

Interim Activity Report 1Q 2012

DenizBank Financial
Services Group



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This report presents both consolidated and unconsolidated financial figures of DenizBank.

DENİZBANK A.Ş.
2012 1st QUARTER- INTERIM ACTIVITY REPORT
STATEMENT of RESPONSIBILITY

The Interim Activity Report related to the period between 01.01.2012 and 31.03.2012 has been prepared regarding the “Regulation on the Preparation and Publication of Annual Report of Banks” of Banking Regulation and Supervision Agency, published in the Official Gazette dated 1 November 2006, Nr. 26333 and “Declaration on Financial Reporting at Capital Markets” of Capital Markets Board, that has been published in the Official Gazette dated 09 April 2008, Nr. 26842, and attached here-with.

Respectfully,

8 May 2012

HAKAN ELVERDİ
Senior Vice President
International Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU
Executive Vice President
Financial Affairs

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

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

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

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

PIERRE P.F. MARIANI
Chairman of Board of
Directors

SECTION I-INTRODUCTION

ABOUT DENİZBANK

Trade name: Denizbank A.Ş.

Date of Foundation: 25 August 1997

Headquarter: İstanbul

Paid-in Capital: TL 716,100,000

of Domestic Branches: 588

of Foreign Branches: 13 (including subsidiaries' branches)

of Employees: 10,999

of Subsidiaries, Associates and Jointly Controlled Companies: 13

Independent Audit Company: DRT Bağımsız Denetim ve Serbest Muhasebeci Mali
Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited)

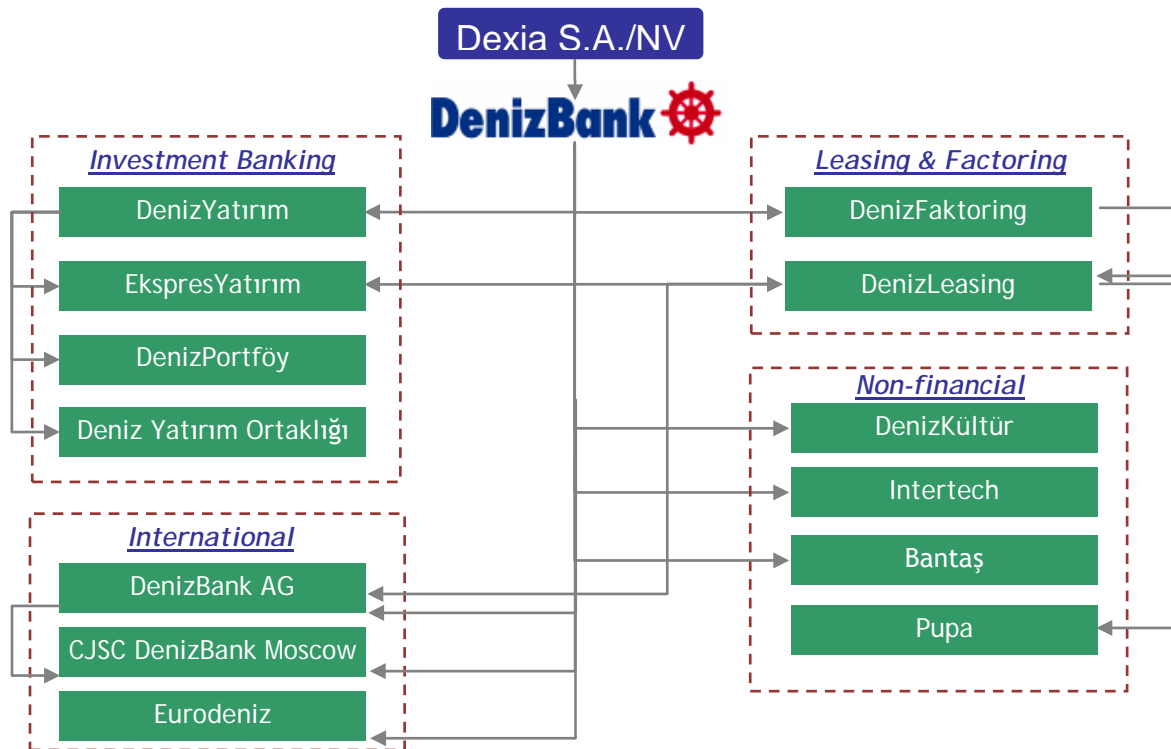
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DENİZBANK FINANCIAL SERVICES GROUP (DFSG)



DENİZBANK in BRIEF

DenizBank was founded in 1938 as a state-owned bank to provide funding for the developing Turkish maritime sector. Acquired by Zorlu Holding from the Privatization Administration as a banking license in early 1997, the Bank became one of the major banks in Turkey in a short period of time. In October 2006, DenizBank was acquired from Zorlu Group by Dexia, a leading financial group in Europe and currently operates as part of the Dexia Group.

