

Annual Report 2009

DEXIA

DenizBank AG 

DenizBank



DenizBank
Kredi Kartları
Hesap Hattaları
1 TL
10.000 TL
50.000 TL
100.000 TL
KURUVAZ
Kredi Kartları - Hattalar - Hesap Hattaları
DenizBank.com.tr



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Directors and Officers of the Bank

Supervisory Board

Hakan Ateş

Istanbul, President & CEO of DenizBank A.Ş., Chairman

Bruno Accou (until September 11, 2009)

Istanbul, DenizBank A.Ş., Vice Chairman

Dirk Bruneel (since September 11, 2009)

Brussel, Dexia SA, Vice Chairman

Mustafa Aydın (until March 20, 2009)

Istanbul, Executive Vice President of DenizBank A.Ş., Member

Bora Böcüğöz (until March 20, 2009)

Istanbul, Risk Management EVP of DenizBank A.Ş., Member

Oğuz Vecdi Öncü (from March 20, 2010 until 04.12.2009)

Istanbul, Executive Vice President of DenizBank A.Ş., Member

Derya Kumru (since December 4, 2009)

Istanbul, Executive Vice President of DenizBank A.Ş., Member

Dr. Kurt Heindl

Vienna, Former Member of the Parliament, Consultant, Member

Representative of the Austrian Federal Ministry of Finance Banking Supervision Division

Dr. Marcus Heinz (until July 31, 2009)

Director, International Financial Institutions

Andreas Staritz (since August 1, 2009)

Director, International Financial Institutions

Mag. Lisa Mandl

Deputy, International Financial Institutions



Management Board

Drs. Martijn van Mancius
CEO

Dr. Thomas Roznovsky
(since 01.01.2010)
Member

Mehmet Ulvi Taner
(since 02.04.2010)
Member

Oğuz Vecdi Öncü
(since 01.06.2010)
Member

Departments

Christian Mayr
Holder of Procuraion
Treasury

Daniel Mayr
Holder of Procuraion
Organisation & IT

Aslı Kurt
Holder of Procuraion
Controlling & Accounting

Özgür Kaya
Credit Risk Management

Gülsüm İltar
Corporate Commercial Banking

Dipl. Ing. Ingo Schlinke
Internal Audit

Dr. Bernhard Hofmann
Legal Department

Mag. Yasmin Pichler
Compliance

Margit Mayerhofer
Holder of Procura
Accounting

Mag. Yankı Eyüboğlu
Personal Financial Services

Petra Pfeifer
Back Office Treasury

Timuçin Osmanağaoğlu
Treasury

Melek Ay
Risk Management

Muzaffer Lale
Controlling

Branches

MMag. Tülay Korkmaz
Branches Austria

Ömer Tigrel
Frankfurt Branch

Shareholder

DenizBank A.Ş., 64,06% shares

Büyükdere Cad. No: 106,
Esentepe 34394, Istanbul
Tel: (90-212) 355 08 00
Fax: (90 212) 267 27 24
www.denizbank.com

Mr. Yavuz Zeytinoğlu, 0,01% shares

Deniz Finansal Kiralama A.Ş., 35,93% shares

Subsidiary

51% of CSJC Dexia Bank (Moscau)

Agenda of the General Meeting

Agenda of the 14th Annual General Meeting of DenizBank AG on March 22, 2010.

1. Presentation of the Annual Report 2009, including financial statements and the Supervisory Board's report,
2. Resolution on the distribution of the profit,
3. Resolution on the release of the Management Board for the financial year 2009,
4. Resolution on the release of Supervisory Board for the financial year 2009,
5. Appointment of Supervisory Board,
6. Appointment of auditors for the financial year 2011,
7. Enactment about the amendments of the articles of association, particularly with regard to the amendments of the provisions of the stock corporation law 2009,
8. Miscellaneous.

