Interim Activity Report
3Q 2011

DenizBank Financial Services Group

CONTENTS

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

DENİZBANK A.Ş.
2011 3rd QUARTER- INTERIM ACTIVITY REPORT
STATEMENT of RESPONSIBILITY

The Interim Activity Report related to the period between 01.01.2011 and 30.09.2011 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,

4 November 2011

HAKAN ELVERDİ Senior Vice President International Regulatory Financial Reporting	**SUAVİ DEMİRCİOĞLU** Executive Vice President Financial Affais	**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: 552
# of Foreign Branches: 13 (including subsidiaries' branches)
# of Employees: 10,755
# of Subsidiaries, Associates and Jointly Controlled Companies: 15
Independent Audit Company: DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited)
Tel: 0 212 336 40 00
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Web Site: www.denizbank.com
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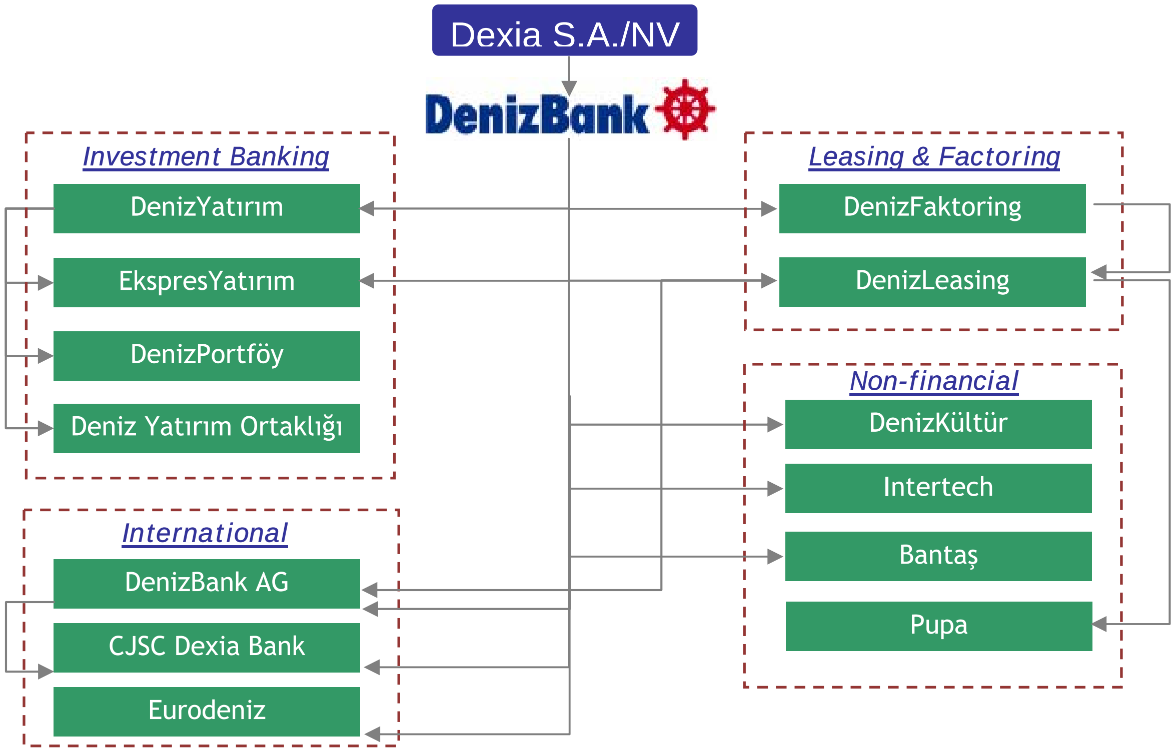
DENİZBANK FINANCIAL SERVICES GROUP (DFSG)



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 Dexia Bank 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 Dexia Bank 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 553 domestic DenizBank branches, including one in Bahrain, DenizBank AG and CJSC Dexia Bank 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, with about 35,200 members of staff and core shareholders' equity of EUR 15.3 billion as of 30 June 2011. The Group carries out its activities principally in Belgium, Luxembourg, France and Turkey.