In addition to DenizBank, DenizBank Financial Services Group consists of six domestic and three international financial subsidiaries, four domestic non-financial subsidiaries and a branch in Bahrain. DenizYatırım Securities, EkspresInvest Securities, DenizInvestment Trust, DenizPortfolio Management, DenizLeasing, DenizFactoring, Intertech, DenizKültür, Bantaş and Pupa are the Group's domestic companies; EuroDeniz, DenizBank AG and CJSC DenizBank Moscow are the international subsidiaries.

The primary customer segments of DenizBank Financial Services Group include retail customers, small and medium-size enterprises, exporters, public and project finance users and corporate clients. The Group has identified agriculture, energy, tourism, education, health, sports, infrastructure and maritime sectors as a priority for her activities. The Group also operates in EU countries through its Vienna-based subsidiary DenizBank AG. CJSC DenizBank Moscow serves the Group's existing customers abroad that have commercial and trade ties with Russia and meets their various financial needs.

The Group possesses a service network that reaches all segments of the society throughout Turkey. In addition to the 589 domestic DenizBank branches, including one in Bahrain, DenizBank AG and CJSC DenizBank Moscow have 12 branches in total. In addition, thanks to its Alternative Distribution Channels, DenizBank enables both individual and corporate customers all over the world to carry out financial transactions over the internet.

DEXIA in BRIEF

Group Profile

Dexia is a European banking group which, in 2011, carried out its activities principally in Belgium, Luxembourg, France and Turkey in the fields of retail and commercial banking, public and wholesale banking, asset management and investor services.

The Group's parent company is Dexia SA, a limited company under Belgian law with its shares listed on Euronext Brussels and Paris as well as the Luxembourg Stock Exchange.

Since December 2008, the Group has considerably reduced its risk profile and refocused its commercial franchises on its historical business lines and markets, in line with the restructuring plan validated by the European Commission. Dexia has thus principally organised its activity portfolio around retail banking, grasping opportunities for growth in Turkey. In the field of public banking, the Group chose to remain a selective, profitable and recognised specialist, offering a diversified range of products. This plan was implemented in line with the objectives fixed until mid-2011.

As a consequence of the aggravation of the sovereign crisis in the euro zone and more generally the hardening of the macroeconomic environment, Dexia was confronted by renewed pressure on its liquidity during the summer of 2011. Against that background, the Group undertook, in October 2011, to make in-depth changes to its structure, including:

- the implementation of a funding guarantee scheme involving the Belgian, French and Luxembourg States;
- the sale of Dexia Bank Belgium to the Belgian State, finalised on 20 October 2011;

- an agreement with Caisse des Dépôts, La Banque Postale and the French State with regard to local public sector finance;
- the disposal of certain of the Group's operational subsidiaries, particularly Dexia Banque Internationale à Luxembourg, DenizBank, Dexia Asset Management and RBC Dexia Investor Services.

These measures, comprising a definitive liquidity guarantee scheme, will be part of a new restructuring plan that the States undertook to submit to the European Commission by the end of March 2012.

Implementation of these new structural measures will have a significant impact on the Group Profile in the future.

2012 will be marked by the completion of pending divestment processes, subject to approval by the European Commission of the Group's new restructuring plan. After completion of those disposals, the Dexia Group's new activities will focus on public sector services through its international subsidiaries and on managing a portfolio of assets in run-off.

MESSAGE FROM THE CHAIRMAN

Turkey demonstrated top notch performance in 2011 as the negative effects of foreign markets had a minimal influence and ranked at top levels among developing countries in terms of growth rate. While the global growth rate in 2011 was realized as 3.9% below estimates, Turkey recorded 8.5% annual growth by illustrating a picture of stable growth throughout the year despite the contractionary monetary policy. This performance was the result of the environment of stability and confidence thanks to proactive policies applied and it is the indicator of growth potential in the medium and long term. Looking at this year, it appears possible that the economic activity that slowed down in the first quarter will recover as from the second quarter and Turkey will complete the year with a growth rate slightly below the growth potential of 5-7%. This trend in the economic activity will help Turkish economy to end 2012 by achieving better results in inflation and current account deficit compared to 2011. This process may also bring up the upgrade of Turkey ratings to the investment grade that has been expected for many years.