Key Figures

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|---------|----------|---------|---------|---------|
| Capital Adequacy Ratio (%) | 9.89 | 11.69 | 9.93 | 11.45 | 13.53 |
| Return on Equity (%) | 10.14 | 17.07 | 11.83 | 18.68 | 12.21 |
| Earnings before Taxes (TEUR) | 10,645 | 7,199 | 8,478 | 12,083 | 6,876 |
| Earnings before Income Taxes/ Employee (TEUR) | 62.9 | 46.4 | 52.0 | 88.0 | 71.0 |
| Loan Deposit Ratio (%) | 74.83 | 94.47 | 69.57 | 66.55 | 50.12 |
| Net Interest Margin | 1.65 | 2.06 | 1.73 | 1.63 | 1.53 |
| Cost Income Ratio | 48.34 | 52.46 | 60.53 | 53.20 | 58.26 |
| Cash Flow from Operating Activities (TEUR) | 5,326 | (31,433) | 9,779 | 7,578 | 8,035 |
| Cash Flow from Investment Activities (TEUR) | (1,022) | (11,570) | (1,570) | (1,262) | (5,408) |
| Cash Flow from Financing Activities (TEUR) | 0 | 40,000 | 0 | 10,000 | 0 |

Supervisory Board's Report

The Supervisory Board has every reason to be proud of the Bank's accomplishments since its takeover in September 2002.

We are confident that DenizBank AG will continue to demonstrate a successful performance in the coming years.

DenizBank AG completed its fourteenth year of operations in 2009. Despite the acceleration of the challenges posed to the financial industry in Austria and globally, our bank again delivered a successful result. Bolstered by strong capitalization and dynamic funding base, DenizBank AG took advantage of the opportunities offered in the market while applying a strict risk management policy.

The Management Board has reported to the Supervisory Board about the expansion of the business in Austria, Germany and Russia, as well as significant lending commitments, investments and other important matters.

During the 2009 financial year, the Supervisory Board met four times; March 23rd, May 22nd, September 11th and December 4th. The duties of this Board were instituted in accordance with the Law and the Articles of Association. The Board is responsible for continuously supervising the activities of the Bank's Management Board. Information is communicated both in writing and verbally by the Management Board in a regular, comprehensive and timely manner about the Bank's intended business strategies, position, development and key transactions. The Management Board submits regular reports on the extent to which group risk exposure limits have been utilized. The Supervisory Board also conducts other in-depth examinations of key risk control aspects.

The 2009 DenizBank AG financial statements and Management Report was prepared in accordance with the UGB (Austrian Enterprise Code) while the consolidated balance sheet was prepared and audited by Deloitte Wirtschaftsprüfung GmbH, Vienna. The Supervisory Board and its audit committee duly noted and approved the results of the audit; the final examination revealed no deficiencies. Internal Audit, Controlling, Risk Management and Credit Risk Departments provided the Audit Committee of the Supervisory Board reports on a regular basis.

With recommendation of the Audit Committee, the Supervisory Board approved the Management Report and proposal for use of net profit and approved the Balance Sheet in accordance with § 125 (2) of the Corporate Law.

Mr. Oğuz Vecdi Öncü was appointed as member of the Supervisory Board on 20th March 2009 and subsequently he resigned as a member of the Supervisory Board per 4th December 2009 while Mr. Derya Kumru was appointed on 4th December 2009 by the General Assembly as member of the Supervisory Board.

Mr. Bruno Accou resigned as member of the Supervisory Board on 11th September 2009 while Mr. Dirk Bruneel was appointed as the same day as member of the Supervisory Board, taking also over the role as deputy chairman.

Mr. Bora Böcügöz and Mr. Mustafa Aydin both resigned as members of the Supervisory Board on 20th March 2009.

The Supervisory Board has every reason to be proud of the Bank's accomplishments since its takeover in September 2002.

We are confident that DenizBank AG will continue to demonstrate a successful performance in the coming years. The strength and expertise of the DenizBank Financial Services Group, the Supervisory Board and the shareholders all support the Management Board in their drive toward becoming one of the most influential and admired banks in the region.

Vienna, March 2010

The Supervisory Board



Hakan Ates
President





Dr. Thomas Roznovsky
(since 01.01.2010)
Member of the Board

Drs. Martijn van Mancius
General Manager

Oğuz Vecdi Öncü
(since 01.06.2010)
Member of the Board

Mehmet Ulvi Taner
(since 02.04.2010)
Member of the Board

Management Board's Report

Transparency, Security and Customer Proximity form the base of our corporate philosophy

Overall Economic Conditions

The year 2009 was marked by the prolongation of the global financial and economic crisis. It was the year of government stimulus packages, raising unemployment, a rapidly shrinking global trade and the disappearance of some traditional trademarks.

Diminutive signs of an end to the worldwide recession were noticed only towards the end of 2009, emerging from the dynamic economies of Asia leading to a stabilization of global trade.

