Sok. No: 8  
34140 Bakırköy/İstanbul  
Tel : 0 212 660 09 83  
Fax: 0 212 543 72 42

**Çarşı İkitelli Branch**

Atatürk Mah. İkitelli Cad. No: 37  
34303 İkitelli/İstanbul  
Tel : 0 212 471 23 72  
Fax: 0 212 698 61 80

**Çarşı Kartal Branch**

Ankara Cad. No: 62  
34860 Kartal/İstanbul  
Tel : 0 216 488 90 90  
Fax: 0 216 353 30 61

**Dudullu Branch**

İdos Organize Sanayi Bölgesi  
1. Cadde No: 54 34775  
Yukarıdudullu-Ümraniye/İstanbul  
Tel : 0 216 499 66 77  
Fax: 0 216 499 66 87

**Elmadağ Branch**

Cumhuriyet Cad. No: 20  
34367 Elmadağ/İstanbul  
Tel : 0 212 230 52 33  
Fax: 0 212 296 41 51

**Etiler Branch**

Nispetiye Cad. No: 4  
34337 Etiler/İstanbul  
Tel : 0 212 263 58 31  
Fax: 0 212 263 59 41

**Fatih Branch**

Fevzipaşa Cad. No: 75  
34080 Fatih/İstanbul  
Tel : 0 212 534 90 65  
Fax: 0 212 531 59 50

**Fındıkzade Branch**

Kızılcıma Cad. No: 6  
34096 Fatih/İstanbul  
Tel : 0 212 588 08 51  
Fax: 0 212 588 06 91

**Gaziosmanpaşa Branch**

Ordu Cad. No: 25  
34240 Gaziosmanpaşa/İstanbul  
Tel : 0 212 616 90 23  
Fax: 0 212 616 95 60

**Göztepe İstasyon Branch**

İstasyon Cad. No: 98  
34730 Kadıköy/İstanbul  
Tel : 0 216 386 19 70  
Fax: 0 216 386 07 68

**Güneşli Branch**

Koçman Cad. No: 11  
34212 Güneşli/İstanbul  
Tel : 0 212 630 93 10  
Fax: 0 212 630 97 24

**Güngören Branch**

Sanayi Mah. Samsun Sok.  
Onursal İşhanı No: 2/1  
34165 Güngören/İstanbul  
Tel : 0 212 637 75 00  
Fax: 0 212 637 70 42

**Hadımköy Branch**

Hadımköy Sanayi Bulvarı  
Alkent 2000 Karşısı 5. Bölge  
Hadımköy Gişeler Mevkii  
34555 Büyükçekmece/İstanbul  
Tel : 0 212 886 15 40  
Fax: 0 212 886 15 39

**Harbiye Branch**

Halaskargazi Cad. No: 54  
34371 Harbiye/İstanbul  
Tel : 0 212 232 35 15  
Fax: 0 212 240 83 89

**İkitelli Branch**

İkitelli Organize Sanayi Bölgesi  
Haseyat Koop. 1. Kısım No: 135  
34306 İkitelli/İstanbul  
Tel : 0 212 671 32 02  
Fax: 0 212 671 32 15

**İkitelli Tahsilat Ofisi**

Atatürk Mah. İkitelli Cad. No: 3  
34303 Küçükçekmece/İstanbul  
Tel : 0 212 693 81 13  
Fax: 0 212 693 81 99

## DIRECTORY / continued

### **Kadıköy Branch**

Mühürdar Cad. Damga Sok. No: 29  
Mermer Köşk 34710  
Kadıköy/İstanbul  
Tel : 0 216 414 52 70  
Fax: 0 216 345 13 43

### **Karaköy Branch**

Rıhtım Cad. No: 26  
34425 Karaköy/İstanbul  
Tel : 0 212 292 25 00  
Fax: 0 212 292 23 95

### **Kartal Branch**

E 5 Yan Yol Kartal İş Merkezi B Blok  
No: 65 34861 Kartal/İstanbul  
Tel : 0 216 452 44 00  
Fax: 0 216 452 44 27