Despite the rapid growth of the banking sector that supported economic growth in Turkey in 2011, the capital adequacy ratio is relatively higher than the level of both developed and developing countries and more than twice as much of international minimum standards. This capital strength is one of the most important indicators that the sector will grow more rapidly in the coming period and continue to support Turkish economy. On the funding side, longer deposit maturities indicate not only that the policies implemented by the Central Bank of Turkey are effective, but also there is a sense of trust in the economy. In 2011 whereby global concerns increased rapidly besides the ones regarding deposits, spending an unproblematic year not only in deposits but also both short and long term international funding, the sector became one of the most important indicators of the international institutions' trust in the Turkish Banking Sector. Nonetheless, measures taken by the Central Bank of Turkey with the purpose of minimizing the effects of the crisis in Europe on the Turkish economy have slowed down loan growth and decreased profitability in 2011 to some extent, the net profit increased by 11% in the first two months of 2012, on a year-on-year basis.

DenizBank, that achieved both operational and financial success by continuing its sustainable and determined approach without sacrificing its risk management policies during 2011 when the global financial crisis had revived despite the recovery process that

began in 2010, started the year outperforming the sector averages, under the changeable conditions of 2012. DenizBank strode towards its objective of being the bank with the highest customer rating and achieving differentiation in a competitive environment. Despite the negative effects of global developments, DenizBank continued to provide services through its wide array of products in line with strategic road map determined according to the vision of "becoming one of the largest five banks in Turkey and the strongest partner of international financial environment in our region through sustainable and profitable growth." DenizBank continues to contribute to the Turkish economy with its 601 branches and 10,999 employees both in Turkey and abroad and also through financing with resources secured from abroad at low cost.

The focus of our work was to sustainably increase the revenue generated through real banking operations without being drawn by the charm of short term profit. As a reflection of the importance we place on customer relations management, we continued to develop products and services that meet our customers' needs, requests and habits. We made sure that our customers easily accessed all required financial services and tailored solutions on sectoral, companies and individual bases. Our accurate customer segmentation and target oriented strategies brought the increase in our number of active customers and cross sell ratio.

As a bank that can analyze its customers' needs accurately, DenizBank continued to utilize all aspects of technology to differentiate itself in the sector and provided its customers with new products and services in the first quarter of 2012. DenizBank used funds generated as a result of the trust in its brand to create resources for the real sector, thus aiding the development of the Turkish economy, and maintains its stable growth without sacrificing this strategy.

PIERRE MARIANI
CHAIRMAN

MESSAGE FROM THE PRESIDENT AND CEO

DenizBank managed to increase her assets, customer deposits and equity both on consolidated and unconsolidated basis by outperforming the sector in the first quarter of 2012. Our assets increased by 31% and 30% on consolidated and unconsolidated basis on a year-on-year basis and reached TL 47 billion 634 million and TL 37 billion 974 million, respectively.

DenizBank increased her customer deposits, the main source of funding, by 43% on a consolidated basis and 33% on an unconsolidated basis in the first three months of 2012 compared to the first quarter of 2011, reaching TL 29 billion 952 million and TL 20 billion 849 million, respectively compared to 11% sector growth. While sector's deposit volume remained unchanged in the first three months of 2012, DenizBank's consolidated and unconsolidated customer deposits recorded 13% and 10% rises, respectively. Besides, DenizBank continued to obtain low-cost and long-term funding sources from several international institutions to support her priority sectors.

After issuing bank bonds during 2011 in May and November amounting TL 500 million and TL 300 million, respectively, in the scope of our TL 2 billion permission we continued the third bond issuance amounting TL 500 million in April 2012 thanks to high-rate demands.

Serving as a financial supermarket with an extensive product portfolio and providing funding to all sectors of the economy, DenizBank increased her consolidated loans to TL 32 billion 485 million, by 27% compared to first quarter of 2011. Unconsolidated loan volume

was realized as TL 23 billion 381 million, growing by 19%. Consumer loans grew by 29% y-o-y in total thanks to 10% increase in auto loans, 44% and 17% increase in general purpose and mortgage loans, respectively. We reached a volume of TL 1.7 billion in credit card loans by recording a much higher growth rate than the sector. We continued to offer ISTESOB Smart Card in a lot of cities after İstanbul by providing advantageous solutions for financial needs of member Artisans and Craftsmen of ISTESOB. In 2012, we kept our leading place with our 108% loan to deposit ratio and 68% loan to asset ratio.

Our consolidated and unconsolidated shareholders' equity increased by 28% and 37% compared to the same period of 2011, reaching TL 4 billion 876 million and TL 4 billion 413 million, respectively. In the first quarter of 2012, DenizBank recorded 14.12% and 15.75% capital adequacy ratios on consolidated and unconsolidated basis, respectively, both of which are relatively higher than the international standards.