In this difficult environment, DenizBank AG has positioned itself successfully with its business model. The philosophy, followed since establishment, to focus on client-driven business has again proved to be a valuable strategy in the reporting period.

With our savings and service products, we offer our clients tailor-made solutions for their financial needs. Easy accessibility and service quality have the highest priority at DenizBank AG.

Business Development

The year 2009 was marked by a further growth. We increased the number of customers again significantly, in particular with our attractive offers for retail depositors, coupled with a service- and demand oriented client support provided by branches as well as online banking (www.denizbank.at). In mid 2009, we opened our new branch in Salzburg. With now 10 branches in Vienna (4), Bregenz, Graz, Innsbruck, Linz, Salzburg, and Wr. Neustadt, as well as our foreign branch in Frankfurt am Main, we have created

a powerful service network. With long opening hours, including Saturdays, our contact center and the online banking portal we are close to our customers and at all times reachable.

Furthermore we offer our private and corporate customers our foreign payment service which is increasingly being used also by clients who are not in a constant business relationship with us as well as our correspondent banks in Austria. The cooperation with MoneyGram, which allows quick payment transactions worldwide, will be continued, providing our customers access to more than 180,000 payment offices around the world.

Specializing in foreign trade financing, business contracts and start-ups in Turkey, our bank is an important partner in dynamically growing bilateral trade- and investment relationships for both private and corporate customers. The dense branch network of our parent company in Turkey facilitates our broad offerings for foreign trade and business contract services, especially to medium sized companies. Our customers thereby profit from group-wide synergies with DenizBank Financial Services Group and Dexia Group.

The rapidly expanding DenizBank Financial Services Group owns almost 100% of DenizBank AG. Our parent company DenizBank A.Ş., Turkey is amongst the six largest private banks in Turkey, with about 450 branches in Turkey and a workforce of over 8,300. As part of this Turkish group we have a strong focus on mutual customers.

DEXIA Group, as owner of DenizBank Financial Services Group, employs more than 30,000 people and with 7.5 million customers, is one of the largest financial institutions in the world.

DenizBank AG operates a foreign branch in Frankfurt under the name DenizBank (Wien) AG, Zweigstelle Frankfurt/Main. No significant changes were reported during the reporting year.

DenizBank AG owns 51% of the share capital of CJSC Dexia Bank Moscow. The remaining 49% is held by DenizBank A.Ş., Turkey. The subsidiary is contributing essentially to the realization of business opportunities for clients of both shareholders.

Review of Balance Sheet Items

The total balance sheet increased again in the reporting year and with EUR 1,687.1 million, is 20.12% higher vs. last year's figure of EUR 1,404.5 million. Since 2005, our business volume has more than doubled.

As in the previous years, we have structured our loan portfolio in the short and medium terms. As a result of increasing demand loans to customers rose to EUR 1,117.5 million.

During 2009, DenizBank AG at all times had sufficient liquidity and was able to provide selected bank counterparties with excess liquidity. At the end of the year, amounts lent to banks were recorded at EUR 412.7 million.

In line with strategic considerations, the portfolio of fixed-income securities was reduced from EUR 73.3 million to EUR 65.0 million.

Development of Balance Sheet Total in (EUR million)

| | |
|------|---------|
| 2009 | 1,687.1 |
| 2008 | 1,404.5 |
| 2007 | 1,143.4 |
| 2006 | 1,091.2 |
| 2005 | 867.5 |

Management Board's Report

The total balance sheet increased again in the reporting year and with EUR 1,687.1 million, is 20.12% higher vs. last year's figure of EUR 1,404.5 million. Since 2005, our business volume has more than doubled.

Despite the global financial crisis we were able to strengthen our deposit and liquidity position. This reflects the great confidence of our customers. Amounts owed to customers in 2009 were stated at EUR 1,493.35 million (2008: EUR 1,101.79 million). The funding is complemented by amounts owed to banks of about EUR 25.7 million.

The traditional savings book is enjoying a healthy revival. We could meet the increased customer demand for security and proximity with an optimized product portfolio. Our savings deposits increased above average from EUR 512.8 million at year-end 2008 by EUR 206.0 million to EUR 718.8 million at year-end 2009; the proportion of savings deposits with an agreed term on termination accounted for 89.9% of this total.