### **Kavacık Branch**

TEM Otoyolu Kavşağı  
Rüzgarlıbahçe Sok. No: 6  
34810 Kavacık-Beykoz/İstanbul  
Tel : 0 216 425 20 42  
Fax: 0 216 425 20 52

### **Kazasker Branch**

Şemsettin Günaltay Cad. No: 121/2  
34714 Kazasker/İstanbul  
Tel : 0 216 464 41 50  
Fax: 0 216 384 06 75

### **Kızıltoprak Branch**

Kalamış Cad. Oğul Apt. No: 10/1  
34725 Kızıltoprak/İstanbul  
Tel : 0 216 330 81 25  
Fax: 0 216 336 56 20

### **Kozyatağı Branch**

Halk Sok. Golden Plaza C Blok  
No: 29 34742 Kozyatağı/İstanbul  
Tel : 0 216 467 17 80  
Fax: 0 216 467 17 87

### **Levent Branch**

Büyükdere Cad. Büyükdere Plaza  
No: 195 Kat: 4  
34330 Levent/İstanbul  
Tel : 0 212 324 19 30  
Fax: 0 212 324 19 49

### **1. Levent Branch**

Çarşı Cad. No: 26  
34330 1. Levent/İstanbul  
Tel : 0 212 325 45 55  
Fax: 0 212 325 45 50

### **4. Levent Branch**

Eski Büyükdere Cad. No: 21/1  
34416 4. Levent/İstanbul  
Tel : 0 212 325 90 44  
Fax: 0 212 325 90 43

### **Maltepe Branch**

Çiftlik Cad. Grandhouse Alışveriş  
Merkezi No: 99  
34854 Maltepe/İstanbul  
Tel : 0 216 459 46 70  
Fax: 0 216 459 46 81

### **Maslak Branch**

Beybi Giz Plaza Meydan Sok. No: 28  
34279 Maslak/İstanbul  
Tel : 0 212 290 35 10  
Fax: 0 212 290 35 33

### **Megacenter Branch**

Megacenter Kocatepe Mah. 12. Sok.  
C Blok No: 430 34045  
Bayrampaşa/İstanbul  
Tel : 0 212 640 72 27  
Fax: 0 212 640 67 65

### **Merter Branch**

Keresteciler Sitesi Fatih Cad.  
Ceviz Sok. No: 22/1  
34169 Merter/İstanbul  
Tel : 0 212 637 23 62  
Fax: 0 212 637 27 55

### **Nişantaşı Branch**

Vali Konağı Cad. No: 115  
34363 Nişantaşı/İstanbul  
Tel : 0 212 291 94 85  
Fax: 0 212 247 94 00



**Nuruosmaniye Branch**

Nuruosmaniye Cad. No: 90/92  
34110 Cağaloğlu-Eminönü/İstanbul  
Tel : 0 212 519 11 65  
Fax: 0 212 514 05 49

**Perpa Branch**

Perpa Tic. Merkezi B Blok Kat: 4-5  
No: 389 Okmeydanı/İstanbul

**Pendik Branch**

Batı Mah. Ankara Cad. No: 82  
34890 Pendik/İstanbul  
Tel : 0 216 390 55 22  
Fax: 0 216 354 49 06

**Rami Branch**

Toptan Gıda Merkezi  
Ö Blok No: 13-14  
34056 Rami/İstanbul  
Tel : 0 212 616 86 21  
Fax: 0 212 615 02 84

**Sefaköy Branch**

Halkalı Cad. No: 122  
34620 Sefaköy/İstanbul  
Tel : 0 212 624 06 52  
Fax: 0 212 541 04 15

**Suadiye Branch**

Bağdat Cad. Maraş Apt. No: 398  
34740 Suadiye/İstanbul  
Tel : 0 216 302 40 20  
Fax: 0 216 386 44 96

**Sultanhamam Branch**

Hobyar Mah. Yeni Camii Cad.  
No: 25 34112 Sultanhamam/İstanbul  
Tel : 0 212 513 26 00  
Fax: 0 212 513 16 45

**Şaşkınbakkal Branch**

Bağdat Cad. Murat Apt. No: 416  
34740 Suadiye/İstanbul  
Tel : 0 216 385 08 21  
Fax: 0 216 467 32 72