DenizBank considers supporting the agricultural sector as part of her social responsibility mission as well as a good business proposition. DenizBank kept her first place among private banks by allocating TL 1.9 billion agricultural loans as a result of the innovations offered to producers.

Besides her financial achievements, DenizBank will continue her sponsorships of İDSO (İstanbul State Symphony Orchestra), TAYK (Turkish Off-Shore Racing Club) and International İstanbul Opera Festival as a leading supporter of culture and art facilities in 2012.

DenizBank reached 589 branches country-wide by opening one new branch in the first three months of 2012. Besides its strong branch network, in the scope of its new generation digital banking services, DenizBank provided to access to the summary information, assets and credit card information easily via Facebook branch, the first in the world. Also the bank presented CepParam for receiving/sending money transactions 24/7, transferring money to people who do not have DenizBank account and withdrawing money from all DenizBank ATMs around Turkey.

DenizBank left behind another highly effective year in terms of financial as well operational results thanks to her effective risk-oriented management policy that conforms to internationally-accepted corporate governance standards and reached its unconsolidated net profit TL 423 million in the first quarter of 2012 by increasing more than two fold compared to previous quarter, while recording TL 180 million consolidated net profit increasing by 21% quarter on quarter basis.

HAKAN ATEŞ
THE PRESIDENT AND CEO

CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL

As of 31 March 2012, DenizBank's shareholding structure is presented in the table below. DenizBank's shareholding structure does not contain any cross-shareholdings.

Shareholders	Number of Shares	Nominal Value (TL)	% of Shares
Dexia Participation Belgique SA	714,945,285.045	714,945,274	99.84%
M. Cem Bodur	11.327	11	0.00%
Hakan Ateş	11.327	11	0.00%
Ayfer Yılmaz	11.327	11	0.00%
Publicly Traded	1,154,680.974	1,154,681	0.16%
Total	716,100,000.000	716,100,000	100.00%

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

In addition, for the debts of the Group, the temporary guarantee (until 31 May 2012) granted by the Belgian, French and Luxembourg States with respective rates of 60.5%, 36.5% and 3% for a period up to 3 years on 21 December 2011 has been approved by the European Commission to be up to maximum EUR 45 billion and is used by Dexia. A new plan, containing also a definitive funding guarantee of States in an amount of EUR 90 billion, was sent for the approval of the European Commission on 21 March 2012.

As of 17 October 2011, Dexia Participation Belgique SA initiated studies for the evaluation of strategic options for its stake in DenizBank and authorized Bank of America Merrill Lynch and White & Case for this process. According to the resolution of the Dexia Board of Directors, dated 19 October 2011, Dexia Group CEO was authorized to start the sale process of all shares of Dexia Group in DenizBank. The sale process is still continuing as of the date of this report.

SHARES HELD BY THE MANAGEMENT

DenizBank's President and CEO Hakan Ateş and Independence Board Members Cem Bodur and Ayfer Yılmaz each owns 11,327 shares, corresponding to 0.000002% of the capital.

CHANGES IN DFSG COMPANIES

In the CJSC Dexia Bank's General Assembly, it was decided to change the name of the Bank as CJSC DenizBank Moscow after taking the necessary approvals in 10 April 2012.

AMENDMENTS TO ARTICLES OF ASSOCIATION

There is no amendment to Articles of Association between 01.01.2012 and 31.03.2012.

DONATIONS

List of donations made by DenizBank in 2012 are as follows:

INSTITUTION NAME	Amount (TL)
TÜRK EĞİTİM VAKFI	6,870
TEMA VAKFI	137
TÜRK BÖBREK VAKFI	125
OTHER	100
TOTAL	7,232

AMENDMENTS TO RATING NOTES

Moody's started global under review on all financial institutions, whose unsupported/independent ratings are above their national debt ratings, with the assessment about relationship between countries, financial institutions and their credit profile. In the scope of this, Moody's placed Long Term Local Currency Deposit as 'Baa2', Short Term Local Currency Deposit as 'Prime-2' and BFSR as 'C-' under review for possible downgrade and announced other ratings have not been affected by these changes on 16 March 2012. Besides, Moody's announced an extension of the review on DenizBank's BFSR following the changes in the ratings of Dexia Credit Local on 18 April 2012.