Business Lines

Retail and Commercial Banking
Dexia offers a wide range of retail, commercial and private banking services to over 8 million customers.

Dexia ranks among the three largest banks in Belgium and Luxembourg. In Belgium, Dexia serves its 4 million customers through a network of approximately 850 branches. The Luxembourg operation is the international wealth management centre within the Group; it also covers the country with a nationwide network of branches. Dexia also holds a strong position in Turkey, through DenizBank, which currently stands at sixth position among privately-held banks and serves its customers through a nationwide network of some 553 branches. Besides the retail and commercial banking activities, DenizBank is a fully-fledged bank, with a significant corporate activity and offering its clients asset management services and insurance products.

The Group aims to continue developing its commercial franchises in Belgium and Luxembourg and to capture the significant growth potential of Turkey. The objective is to increase the proportion of income from it retail and commercial banking activities (approximately 60% of the Group's total income, including 29% from Turkey) and to achieve a client base of 10 million (4 million in Belgium and Luxembourg, 6 million in Turkey) by 2014.

Public and Wholesale Banking
Dexia plays a major role in the financing of local facilities and infrastructures, the health and social housing sectors and the social economy, principally in Belgium and France.

Dexia is also active;

- in the field of project finance, adopting a selective approach and in sectors such as infrastructures and renewable energies, both in Europe and North America;
- in the field of corporate banking in Belgium, where Dexia focuses on medium-sized corporates, whilst maintaining an opportunist presence with large corporates.

In addition, the Group is established in Germany, with an access to the Pfandbriefe market.

Close to its clients and fully in tune with their requirements, Dexia is constantly developing and widening its range of products and services. The aim is to go well beyond the role of specialist lender, offering clients of the business line integrated solutions (treasury management, budget optimisation, IT solutions and so on) most suited to their needs.

Asset Management and Services
This business line consists of three activities (asset management, investor services and insurance), characterised by attractive growth outlook based on a diversified clientele and strong collaboration with the Group's other commercial franchises.

With EUR 84.6 billion of assets under management as of 30 June 2011, Dexia Asset Management is the Group's asset management centre. Its four management centres (in Belgium, France, Luxembourg and Australia) serve a broad client base.

The investor services business is conducted by RBC Dexia Investor Services, a joint venture with Royal Bank of Canada, which offers its expertise in global custody, fund and pension administration and shareholder services to institutions all around the world. Total assets under administration amounted to EUR 2,063 billion as of 30 June 2011.

Dexia's insurance activities are mainly concentrated on the Belgian and Luxembourg markets. The Group offers a complete range of life and non-life insurance products to retail, commercial and private banking clients as well as to Dexia's public and semi-public clients, through a banking-insurance approach and through a network of tied agencies.

Ratings

The Group's main operating entities operating on the long-term capital markets, Dexia Bank Belgium, Dexia Crédit Local and Dexia Banque Internationale à Luxembourg, are rated A+ by Fitch, A3 by Moody's and A- by Standard & Poor's. Three of Dexia's European subsidiaries (Dexia Municipal Agency, Dexia Kommunalbank Deutschland and Dexia LDG Banque) issue Triple-A rated secured bonds.

MESSAGE FROM THE CHAIRMAN

Nearly three years have passed following the crisis which started in the last quarter of 2008. We have observed global banks change shells with the US and EU being in the first place in especially the first half of the three-year crisis period. Large amounts of loss were written and capital injections were made with the support of governments accordingly. Banks which could not adapt to this process either merged or were transferred to public sector. The structuring in the global financial sector continues in 2011. We can see that global banks are observing their business models, exiting some countries and rapidly increasing their assets in markets having high growth ratios. Authorities are trying to ensure that the same problems are not re-encountered by taking the necessary precautions. For this purpose, a vast range of studies and assessments are ongoing on bringing additional capital requirements and BASEL 3 preparations for banks having vital importance on a global scale.