As an Austrian bank, DenizBank AG is subject without restriction to the Austrian provisions governing the protection of deposits and investor compensation (Section 93 ff Austrian Banking Act). DenizBank AG is member of the statutory guarantee facility of the Banks and Bankers, the "Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H."

Changes of Significant Balance Sheet Positions 2009 (EUR million)

| | |
|-------------------------------------|-------|
| Balance Sheet | 283 |
| Loans to Customers | 77 |
| Loans to Credit Institutions | 202 |
| Amounts Owed to Credit Institutions | (121) |
| Amounts Owed to Customers | 392 |
| Thereof Savings Deposits | 206 |
| Shareholder's Equity | 11 |

At the extraordinary general meeting on November 19, 2008, an increase of the subscribed capital was concluded. The registered shares increased from 24,536 by 13,760 to 38,296 shares, which are registered in the name of the shareholders. The face value of the subscribed capital increased from EUR 17,831,047.28 by EUR 9,999,804.80 to EUR 27,830,852.08. The capital increase was issued at 250% and was paid immediately by cash by the new shareholder Deniz Finansal Kiralama A.Ş., a DenizBank Financial Services Group entity. The capital increase was registered at the commercial register on March 27, 2009.

The supplementary capital of EUR 25 million issued in 2008 with a maturity of June 30, 2018 and an interest rate of EURIBOR + 2.4% was terminated by DenizBank AG and at the same time a capital increase executed with the same volume. The total supplementary capital at year-end 2009 was therefore recorded with EUR 16.63 million (2008: EUR 41.63 million).

After allocation of retained earnings and the reserve under section 23/6 of the Austrian Banking Act amounting to EUR 10.6 million, our total qualifying capital amounts to EUR 137.7 million at the end of 2009 (2008: EUR 126.8 million). Our capital adequacy ratio of 9.89% of the risk-weighted assessment basis exceeds the legally required ratio of 8.00% by more than 23%.

Development of Shareholder's Capital (EUR million)

■ Core Capital
■ Supplementary Capital

| Year | Core Capital | Supplementary Capital |
|------|--------------|-----------------------|
| 2009 | 121.0 | 16.6 |
| 2008 | 85.1 | 41.6 |
| 2007 | 58.1 | 16.6 |
| 2006 | 51.6 | 16.6 |
| 2005 | 42.7 | 6.6 |

Review of Income Statement Items

Net interest income of EUR 25.4 million and commission income of EUR 2.8 million reflect our excellent earning position. We can report an operating income of EUR 29.4 million, which was EUR 1.09 million or 3.9% above the level of the previous year.

Our operating expenses decreased due to our strict cost management and despite further investments in our new headquarters at Thomas-Klestil-Platz, Vienna, to EUR 14.3 million (2008: EUR 14.6 million).

Our operating result in the fourteenth financial year of operation was reported at a satisfying level of EUR 15.1 million.

Development of Operating Result (EUR million)

| Year | Operating Result |
|------|------------------|
| 2009 | 15,113 |
| 2008 | 13,680 |
| 2007 | 9,208 |
| 2006 | 9,553 |
| 2005 | 5,807 |

Our result of ordinary activities accounts to EUR 10.6 million (2008: EUR 7.2 million).

Consequently net income for the year after tax totaled EUR 10.6 million (2008: 12.5 million).

Due to the very positive earning situation and after the allocation to the reserve under section 23/6 ABA with an amount of EUR 2.6 million, the Management Board proposes to transfer a sum of EUR 8.0 million to the retained earnings.

Sustainability Report

Since the establishment, DenizBank AG is well aware of its responsibility for the environment and the society and takes the respective expectations vis-à-vis the company very seriously. It is a part of our corporate philosophy to promote developments which pay tribute to the requirements of today's generation without jeopardizing the chances of future generations. Sustainability, respect and fairness with respect to customers, employees and shareholders at all times enjoy highest management priority. By considering economical, ecological and social issues, our Bank adds a positive long-term value.

At DenizBank AG employees represent a major success factor. Individual training and empowerment are therefore in the focus of our endeavours for a purposeful human resources development. The intensive training of the employees continued in the year 2009 within the scope of the respective development schedules.

Concentrated training was particularly intensified for staff of our branches. In 2009 about 70 employees of DenizBank AG attended courses in specialized fields such as loans and securities business, workplace safety and telephone training. Apart from the legally compulsory training concerning compliance and anti-money-laundering, staff members of operative departments such as payments and treasury back office attended

specialist courses. To intensify the trainings mainly in the branches the multiplier-method was implemented. Therefore, selective employees were trained very intensively for a specific topic. Thereafter they taught other employees during in-house-workshops and lectures.