Fitch Ratings affirmed Long Term Foreign Currency rating as 'BBB-' but placed its Outlook to 'Stable' from 'Positive' on 28 November 2011 as a reflection of outlook change from 'Positive' to 'Stable' on Turkey's Long Term Local and Foreign Currency ratings on 24 November 2011. Besides this, Fitch Ratings placed Long Term Local Currency rating's outlook to RWN due to the sales process and affirmed Support rating as '2' (RWN), Long Term National Rating and Short Term ratings. Fitch announced that Individual and Viability ratings of DenizBank have not been affected by these changes. On 25 January 2012, Fitch withdrew Individual Ratings for Global Financial Institutions. Finally, Fitch affirmed all ratings of DenizBank maintaining Rating Watch Negative Outlook of Long Term Local Currency and support ratings. Ratings are as follows:

Moody's		FitchRatings**	
Long Term Foreign Currency Deposits	Ba3 / Positive	Long Term Foreign Currency	BBB-/Stable
Short Term Foreign Currency Deposits	NP	Short Term Foreign Currency	F3
Long Term Local Currency Deposits	Baa2 / Under Review for Possible Downgrade	Long Term Local Currency	BBB / Rating Watch Negative
Short Term Local Currency Deposits	Prime-2 / Under Review for Possible Downgrade	Short Term Local Currency	F3
Bank Financial Strength Rating	C- / Under Review for Possible Downgrade	Viability	bbb-
		Support	2 / Rating Watch Negative
		National	AAA (tur) / Stable

*As of 23.04.2012

**As of 20.04.2012

SECTION II - MANAGEMENT and CORPORATE GOVERNANCE

BOARD of DIRECTORS

Title	Name	Position	Beginning-End Date of Tenure
Chairman of the Board of Directors:	Pierre P.F. Mariani	Chairman-Non-executive	March 2011- March 2014
Board Members:	Ayfer Yılmaz	Vice Chairman-Independent	Jan 2007- March 2014
	Hakan Ateş	Member-Executive	June 1997- March 2014
	Hasan Hüseyin Uyar	Member-Executive	Dec 2010- March 2014
	M. Cem Bodur	Member-Independent	June 1997- March 2014
	Wouter G.M. Van Roste	Member-Executive	June 2009- March 2014
	Eric P.B.A. Hermann	Member-Non-executive	Jan 2007- March 2014
	Philippe J.E. Rucheton	Member-Non-executive	Feb 2009- March 2014
	Claude E.L.G. Piret	Member-Non-executive	Aug 2008- March 2014

EXECUTIVE MANAGEMENT

Title	Name	Position	Experience
President & CEO:	Hakan Ateş	President & CEO	31 years
Executive Vice Presidents and Executive Committee Members:	Mustafa Aydın	Retail, SME and Agricultural Banking Loan Allocation-EVP	25 years
	Mehmet Aydoğdu	Commercial Banking and Public Finance-EVP	15 years
	Bora Böcügöz	Treasury and Private Banking-EVP	23 years
	Suavi Demircioğlu	Financial Affairs-EVP	22 years
	Dilek Duman	Information Technology and Support Operations-EVP-Chief Operations Officer	23 years
	Murat Çelik	Digital Generation Banking-EVP	20 years
	Gökhan Ertürk	Retail Banking-EVP	19 years
	Tanju Kaya	Administrative Services-EVP	26 years
	Derya Kumru	Wholesale Banking-EVP	25 years
	Mustafa Özel	Branch and Central Operations-EVP	24 years
	Saruhan Özel	Economic Research, Strategy and Project Management-EVP	16 years
	Gökhan Sun	SME and Agricultural Banking-EVP	20 years
	İbrahim Şen	Corporate Banking-EVP	19 years
	Cem Demirağ	Head of Internal Control Center and Compliance- Member of Executive Committee	21 years
	Ali Murat Dizdar	Chief Legal Advisor - Member of Executive Committee	21 years
	Aysun Mercan	Secretary General	30 years
Head of Internal Audit:	Frank B.J. Plingers	General Auditor	13 years

AUDITORS

Name	Position	Experience
Cem Kadirgan	Auditor	26 years
Mehmet Uğur Ok	Auditor	37 years

COMMITTEES

Committees Reporting to the Board of Directors

- Audit Committee
- Corporate Governance and Nomination Committee

Title	Name	Position	Begin Date of Tenure
Audit Committee Members:	Eric P.B.A. Hermann	Member	January 2007
	Ayfer Yılmaz	Member	March 2011
	Philippe J.E. Rucheton	Member	March 2011
Corporate Governance and Nomination Committee Members:	M.Cem Bodur	Member	March 2011
	Tanju Kaya	Member	Sept 2004

* Board member Stefaan Decraene left his duty as of 5 September 2011.

Executive Committees

• Assets and Liabilities Com.	• Disciplinary Committee	• Promotions Committee
• Credit Committee	• Purchasing Committee	• Executive Committee
• Risk Committee	• Communications Com.	• Management Board
• Support Services Com.	• Recommendation Com.	