Public debts and budgetary problems which started off in Greece in the second half of the period following the three-year crisis which is felt quite intensely due to the concerns of the case spreading to other countries are followed closely nowadays. The fear of a potential default problem having a chain reaction on banks and other companies and spreading to other countries with the loss of consumer confidence is affecting the global financial markets negatively. We have observed that a series of actions were taken under the leadership of central banks and the IMF with saving packages being in the first place in order to eliminate this risk. Accordingly, countries having high current account deficits and public indebtedness ratios have taken into course austerity measures and privatization programs.

As of 2011, it was seen that exit from the global crisis would not be as fast as projected. When the growth rate of developed countries fell under 1% and below concerns aroused on entering recession in the world once again. Emerging economies that increased interests or reserve requirements due to concerns regarding FX inflow and inflation also decreased their growth rate. IMF, who entered the year with 4.5% growth projection, decreased the rate to 4%. Concerns related to growth made the problem of sovereign debt in developed countries even more risky. The only option of governments who overcame the 2009 crisis by undertaking private sector debt and becoming knee-deep in debt was to implement a recovery plan before going bankrupt or before their rating is downgraded. But this time both resources were limited and previously unquestioned political risks gave rise. This became a significant problem especially in the EU. Although a year has passed since problems starting with Greece, there is no solution that relieves the markets yet. Plans put forward up to this point have come to nothing as well as causing the problem to spread to Ireland and Portugal and even Spain and Italy with France being the latest. The fact that sovereign bankruptcy probabilities have started to be priced has had a negative impact of the confidence towards banks carrying sovereign risks in their balance sheets.

Fortunately, the growth data received from outside of the EU shows that the break on economic growth was not at a feared rate. The world economy is supporting emerging economies under the leadership of BRIC countries and Turkey. Emerging economies are not so dependent on developed countries in terms of consumption compared to previous years. They have started trading more amongst themselves with their own currencies, increasing domestic consumption and they have the necessary resources.

Turkey has attracted a lot of attention growing by 10.2% in first half of 2011 following the annual growth rate of 9% in 2010. This growth mainly derived from private consumption and investment expenditures accordingly as it was the case in 2010. The contribution of external demand was weaker due to the effects of the global crisis abroad. The increase tendency in foreign trade continued in this sense. On the other hand, that the economy has shown positive performance in fields of budget, sovereign debt and inflation and has gained an important support from the strong growth of the Turkish economy and the high added value that was created accordingly in an environment where global economies were in difficulty is fully due to private sector and this increases the appetite of resources that will finance this high demand of investment that is diversified in many sectors. Since the beginning of 2010, foreign capital flow of 125 bn US Dollars has entered the economy. This capital flowing to the Turkish economy in times when risk perception is so high in world economies confirms that the growth potential of the economy has further increased with investments and the existing performance is sustainable.

On the other hand, the fact that the risk elements increased in developed countries made it necessary for the Turkish authorities to take regulatory precautions as a measure. As from the end of the last year, the regulations made by the Central Bank about reserve requirements and the new steps taken by the BRSA in 2011 Q2 have been the important support points indicating that the increase in the current account deficit will slow down in the coming periods. The weak performance of TL in the recent months which positively affects competitive power and the decline in energy prices draw attention as the other bases that can slow down the increase in current account deficit. Parallel to these developments, we have observed increase in positive assessment of rating agencies regarding the Turkish economy in last months and one rating agency upgraded the long-term local currency IDR to investment grade. I believe that Turkey’s credit rating, which is already considered as “investment grade” by the markets, will be at the deserved levels by rating agencies in the near future.

Although the fact that the steps taken in order to slow down the increase in the current account deficit were applied through the banking sector led to decline to some extent in the profit figures announced in the first five months compared to the last year’s figures, both the decline in NPL provisions and the strong evolution of fees and commissions will continue to support the profitability of the sector in the coming periods.