**Şirinevler Branch**

Mahmut Bey Yolu Meriç Sok. No: 23  
34188 Şirinevler/İstanbul  
Tel : 0 212 451 32 77  
Fax: 0 212 451 32 17

**Topçular Branch**

Topçular Kışla Cad. No: 39/11  
34055 Eyüp/İstanbul  
Tel : 0 212 612 58 95  
Fax: 0 212 612 57 99

**Tuzla Tersane Branch**

Aydıntepe Mah. Irmak Sok. No: 1  
34947 Tuzla/İstanbul  
Tel : 0 216 493 50 00  
Fax: 0 216 493 58 49

**Ümraniye Branch**

Atatürk Mah. Alemdağ Cad.  
No: 38/A  
34764 Ümraniye/İstanbul  
Tel : 0 216 523 12 10  
Fax: 0 216 523 12 08

**Üsküdar Branch**

Eski Toptaşı Caddesi No: 1  
34672 Üsküdar/İstanbul  
Tel : 0 216 492 49 10  
Fax: 0 216 492 49 14

**Yeşilköy Branch**

Ümraniye Mah. İstasyon Cad. No: 36  
34149 Yeşilköy/İstanbul  
Tel : 0 212 663 34 00  
Fax: 0 212 573 77 51

**Yeşilyurt Branch**

Sipahioğlu Cad. No: 16/1  
34149 Yeşilyurt/İstanbul  
Tel : 0 212 663 50 53  
Fax: 0 212 573 65 95

**Zeytinburnu Branch**

58. Bulvar Cad. No: 55  
34020 Zeytinburnu/İstanbul  
Tel : 0 212 510 66 50  
Fax: 0 212 510 69 72

**Zincirlikuyu Branch**

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 355 0 800  
Fax: 0 212 212 10 86

**İZMİR****Alsancak Branch**

Ali Çetinkaya Bulvarı No: 13/A  
35220 Alsancak/İzmir  
Tel : 0 232 464 64 15  
Fax: 0 232 422 02 61

## DIRECTORY / continued

### **Bergama Branch**

Ertuğrul Mah. Cumhuriyet Cad.  
No: 37 Bergama/İzmir  
Tel : 0 232 632 95 67  
Fax: 0 232 633 39 93

### **Bornova Branch**

Mustafa Kemal Cad. 553 Sok.  
No: 2/A 35040 Bornova/İzmir  
Tel : 0 232 374 62 60  
Fax: 0 232 374 38 69

### **Bornova Tahsilat Ofisi**

Fevzi Çakmak Cad. No: 24/A  
35040 Bornova/İzmir  
Tel : 0 232 374 14 52  
Fax: 0 232 374 13 98

### **Çarşı Karşıyaka Branch**

1690 Sok. No: 48/A  
35600 Karşıyaka/İzmir  
Tel : 0 232 368 28 19  
Fax: 0 232 368 88 67

### **Ege Serbest Bölge Branch**

Akçay Cad. No: 144/1  
35410 Gaziemir/İzmir  
Tel : 0 232 252 29 06  
Fax: 0 232 252 28 96

### **Hatay İzmir Branch**

İnönü Cad. No: 250/A-1  
35280 Hatay/İzmir  
Tel : 0 232 255 20 04  
Fax: 0 232 250 56 05

### **İzmir Gıda Çarşısı Branch**

1202/2 Sok. No: 60  
35110 Yenişehir/İzmir  
Tel : 0 232 469 75 85  
Fax: 0 232 449 64 85

### **İzmir Branch**

Gaziosmanpaşa Bulvarı No: 12  
35210 Pasaport/İzmir  
Tel : 0 232 445 12 50  
Fax: 0 232 446 50 51

### **Karabağlar Branch**

Yeşillik Cad. No: 391/B  
35400 Karabağlar/İzmir  
Tel : 0 232 237 90 90  
Fax: 0 232 264 71 37

### **Karşıyaka Branch**

Yalı Cad. No: 170/A  
35530 Karşıyaka/İzmir  
Tel : 0 232 368 82 82  
Fax: 0 232 369 81 13