Within the Context of Corporate Governance;

19 Board Decisions were adopted in the Board Meetings held between 1 January 2012 and 31 March 2012.

Audit Committee held a meeting on 17 February 2012. Independent auditors' report on the fourth quarter of 2011 financials was presented and approved to present those figures to the Board of Directors. At the same meeting, the activity reports for the fourth quarter of 2011 of Internal Audit, Internal Control, Compliance, Risk Management and Operational Risk were also presented.

Corporate Governance and Nomination Committee met four times and took 4 decisions in order to make proposal to Board of Directors for nomination of senior managers. In accordance with the proposals of the Committee the appointments of 1 Executive Vice President, 1 Senior Vice President and 2 Regional Manager have been realized.

SECTION III- FINANCIAL INFORMATION

SUMMARY FINANCIAL HIGHLIGHTS

Summary Consolidated Financial Highlights (TL millions)				
	1Q2012	2011	1Q2011	2010
Securities ⁽¹⁾	7,024	5,544	4,407	4,444
Net Loans ⁽²⁾	32,485	30,947	25,663	23,790
Subsidiaries ⁽³⁾	16	16	16	15
Net Fixed Assets	407	416	323	322
Total Assets	47,634	44,756	36,292	33,853
Customer Deposits ⁽⁴⁾	29,952	26,499	20,941	19,713
Time	25,476	22,357	17,490	15,984
Demand	4,477	4,142	3,451	3,729
Borrowings	7,061	7,610	7,559	7,047
Sub-ordinated Loans	890	939	783	770
Shareholders' Equity	4,876	4,641	3,814	3,659
Paid-in Capital	716	716	716	716
Non-cash Loans	10,375	10,111	8,909	7,636
Interest Income	1,170	3,536	753	2,805
Interest Expense	-599	-1,655	-314	-1,028
Net Interest Income after Provisions	439	1,428	306	1,271
Non-interest Income	209	989	258	645
Non-interest Expense	-405	-1,500	-317	-1,165
Net Profit/Loss From Discontinued Operations	0	343	7	23
Net Income	180	1,061	203	616
	1Q2012	2011	1Q2011	2010
Number of Branches ⁽⁵⁾	601	600	524	512
Number of Employees	10,999	10,826	9,887	9,561
Number of ATMs	2,563	2,370	1,018	941
Number of POS Terminals	114,865	110,324	99,082	89,399
Number of Credit Cards	2,020,173	1,966,602	1,627,190	1,485,991

All financial figures presented in this table are extracts from the audited consolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽²⁾Includes factoring and leasing receivables.

⁽³⁾Total of investments in associates, investments in subsidiaries and entities under common control (joint venture)

⁽⁴⁾Excludes bank deposits

⁽⁵⁾Includes subsidiaries' branches

Summary Unconsolidated Financial Highlights (TL millions)				
	1Q2012	2011	1Q2011	2010
Securities ⁽¹⁾	6,093	5,193	4,175	4,280
Net Loans ⁽²⁾	23,381	22,422	19,715	18,459
Subsidiaries ⁽³⁾	925	719	451	450
Net Fixed Assets	396	406	314	314
Total Assets	37,974	35,983	29,143	27,660
Customer Deposits ⁽⁴⁾	20,849	18,896	15,645	15,272
Time	17,793	15,795	13,070	12,354
Demand	3,056	3,101	2,575	2,917
Borrowings	6,106	6,520	6,081	5,836
Sub-ordinated Loans	890	939	783	770
Shareholders' Equity	4,413	3,951	3,222	3,141
Paid-in Capital	716	716	716	716
Non-cash Loans	10,018	9,745	8,691	7,474
Interest Income	1,015	3,071	660	2,464
Interest Expense	-509	-1,390	-267	-878
Net Interest Income after Provisions	381	1,251	266	1,115
Non-interest Income	467	771	193	530
Non-interest Expense	-374	-1,385	-288	-1,062
Net Profit/Loss From Discontinued Operations	0	388	0	0
Net Income	423	874	132	458
	1Q2012	2011	1Q2011	2010
Number of Branches ⁽⁵⁾	589	588	524	500
Number of Employees	9,791	9,772	8,860	8,573
Number of ATMs	2,563	2,370	1,018	941
Number of POS Terminals	114,865	110,324	99,082	89,399
Number of Credit Cards	2,020,173	1,966,602	1,627,190	1,485,991

All financial figures presented in this table are extracts from the audited unconsolidated financial statements prepared in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards and Turkish Financial Reporting Standards.

⁽¹⁾It is the sum of financial assets at fair value through profit or loss (excluding trading purpose derivatives), investment securities available for sale and investment securities held to maturity.