Upon the rapid growth of recent years, banking sector assets grew by 19% in the first eight months of 2011. As were the recent years, the growth in assets was realized on credits and the increase in credits was realized as 23% in the first eight months of the year. Although the growth in deposits remained below credits with 10%, the fact that credits will slow down in the rest of the year with the impact of the measures taken will be an important factor that will reduce the fund needs of banks. Moreover, thanks to the confidence in the Turkish economy, banks are able to support their funding needs with long term resources from foreign wholesale markets. The capital strength of the banking sector and successful liquidity management will act as an important support in the economy reaching its growth potential in the coming years. While the new policy approach of the Central Bank will support the extension of funding maturities of banks especially on the TL side, it will also provide a robust basis for the healthy and stable growth of the banking system.

PIERRE MARIANI
CHAIRMAN

MESSAGE FROM THE PRESIDENT AND CEO

DenizBank achieved to increase her assets, customer deposits and equity both on consolidated and unconsolidated basis with a successful performance higher than the sector averages in the third quarter of 2011. DenizBank has increased her assets by 35% on consolidated and unconsolidated basis compared to the year-end 2010 and reached TL 45 billion 681 million and TL 37 billion 421 million, respectively.

DenizBank increased her customer deposits, the main source of funding, by 38% on a consolidated basis and 30% on an unconsolidated basis in the first nine months of 2011, reaching TL 27 billion 173 million and TL 19 billion 838 million, respectively compared to 11% sector growth. Besides, DenizBank continued to obtain low-cost and long-term funding sources from several international institutions to support her priority sectors.

DenizBank acquired a securitization loan in the amount of EUR 300 million from WestLB, EIB (European Investment Bank), EBRD (European Bank for Reconstruction and Development), IFC (International Finance Corporation) ve DEG (Deutsche Investitions und Entwicklungsgesellschaft) to finance mid-size sustainable energy efficiency projects, agricultural customers and SMEs operating in the food and beverages sector. In addition, DenizBank got permission from CMB for issuing bank bonds and/or bills up to a maximum amount of TL 2 billion. We completed first and second part of the issues of discounted bank bills/bonds amounting TL 500 million in May and TL 300 million in November in total and restored trust to our bank with high-rate demands. Moreover, DenizBank secured a syndicated loan from international markets under the coordination of Wells Fargo and Standard Chartered consisting of two tranches amounting to EUR 433.5 million and USD 44 million with annual cost of Euribor 1.3% and Libor + 1.3% at the end of October.

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 31 billion 527 million, by 33% in the first nine months. Unconsolidated loan volume was realized as TL 23 billion 374 million, growing by 27%. Consumer loans grew by 36% y-t-d in total thanks to 34% increase in auto loans, 40% and 33% increase in general purpose and mortgage loans, respectively. We reached a volume of TL 1,420 million in credit card loans by recording a relatively higher growth rate than the sector. As a result of the collaboration with PTT, we launched PTT Card offering overdraft account and enabling around 4 million PTT customers to do international transactions and shopping at the same time and we increased our number of ATMs to 2,254 with PTT ATMs. We offered ISTESOB Smart Card providing advantageous solutions for financial needs of member Artisans and Craftsmen of ISTESOB. In the third quarter of 2011, DenizBank kept her leading place with her 116% loan to deposit ratio and 69% loan to asset ratio.

Our consolidated and unconsolidated shareholders' equity increased by 24% and 22% compared to the end of 2010, reaching TL 4 billion 521 million and TL 3 billion 844 million, respectively. In the third quarter of 2011, DenizBank recorded 14.29% and 14.58% 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 and agricultural loans exceeded TL 2 billion as a result of the innovations offered to producers.