### **Liman Alsancak Branch**

Atatürk Cad. Dalyan Gümrük İşhanı  
No: 398 35220 Alsancak/İzmir  
Tel : 0 232 421 41 24  
Fax: 0 232 464 27 82

### **Menemen Branch**

Kasımpaşa Mah. Ertuğrul Cad.  
No: 12 35660 Menemen/İzmir  
Tel : 0 232 832 58 32  
Fax: 0 232 832 58 34

### **Ödemiş Branch**

Akıncılar Mah. Gazi Cad. No: 32  
35750 Ödemiş/İzmir  
Tel : 0 232 544 51 17  
Fax: 0 232 544 51 16

### **Tire Branch**

Yeni Mah. Atatürk Cad. No: 12  
35900 Tire/İzmir  
Tel : 0 232 512 83 88  
Fax: 0 232 512 36 20

### **Torbalı Branch**

Erdoğan Tekirli Cad. No: 1/2  
35860 Torbalı/İzmir  
Tel : 0 232 856 13 14  
Fax: 0 232 856 13 10

### **KAHRAMANMARAŞ**

#### **Kahramanmaraş Branch**

Trabzon Cad. Seçkin Apt. Altı  
No: 68/A 46100 Kahramanmaraş  
Tel : 0 344 225 32 42  
Fax: 0 344 225 48 63

### **KARABÜK**

#### **Karabük Branch**

Hürriyet Cad. No: 68  
78000 Karabük  
Tel : 0 370 424 25 88  
Fax: 0 370 412 43 86

**KAYSERİ****Kayseri Branch**

Millet Cad. No: 29  
38040 MelikGazi/Kayseri  
Tel : 0 352 222 88 30  
Fax: 0 352 222 85 42

**KIRKLARELİ****Lüleburgaz Sanayi Branch**

ZorluLinen Fabrikası Yanı  
Büyükkarıştıran Kasabası Tayyare  
Meydanı Mevkii Lüleburgaz/Kırklareli  
Tel : 0 288 436 25 55  
Fax: 0 288 436 25 58

**KOCAELİ****Gebze Branch**

İsmetpaşa Cad. Hacı Halil Mah.  
No: 24 41400 Gebze/Kocaeli  
Tel : 0 262 644 40 90  
Fax: 0 262 644 41 01

**İzmit Branch**

Ömer Ağa Mah. Demiryolu Cad.  
No: 130/A 41000 İzmit  
Tel : 0 262 323 40 40  
Fax: 0 262 331 39 46

**KONYA****Konya Branch**

Musalla Bağları Mah. Belh Cad.  
No: 10 42060 Selçuklu/Konya  
Tel : 0 332 238 80 20  
Fax: 0 332 238 80 37

**Konya Yeni Toptancılar Branch**

Fevzi Çakmak Mah. Toptan Gıdacılar  
Sitesi No: 2 42050 Karatay/Konya  
Tel : 0 332 342 44 10  
Fax: 0 332 342 44 18

**KÜTAHYA****Kütahya Branch**

Cumhuriyet Bulvarı Akdemirler  
İş Hanı No: 74 43020 Kütahya  
Tel : 0 274 226 36 50  
Fax: 0 274 226 36 57

**MALATYA****Malatya Branch**

İnönü Cad. No: 58  
44100 Malatya  
Tel : 0 422 323 22 85  
Fax: 0 422 324 36 96

**MANİSA****Akhisar Branch**

Tahir Ün Cad. No: 47  
45200 Akhisar/Manisa  
Tel : 0 236 412 29 49  
Fax: 0 236 412 29 51

**Alaşehir Branch**

Hanlar Cad. No: 67  
45600 Alaşehir/Manisa  
Tel : 0 236 653 96 55  
Fax: 0 236 653 16 59

**Manisa Branch**

Mustafa Kemal Paşa Cad. No: 12  
45020 Manisa  
Tel : 0 236 239 42 70  
Fax: 0 236 239 21 15