⁽²⁾Total of investments in associates, investments in subsidiaries and entities under common control (joint venture)

⁽³⁾Excludes bank deposits

ASSESSMENT of FINANCIAL POSITION and RISK MANAGEMENT

DenizBank continues its activities profitably, without compromising asset quality and strengthen its shareholder's equity. The share of the Bank's fixed asset investments in the shareholder's equity is low level. DenizBank put its free capital to interest earning assets as part of its core banking activities. DenizBank has a capital adequacy ratio significantly higher than the regulatory requirements thanks to strong and effective risk management.

Shareholders' Equity and Capital Adequacy (TL millions)

	Consolidated			
	1Q2012	2011	1Q2011	2010
Capital Adequacy Ratio (%)	14.12	14.72	14.95	15.70
Shareholders' Equity	4,876	4,641	3,814	3,659
Return on Average Equity (%)	15.1	25.6	21.7	18.6
Free Capital ⁽¹⁾	3,863	3,754	2,993	2,872
Free Capital Ratio ⁽²⁾ (%)	8.11	8.39	8.25	8.48

	Unconsolidated			
	1Q2012	2011	1Q2011	2010
Capital Adequacy Ratio (%)	15.75	15.65	15.55	16.43
Shareholders' Equity	4,413	3,951	3,222	3,141
Return on Average Equity (%)	40.5	24.6	16.6	15.9
Free Capital ⁽¹⁾	2,593	2,463	2,064	2,023
Free Capital Ratio ⁽²⁾ (%)	6.83	6.84	7.08	7.31

* Free Capital = Shareholders' Equity - Net Non-performing Loans - Subsidiaries - Deferred Tax Assets - Tangible and Intangible Fixed Assets - Prepaid Expenses - Fixed Assets to be disposed of

** Free Capital Ratio = Free Capital / Total Assets

Asset Quality

	Consolidated			
	1Q2012	2011	1Q2011	2010
Non-performing Loans/ Total Cash Loans Ratio (%)	2.9	2.8	3.7	4.4
Non-performing Loans Provision Ratio (%)	115.7	115.8	108.8	105.6

	Unconsolidated			
	1Q2012	2011	1Q2011	2010
Non-performing Loans/ Total Cash Loans Ratio (%)	3.3	3.2	4.0	4.8
Non-performing Loans Provision Ratio (%)	120.7	126.7	117.3	112.3

RISK MANAGEMENT POLICIES

One of the major pillars of DenizBank's main strategies is to adhere to Risk Management principles. Risk Management policies consist of identification, measurement and management processes. In this respect, DenizBank conducts its banking activities by strictly adhering to risk management policies that aim to analyze risks and manage them by way of acceptable limits. Risk Management Policies were devised based on market risk, credit risk, liquidity risk, operational risk and structural interest risk categories. DenizBank has adopted it as an integral principle in all of her operations to develop systems that comply with Basel II and other guiding international risk management principles.

Market Risk

DenizBank measures market risk using internationally-accepted Value at Risk (VAR) method. VAR quantifies the loss of value that the portfolio of the Bank and her financial subsidiaries might suffer at a given time and confidence interval as a result of the price fluctuations in risk factors. VAR analyses are supported with scenario analysis and stress tests. This method allows adaptation to changing market conditions when the risk level is determined. The reliability of the model used in calculating VAR is periodically tested through back testing. DenizBank has formulated risk policies and established risk-based limits with regards to her trading activities in money and capital markets.

Structural Interest Rate Risk

The Risk Management Group monitors the structural interest rate risk that the Bank is exposed to due to her balance sheet structure by using advanced models and controls assumed risks through defined limits. Interest sensitivity analyses are conducted to measure the impact of the Bank's maturity mismatch on net present value and income.

Liquidity Risk

Risk Management Group monitors the Bank's liquidity position that she carries as a result of her activities within defined limits. Limits are set to ensure continuity of the Bank operations by using the existing reserve facilities even under the worst-case scenarios that are created by taking into consideration the negative developments that may arise as a result of a change in market conditions or customer behavior.

Basel II/Credit Risk

The Risk Management Group undertakes efforts for compliance with Basel II/CRD criteria. Basel II consolidated credit risk is being calculated monthly using the standard method and monitored regularly since June 2008. DenizBank's Basel II dataset has been used for the consolidated reports of Dexia since September 2008. As a part of Basel II preparation efforts, development of internal credit risk assessment models has been scheduled based on a well-defined plan and the modeling of necessary parameters has been completed for the most part.