With the "Vision Club" we have established a new platform for our young talents and executive trainees. This platform offers special seminars to promote the professional and personal development of the participants as individuals and within the future leadership team of our Bank.

With the implementation of e-learning tools in the areas compliance and branch training, we are utilizing modern communication techniques for the training of our staff.

As an expanding enterprise, we are proud to offer additional hires new perspectives during times of increasing unemployment.

A project set up in cooperation with Intertech, a DenizBank Financial Services Group entity, in 2007 to increase the operational efficiency amid a complete new IT infrastructure with the implementation of „Inter-Next“ banking software proceeded speedily and will be finalized soon.

The essential processes in the Bank were reviewed during the last year. The strict separation between market and off-market areas is implemented. A stringent execution of the 4-eye-principle positively safeguards the quality of internal processes. Additional resources were hired in the organization department going hand-in-hand with its increased responsibilities.

Whenever utilizing natural resources, we put high emphasis on environmentally friendly and recyclable products. We implemented energy-saving measures in transport and organization and thus achieve greater efficiencies and competitive advantages.

Management Board's Report

Selective risk-taking in line with our business strategy and the active management of such risks are core banking functions of DenizBank AG.

Compliance and Anti-Money Laundering

Our internal compliance guidelines, based on the Standard Compliance Code of the Austrian Banks and international money laundering regulations is compulsory for all our employees in the daily work. The adherence to these codes and regulations is controlled regularly by independent compliance and anti-money-laundering supervisors.

A particular focus of the employee's training was to educate the employees regarding the execution of MiFID, compliance issues and the anti-money-laundering directive.

Furthermore, we are permanently taking comprehensive measures to secure the compliance with all relevant anti-money laundering regulations. With the implementation of an anti-money-laundering tool, based on data-pools with suspicious persons on a worldwide basis, an automated regular check of conspicuous transactions is executed. Strict internal rules such as fraud prevention and whistle-blowing procedures additionally create respective sensitivity amongst our staff.

Risk Report

Selective risk-taking in line with our business strategy and the active management of such risks are core banking functions of DenizBank AG. Through our risk policy, we aim for an early systematic identification of risk in order to manage and ring fence such risks in line with our business strategy. Risk Management is therefore an integral part of the corporate strategy of DenizBank AG and covers all areas of the bank.

Risk Strategy

The bank follows certain general risk policy principles, such as the regular involvement of the Management Board in the daily business, securing the risk bearing ability of the Bank and the avoidance of conflicts of interest. Next to these principles, we have defined an adequate overall bank risk strategy. This risk strategy is characterized by a conservative approach to operational bank risks and the acceptance of risk only in such areas of business, where we have respective systems and knowledge in place to assess the relevant risks appropriately. The risk appetite (willingness to take financial risks) is a further element of our basic strategic considerations and defined along two scenarios - going concern (normal scenario) and liquidation (worst case).

Structure and Organization of Risk Management

The Management Board of DenizBank AG carries the ultimate responsibility for risk management. The Management Board decides the risk strategy and approves the general principles for risk management, including relevant limits for relevant risks and procedures to the controlling of such risks. An independent risk management department and a risk committee are assisting the board in the execution of its respective duties. The main responsibilities of these entities are the identification and evaluation of risk, risk management and risk control.

Credit Risk Management is responsible for portfolio management, credit risk steering, and the monitoring of the loan book as well as the rating of credit exposures of the bank. A new rating system, based on the existing Dexia-Group model was implemented during 2009. The credit risk steering for the overall credit portfolio is performed in particular for specific industry groups, currencies and rating classes.

Within the framework of the overall bank risk management governance, we furthermore execute a controlling and supervision of all business relevant risks in the Controlling, Internal Audit and Compliance Departments.

Overall Bank Risk Management

DenizBank AG follows the principle of proportionality for applying adequate methods of risk management concerning relevant risks for the Bank. Next to meeting the minimum capital requirements (pillar I) and an increased disclosure (pillar III), the Basle 2 framework also requires an intensified consideration and specification of an adequate overall bank risk management and provision of risk capital on the basis of bank-specific risk profiles (pillar II).