**Manisa Tahsilat Ofisi**

Cumhuriyet Bulvarı No: 33  
45030 Manisa  
Tel : 0 236 231 19 00  
Fax: 0 236 231 19 15

**Salihli Branch**

Mithatpaşa Cad. No: 101  
45300 Salihli/Manisa  
Tel : 0 236 712 47 10  
Fax: 0 236 712 33 00

**MERSİN****Mersin Branch**

Kuvai Milliye Cad. No: 1  
33060 Mersin  
Tel : 0 324 238 65 32  
Fax: 0 324 238 65 43

**Mersin Serbest Bölge Branch**

Alaybeyoğlu Cad. Parkur İş Merkezi  
Zemin Kat F Adası 1/1  
33020 Mersin  
Tel : 0 324 237 27 00  
Fax: 0 324 237 01 25

**MUĞLA****Bodrum Branch**

Kıbrıs Şehitleri Cad. No: 325  
48400 Bodrum/Muğla  
Tel : 0 252 313 16 36  
Fax: 0 252 313 49 93

**Çarşı Bodrum Branch**

Atatürk Cad. No: 4  
48400 Bodrum/Muğla  
Tel : 0 252 316 73 98  
Fax: 0 252 316 65 46

## DIRECTORY / continued

### **Fethiye Branch**

Atatürk Cad. Çavdar İşhanı No: 1  
48300 Fethiye/Muğla  
Tel : 0 252 614 23 07  
Fax: 0 252 614 23 06

### **Marmaris Branch**

Tepe Mah. Ulusal Egemenlik Cad.  
1. Sok. No: 19/A 48700  
Marmaris/Muğla  
Tel : 0 252 412 09 69  
Fax: 0 252 412 06 11

### **Milas Branch**

Demirciler Meydanı No: 19/B  
48200 Milas/Muğla  
Tel : 0 252 512 23 48  
Fax: 0 252 512 16 10

### **Ortaca Branch**

Garaj Karşısı Yeni Sok. No: 4/A  
48600 Ortaca/Muğla  
Tel : 0 252 282 51 79  
Fax: 0 252 282 51 78

### **NEVŞEHİR**

#### **Nevşehir Branch**

Atatürk Bulvarı No: 98  
50100 Nevşehir  
Tel : 0 384 212 02 61  
Fax: 0 384 213 84 30

### **ORDU**

#### **Ordu Branch**

19 Eylül Meydanı No: 8  
52000 Ordu  
Tel : 0 452 223 15 57  
Fax: 0 452 223 15 60

### **SAKARYA**

#### **Adapazarı Branch**

Soğanpazarı No: 52  
54040 Adapazarı/Sakarya  
Tel : 0 264 274 41 30  
Fax: 0 264 274 41 33

### **SAMSUN**

#### **Samsun Branch**

Kale Mah. Gazi Cad. No: 64  
55030 Samsun  
Tel : 0 362 435 30 85  
Fax: 0 362 432 43 46

### **SİVAS**

#### **Sivas Branch**

İstasyon Cad. Kongre Binası Karşısı  
No: 3 58000 Sivas  
Tel : 0 346 225 50 92  
Fax: 0 346 221 14 24

### **ŞANLIURFA**

#### **Şanlıurfa Branch**

Kanberiyeye Mah. Kadri Erogan Cad.  
No: 22 63000 Şanlıurfa  
Tel : 0 414 316 53 38  
Fax: 0 414 316 51 75

### **ŞIRNAK**

#### **Silopi Branch**

İpekyolu Üzeri No: 30  
73400 Silopi/Şırnak  
Tel : 0 486 518 76 00  
Fax: 0 486 518 76 13

### **TEKİRDAĞ**

#### **Çorlu Orion Branch**

Omurtak Cad. Orion Alışveriş  
Merkezi No: 22 59860  
Çorlu/Tekirdağ  
Tel : 0 282 673 28 50  
Fax: 0 282 673 25 57

### **TRABZON**

#### **Trabzon Branch**

Maraş Cad. Zorlu Grand Otel Yanı  
No: 9 61000 Trabzon  
Tel : 0 462 326 98 23  
Fax: 0 462 326 98 22