Besides her financial achievements, DenizBank continued her sponsorships of İDSO (Istanbul State Symphony Orchestra), TAYK (Turkish Off-Shore Racing Club) and 2nd International

Istanbul Opera Festival as a leading supporter of culture and art facilities in the first nine months of 2011.

DenizBank became one of the banks extending its service network most by opening 53 new branches in the first three quarter of 2011 and reached 553 branches country-wide.

DenizBank left behind another highly effective year in terms of financial as well operational results as a result of her effective risk-oriented management policy that conforms to internationally-accepted corporate governance standards and reached its consolidated net profit TL 912 million by increasing two fold and realized TL 741 million unconsolidated net profit in the first nine months of 2011.

HAKAN ATEŞ
THE PRESIDENT AND CEO

CHANGES IN SHAREHOLDING STRUCTURE AND PAID-IN CAPITAL

As of 30 September 2010, 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 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 public debts crisis affecting the financial markets. The Board of Directors executed a first 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, it is decided to process the acquisition of Dexia SA's entire holding in Dexia Bank Belgium by the Belgian State with an amount of EUR 4 billion; to guarantee the debts of the Group up to EUR 90 billion for a period of ten years by the French, Belgian and Luxembourg states with respective rates of 60.5%, 36.5% and 3%; to authorize Group CEO to enter into exclusive negotiations with French Banks to maintain support for French operations and to initialize negotiations for the disposal of Dexia BIL (Banque Internationale á Luxembourg).

In addition, Dexia Participation Belgique SA initialized 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.

SHARES HELD BY THE MANAGEMENT

DenizBank's President and CEO Hakan Ateş and 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 Board of Directors Meeting dated 24 June 2011; it was decided to sign a Share Transfer Agreement regarding the sale of shares of 99.86% that our Bank has in Deniz Emeklilik ve Hayat A.Ş. (DenizEmeklilik) with a capital of TL 24,500,000 to American Life Hayat Sigorta A.Ş. (MetLife) for an amount of EUR 161,931,500 on 27 June 2011. After obtaining required approvals transfer of the company's shares was realized, the process of sale was completed.

In the Board of Directors dated 6 July 2011, it was decided to increase the capital of Denizbank AG, subsidiary of DenizBank headquartered in Austria, amounting to EUR 20,000,000 and undertake all of the increase by our Bank.

DenizBank has sold its direct and indirect shares at 100% in total on Deniz Türev Menkul Değerler A.Ş. to Endeks Gayrimenkul ve Madencilik Enerji Sanayi ve Tic. A.Ş. for an amount of TL 9,022,500 and USD 1,500,000 and the share transfer has been completed on 19 July 2011.

AMENDMENTS TO ARTICLES OF ASSOCIATION

There is no amendment to Articles of Association between 01.01.2011 and 30.09.2011.

DONATIONS

List of donations made by DenizBank in 2011 are as follows:

INSTITUTION NAME	Amount (TL)
DENİZTEMİZ DERNEĞİ	25,000
TÜRK EĞİTİM DERNEĞİ	13,500
TÜRK EĞİTİM VAKFI	4,330
TOPLUM GÖNÜLLÜLERİ VAKFI	4,000
ROTARY SAĞLIK MESLEK LİSESİ	2000
ANADOLU ÇAĞDAŞ EĞİTİM VAKFI (ANAÇEV)	500
TEMA VAKFI	187
TÜRKİYE OMURİLİK FELÇLİLERİ DERNEĞİ	161
EGE ORMAN VAKFI	60
OTHER	2,070
TOTAL	**51,808**

AMENDMENTS TO RATING NOTES

There is no amendments to the Current Ratings of DenizBank assigned by Fitch Ratings and Moody's between 01.01.2011–30.09.2011. Fitch Ratings assigned a new rating called "Viability Rating" with 19-point scale (same as long-term rating scale with lower case) due to the migration of the scale of Individual Rating to a more familiar long-term rating scale on 21 July 2011. Individual Rating will be withdrawn on 31 December 2011. Fitch Ratings affirmed DenizBank's Long Term Foreign Currency rating with 'Positive' Outlook, placed Long Term Local Currency rating and Support rating on RWE and RWN, respectively and affirmed Long Term National rating and all Short Term ratings. Fitch announced that Individual and Viability ratings of DenizBank have not been affected by these changes. Ratings are as follows:

Moody's*	
Long Term Foreign Currency Deposits	**Ba3/Positive**
Short Term Foreign Currency Deposits	**NP**
Long Term Local Currency Deposits	**Baa2/Stable**
Short Term Local Currency Deposits	**Prime-2**
Bank Financial Strength Rating	**C-**
Outlook	**Stable**

*As of 07.10.2010

FitchRatings**	
Long Term Foreign Currency	**BBB-/Positive**
Short Term Foreign Currency	**F3**
Long Term Local Currency	**BBB (RWE)**
Short Term Local Currency	**F3**
Individual	**C**
Viability	**bbb-**
Support	**2 (RWN)**
National	**AAA (tur)**
Outlook	**Stable**

**As of 13.10.2011

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
	Stefaan L. G. Decraene*	Member-Non-executive	Dec 2008- September 2011
	Jozef M.A. Clijsters**	Member-Non-executive	March 2011- March 2014

* Stefaan Decraene left his duty upon resignation on 5 September 2011
**.Jozef Clijsters left his duty upon resignation on 18 October 2011.

EXECUTIVE MANAGEMENT

Title	Name	Position	Experience
President & CEO:	Hakan Ateş	President & CEO	30 years
Executive Vice Presidents and Executive Committee Members:	Mustafa Aydın	Retail, SME and Agricultural Banking Loan Allocation-EVP	24 years
	Mehmet Aydoğdu	Commercial Banking and Public Finance-EVP	14 years
	Bora Böcügöz	Treasury and Private Banking-EVP	22 years
	Suavi Demircioğlu	Financial Affairs-EVP	21 years
	Dilek Duman	Information Technology and Support Operations-EVP-Chief Operations Officer	22 years
	Gökhan Ertürk	Retail Banking-EVP	18 years
	Tanju Kaya	Administrative Services-EVP	25 years
	Derya Kumru	Wholesale Banking-EVP	24 years
	Mustafa Özel	Branch and Central Operations-EVP	23 years
	Saruhan Özel	Economic Research, Strategy and Project Management-EVP	15 years
	Gökhan Sun	SME and Agricultural Banking-EVP	19 years
	İbrahim Şen	Corporate Banking-EVP	18 years
	Cem Demirağ	Head of Internal Control Center and Compliance- Member of Executive Committee	20 years
	Ali Murat Dizdar	Chief Legal Advisor - Member of Executive Committee	20 years
	Aysun Mercan	Secretary General	29 years
Head of Internal Audit:	Frank B.J. Plingers	General Auditor	12 years

DenizBank

AUDITORS

Name	Position	Experience
Cem Kadırgan	Auditor	25 years
Mehmet Uğur Ok	Auditor	36 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:	Stefaan Decraene*	Member	March 2011
	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:	Stefaan Decraene*	Member	March 2011
	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

Within the Context of Corporate Governance;

18 Board Decisions were adopted in the Board Meetings held between 1 July 2011 and 30 September 2011.

Audit Committee held a meeting on 1 August 2011. Independent auditors' report on the second 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 second quarter of 2011 of Internal Audit, Internal Control, Compliance, Risk Management and Operational Risk were also presented.

Corporate Governance and Nomination Committee met twice and took 2 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 2 Senior Vice President have been realized.