Operational Risk

Bank activities that carry financial or non-financial operational risk are being recorded for DenizBank and its subsidiaries in a way that captures causes and impact of events, collections made and measures that will prevent the repetition of such events. These events are periodically reported to the senior management and updated as needed. Potential risk is assessed by way of Risk and Control Self Assessment and risk mitigation measures are taken before events transpire. On the other hand, the Business Continuity Program is coordinated to cover the design implementation and testing stages of these policies.

GENERAL OUTLOOK OF THE TURKISH ECONOMY AND THE BANKING SECTOR

Evaluations regarding the developments in Turkish Economy and banking sector in the first three months of 2012 have been summarized below.

Realizing one of the highest growth rates with 9.2% among developing countries in 2010, Turkey also reached a remarkable growth rate of 8.5% in 2011. However, the growth in the economy for last two years is necessary to be considered to bridge rather than the rapid growth. Because the 4 years average growth rate is only 3.4% between 2008 and 2011 and it is lower than Turkey's long-term growth performance range of 5-7%. It is necessary to emphasize that this growth rate is based on domestic consumption and private sector investment similar to previous years. Public spending is under a certain discipline as we are used to in 2000s. Thus 2011 ended with a very low budget deficit as 1.2% and public debt to GDP ratio decreased below 40%. Medium Term Program also indicates the fact that this budget discipline will be continued until 2014. In coming years, parallel to this view, it will be possible that public debt to GDP declines to levels around 30%.

Maintaining the internal and external balances is important besides undersigning success regarding growth and budget discipline. On the internal balance side, even if inflation is currently on double-digit levels, the depreciation of TL which is the most important reason of this situation ended thanks to CBT's successful policies. Parallel to these, downward trend will start as from the second half of the year and the annual inflation rate will be close to the target of 5% ($\pm 2\%$) at the end of the year. Both foreign and domestic demand conditions are another important reason that supports this positive outlook of inflation. On the external balance side, reaching of the rate of current account deficit to GDP to 10% at the end of previous year led to a questioning of the sustainability of this increase. However, especially the decrease of non-energy current account deficit to USD 26 billion, declining by USD 7 billion between October 2011 and February 2012 is promising for the next period thanks to the effect of policies implemented. Parallel to tranquility in geopolitical risks in recent weeks, downward trend in energy prices will influence Turkey's energy deficit in a positive way. As from the beginning of this year, start of an intensive working period about the policies that will reduce energy deficit, increase savings and encourage import substitution are the important developments that will contribute to solving of Turkey's chronic current account deficit problem in the long term.

Evaluation of the banking sector according to the March 2012 data*:

-Loan volume (excluding financial sector loans)	TL 694 billion
TL Loan volume (excluding financial sector loans)	TL 502 billion
FX Loan volume (excluding financial sector loans)	USD 109 billion
-Deposit Volume (excluding interbank deposits)	TL 697 billion
TL Deposit Volume (excluding interbank deposits)	TL 456 billion
FX Deposit Volume (excluding interbank deposits)	USD 136 billion

In the first three months of 2012, the total loan volume of the Banking sector increased by 2% compared to the end of 2011 and by 25% compared to the first three months of 2011 and reached TL 694 billion. In the first three months of 2012, credit card loans, general purpose loans, commercial and corporate loans are the segments with priority impact on total loan increase. As a result of BRSA's latest regulations, the growth rate in consumer loans continued to slow down in 2012 and especially as a result of the deceleration in mortgage loans, consumer loans realized a 2% quarterly and 22% annual increase. While credit card loans and general purpose loans rose by 31% and 29%, respectively, the increase in commercial and

corporate loans grew by 25% and the annual growth of SME loans was around 22% as of February 2012. The total NPL ratio which reached up to 5.8% during the crisis dropped to 2.8% at the end of March 2012.

Total deposits reached TL 697 billion by increasing only 11% compared to the first three months of 2011. The sector's total equity rose by 17% y-o-y and reached TL 163 billion. The net profit of the banking sector in the first two months was realized as TL 3.4 billion recording an 11% y-o-y increase.

** Banking sector data are extracts from the BRSA weekly bulletin including participation bank figures.*

FURTHER INFORMATION

- 1- To view the material disclosures made in Public Disclosure Platform, click the link below:
<http://www.denizbank.com/en/investor-relations/announcements/default.aspx>
- 2- To download DenizBank 31.03.2012 consolidated and unconsolidated financial statements and footnotes click the link below.
<http://www.denizbank.com/en/investor-relations/financial-information/financial-figures.aspx>
- 3- To download 2011 Annual Report for further information about the main activities of DenizBank click the link below:
<http://www.denizbank.com/en/investor-relations/annual-reports/default.aspx>