### **UŞAK**

#### **Uşak Branch**

İsmet Paşa Cad. No: 31/B  
64100 Uşak  
Tel : 0 276 224 38 02  
Fax: 0 276 224 38 10

### **VAN**

#### **Van Branch**

Cumhuriyet Cad. No: 50-52  
65100 Van  
Tel : 0 432 214 59 00  
Fax: 0 432 214 48 47

**ZONGULDAK****Karadeniz Ereğli Branch**

Müftü Mah. Yukarı Sok. No: 16  
67300 Ereğli/Zonguldak  
Tel : 0 372 322 20 05  
Fax: 0 372 322 20 96

**Zonguldak Branch**

Gazipaşa Cad. No: 20  
67020 Zonguldak  
Tel : 0 372 252 03 55  
Fax: 0 372 251 18 44

**FOREIGN BRANCH****Bahrain Branch**

Al Jasrah Tower 6th Floor Office  
No: 62&63 P.O. Box 10357  
Diplomatic Area Manama,  
BAHRAIN  
Tel : + 973 541137  
Fax: + 973 541139

**REGIONAL OFFICES****Mediterranean Regional Office**

Ali Çetinkaya Cad. No: 17/B  
Antalya  
Tel : 0 242 243 84 94  
Fax: 0 242 247 43 13

**Çukurova Regional Office**

Atatürk Cad. Sular Plaza İş Merkezi  
K. 1 Sularyolu Kavşağı Seyhan/Adana  
Tel : 0 322 458 23 88  
Fax: 0 322 458 67 20

**Aegean Regional Office**

Şehit Fethibey Cad. No: 116 K. 3  
35210 Pasaport/İzmir  
Tel : 0 232 446 22 92  
Fax: 0 232 483 42 30

**Central Anatolia Regional Office**

Cinnah Cad. No: 84  
Çankaya/Ankara  
Tel : 0 312 441 92 41  
Fax: 0 312 441 55 63

**İst. 1. Corporate Marketing****Regional Office**

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 355 0 800  
Fax: 0 212 211 52 59

**İst. 2. Corporate Marketing****Regional Office**

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 355 0 800  
Fax: 0 212 272 53 41

**İst. 3. Corporate Marketing****Regional Office**

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 355 0 800  
Fax: 0 212 272 53 41

## DIRECTORY / continued

### SUBSIDIARIES

**DenizYatırım Menkul Kıymetler A.Ş.**  
**(DenizYatırım Securities)**

Büyükdere Cad. No: 106 Kat: 15-16  
34394 Esentepe/İstanbul  
Tel : 0 212 275 35 00  
Fax : 0 212 212 54 12  
e-mail:info@denizyatirim.com

**Deniz Finansal Kiralama A.Ş.**  
**(DenizLeasing)**

Rıhtım Cad. No: 26  
34425 Karaköy/İstanbul  
Tel : 0 212 292 24 84  
Fax : 0 212 292 24 83

**DenizFactoring A.Ş.**  
**(DenizFactoring)**

Rıhtım Cad. No: 26  
34425 Karaköy/İstanbul  
Tel : 0 212 292 24 84  
Fax : 0 212 292 24 83

**EkspresYatırım Menkul Değerler A.Ş.**  
**(EkspresInvest)**

Büyükdere Cad. No: 106  
34394 Esentepe/İstanbul  
Tel : 0 212 336 51 00  
Fax : 0 212 336 51 01

**Anadolu Kredi Kartı Turizm ve Ticaret A.Ş.**  
**(AKK)**

Esentepe Mah. Kasap Sok. No: 15/1  
Şişli/İstanbul  
Tel : 0 212 355 74 00  
Fax : 0 212 216 36 56

**Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.**  
**(Intertech)**

Esentepe Mah. Kasap Sok. No: 15/1  
Şişli/İstanbul  
Tel : 0 212 355 11 00  
Fax : 0 212 288 79 00

**DenizBank A.G.**

Karntner Ring 12 A-1010 Wien AUSTRIA  
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**DenizBank** 

Büyükdere Cad. No: 106, 34394 Esentepe-Istanbul/Turkey  
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