SECTION III- FINANCIAL INFORMATION

SUMMARY FINANCIAL HIGHLIGHTS

Consolidated Financial Highlights (TL million)

	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Cash & Banks	6,119	4,201	3,629	3,079
Securities*	4,895	4,444	3,645	3,247
Net Loans	31,527	23,790	21,607	18,558
Net Fixed Assets	362	322	270	277
Total Assets	45,681	33,853	30,295	25,943
Customer Deposits	27,173	19,713	18,104	14,701
Time	22,852	15,984	14,999	12,030
Demand	4,321	3,730	3,105	2,672
Funds Borrowed	7,776	7,047	5,273	5,279
Sub-ordinated Loans	936	770	731	759
Shareholders' Equity	4,521	3,659	3,445	2,968
Paid-in Capital	716	716	716	716
Non-cash Loans	11,012	7,636	6,871	5,094
Interest Income	2,484	2,814	2,064	2,987
Interest Expense	-1,154	-1,025	-760	-1,123
Net Interest Income after Provisions	941	1,282	915	1,172
Non-interest Income	813	676	460	629
Non-interest Expense	-1,184	-1,341	-941	-1,196
Net Income	912	616	450	605
Number of DenizBank Branches	553	500	477	450
Number of Employees	10,755	9,561	9,189	8,698
Number of ATMs	2,254	941	809	660
Number of POS Terminals	108,313	89,399	86,440	81,038
Number of Credit Cards	1,852,216	1,485,991	1,453,190	1,313,237

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.

* 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.

** Includes factoring and leasing receivables.

Unconsolidated Financial Highlights (TL million)

	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Cash & Banks	5,775	3,222	2,807	2,709
Securities*	4,787	4,280	3,503	2,976
Net Loans	23,374	18,459	16,876	14,171
Net Fixed Assets	353	314	262	260
Total Assets	37,421	27,660	24,833	21,205
Customer Deposits	19,838	15,272	14,095	11,163
Time	16,694	12,354	11,742	9,029
Demand	3,143	2,917	2,354	2,134
Funds Borrowed	6,578	5,836	4,274	4,483
Sub-ordinated Loans	936	770	731	759
Shareholders' Equity	3,844	3,141	3,009	2,630
Paid-in Capital	716	716	716	716
Non-cash Loans	10,538	7,474	6,740	5,042
Interest Income	2,152	2,465	1,807	2,553
Interest Expense	-964	-878	-646	-906
Net Interest Income after Provisions	808	1,116	789	1,106
Non-interest Income	608	529	404	465
Non-interest Expense	-1,063	-1,187	-839	-1,040
Net Income	741	458	353	532
Number of DenizBank Branches	553	500	477	450
Number of Employees	9,576	8,573	8,227	7,789
Number of ATMs	2,254	941	809	660
Number of POS Terminals	108,313	89,399	86,440	81,038
Number of Credit Cards	1,852,216	1,485,991	1,453,190	1,313,237

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.

* 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.

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 million)

Consolidated	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Capital Adequacy Ratio (%)	14.29%	15.70%	15.89%	16.72%
Shareholders' Equity	4,521	3,659	3,445	2,968
Return on Average Equity (%)	29.7%	18.6%	18.7%	23.0%
Free Capital *	3,738	2,872	2,640	2,154
Free Capital Ratio ** (%)	8.2%	8.5%	8.7%	8.3%

Unconsolidated	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Capital Adequacy Ratio (%)	14.58%	16.43%	16.98%	19.02%
Shareholders' Equity	3,844	3,141	3,009	2,630
Return on Average Equity (%)	28.3%	15.9%	%16.7	22.8%
Free Capital *	2,700	2,023	1,926	1,565
Free Capital Ratio ** (%)	7.2%	7.3%	%7.8	7.4%

* 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

DenizBank Asset Quality

Consolidated	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Non-performing Loans/ Total Cash Loans Ratio (%)	2.6%	4.4%	4.9%	5.5%
Non-performing Loans Provision Ratio (%)	116.5%	105.6%	98.8%	94.3%

Unconsolidated	30.09.2011	31.12.2010	30.09.2010	31.12.2009
Non-performing Loans/ Total Cash Loans Ratio (%)	2.8%	6.0%	%5.2	3.1%
Non-performing Loans Provision Ratio (%)	130.3%	99.9%	%104.4	114.0%

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 activitied 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 nine months of 2011 have been summarized below.

As we approach the end of 2011, the economic performance picture of the year has started to appear. The Medium Term Program announced in October constitutes an important basis in terms of forming general economic views both for this year and for the future. Accordingly, realizing the highest growth rate among emerging economies with 9%, Turkey will reach a significant growth in 2011 with 7.5%. Similar to previous years, it is necessary to emphasize that this rate is due to domestic consumption and private sector investment. Public spending is under a certain discipline as we are used to since 2000s. This way, 2011 will end with a very low budget deficit as 1.9% and debt to GDP ratio will decrease below 40%. Medium Term Program indicates the fact that the budget discipline will be continued until 2014. In coming years, parallel to this view, debt to GDP will fall below 30%.

Maintaining the internal and external balances is important besides undersigning success regarding growth and budget discipline. Although the inflation on internal balance side is parallel to targets, it can be understood that there will be an increasing tendency in coming months. It is estimated that the annual inflation rate expected to reach 7.8% at year-end according to MTP will be parallel to Central Bank target of 5% as from next year. Lately, although the evolution of TL against other currencies is risky in short term in view of inflation, both domestic and foreign based demand indicates that the increase in inflation cannot be permanent on the longer term. In addition, the active intervention of the Central Bank as of third quarter against the fluctuation of TL is an important factor to relieve the currency pressure on inflation in coming months. On external balance side, current account deficit is the most important agenda item of the year. Current account deficit which exceeded 75 bn USD in first 9 months of the year will reach 9.4% of GDP at end of 2011 according to MTP. The current account deficit which gave signals of slowing down in last months will fasten in last quarter of the year and decrease to more acceptable levels next year. Both international energy price evolution and TL movements strengthen this expectation. Besides, authorities state that the measures taken by Central Bank of Turkey and BRSA in2011 have started to work and FX rate adjusted credit increase rate will decrease to targeted 25%. All developments support the slowdown in current account deficit.

One rating agency upgraded the long-term local currency IDR of Turkey to investment grade in September. With the improving current account deficit, the same expectation goes for our foreign currency IDR and this will have a great positive effect on public side, real sector companies and banks.

Evaluation of the banking sector according to the data* as of September 2011:

-Loan volume (excluding financial sector loans)	**TL 657 billion**
TL Loan volume (excluding financial sector loans)	**TL 465 billion**
FX Loan volume (excluding financial sector loans)	**USD 104 billion**
-Deposit Volume (excluding interbank deposits)	**TL 682 billion**
TL Deposit Volume (excluding interbank deposits)	**TL 457 billion**
FX Deposit Volume (excluding interbank deposits)	**USD 123 billion**

In the first nine months of 2011, with the contribution of the increase in exchange rates, the total loan volume of the Banking sector increased by 27% compared to the end of 2010 and by

40% compared to the first nine months of 2010 and reached TL 657 billion. In the first nine months of 2011, 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 slowed down in the third quarter and consumer loans realized a 26% increase. While general purpose loans rose by 33%, the increase in commercial and corporate loans approached to 28% and the growth of SME loans in eight months was around 20%. Even if the growth rate of SME loans slowed down in the third quarter, the twelve-month performance of SME loans was still high with its 41% growth. The NPL ratio of SMEs which was 7.6% at the end of 2009 and fell to 4.5% at the end of 2010 decreased further to 3.2% as of August 2011. The NPL ratio of all loans which reached up to 5.8% during the crisis dropped to 2.7% at the end of September 2011.

Total deposits reached TL 682 billion by increasing only 11% in the first nine months. The sector's total equity rose by 9% y-t-d and reached TL 148 billion. The net profit of the banking sector in the first eight months was realized as TL 12.7 billion recording a 15% y-o-y decrease.

* *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 30.09.2011 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 2010 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