With regard to the calculation of the regulatory minimum capital requirements according to pillar I DenizBank AG applies the regulatory standard methods for market risk, the standard approach for credit risk and the basic indicator approach for operational risks. Information disclosures in line with pillar III are implemented on superordinate group level.

The respective implementation of these requirements according to pillar II into national legislation is effected on the basis of an enlarged due diligence according to section 39 and 39a ABA, covered by DenizBank AG in particular through the application of a bank-individual ICAAP (Internal Capital Adequacy Assessment Process).

DenizBank AG commands an adequate system for the steering, controlling and supervision of all risks, proportional to the conducted business. The well-established

internal control system of DenizBank AG ensures that all essential risks are identified and assessed on a regular basis to allow prompt reactions.

A comprehensive, objective and transparent disclosure of risks to the Management and Supervisory Board of DenizBank AG is part of the regular risk monitoring.

The standardized risk reporting is performed at regular intervals and provides an adequate information level on essential positions of the Bank to all relevant parties and decision-making bodies, enabling a prompt evaluation of all respective risks.

As a result of the execution of mutual business with our parent company and the strong engagement in Turkey, DenizBank AG is thus strongly dependent on economic developments in Turkey.

The quantification of the risk-bearing-ability thereby covers potential losses from the following material risk categories:

| | |
|------------------|--|
| Credit Risk | Default risk in the classic loan business Issuer risk in the trading and bank book Counterparty risk Concentration risk |
| Market Risk | Loss of value caused by changed market conditions for interest rates, currencies, shares, options and balance-sheet-structure risk |
| Operational Risk | Inadequacy or failure of internal processes, humans or system or external events |
| Other Risk | Liquidity risk Business risk Regulatory and Compliance risk Reputational risk |

The definition of limits for all relevant risks and related procedures to control such risks warrant the compliance with the risk-bearing abilities and parameters as defined by the Board.

Workshops as well as internal and external training beyond the basics of risk management increase the risk awareness of Bank employees.

The risk-bearing-analysis represents the basis for the risk strategy of DenizBank AG, as the risk associated to certain businesses is only covered up to a certain amount of the existing aggregate risk cover. The definition of the size of such risk cover categories therefore limits the scope and volume of business risk within an appropriate framework.

Management Board's Report

Following our business strategy, we are planning for the current financial year to continue the expansion of our well-established service platform in online banking as well as a strengthening of our earnings position.

The potential market risk is determined through the calculation of a Value at Risk (VaR). The VaR calculation incorporates all positions of the Bank and trading book incl. existing derivatives.

To hedge market risks related to advances of loans in foreign currency we are using such derivatives. Those are supplemented to a lesser extent with interest rate swaps and options.

| Financial Derivative Instruments (EUR million) | |
|--|------------|
| FX Forwards and FX Swaps | 694 |
| Interest Rate Swaps | 85 |
| Options | 77 |
| Total | 856 |

The quantitative assessment and consideration of the credit risk concerning the risk-bearing ability is determined through the method of a modified IRB foundation approach.

For the quantification of the operational risk, we are using the regulatory basic indicator method.

The quantification of other risks (liquidation, reputational, regulatory & compliance risks) is determined through a percentage premium on the risk potential of the above mentioned, quantifiable risks.

The risk-bearing-analysis shall ensure the continued existence of the Bank. In the respective models risks resulting from defined risk categories are added to an overall potential loss value; consequently, such potential loss is compared to the available risk coverage capital in a going-concern and a liquidation scenario.

The risk coverage capital is defined as the sum of all financial means of a bank which are available as risk cover.

At DenizBank AG we have defined three risk cover categories and risk coverage capital, ranked according to their respective public awareness and availability; individual risk cover positions can be either allocated to one or more risk cover categories.

Consequently, the risk coverage capital consists mainly of available capital, while reserves from unrealized gains and available interim profits, while hidden reserves are not being considered in the liquidation scenario.

The Risk Committee is controlling regularly the risk-bearing ability of the bank at all times. For both scenarios, the utilization of the aggregate risk during 2009 at all times was well within the risk coverage capital.

To simulate an extraordinary increase of the overall risk potential and in order to quantify a related impact on our earnings situation and the risk coverage capital, DenizBank AG runs several stress tests. Such tests create scenarios where certain extraordinary external events can cause an increase in risk. These tests have resulted in a positive assessment of the available risk coverage capital for such scenarios.

DenizBank AG, through its effective and efficient risk-management, regards itself as well-positioned for its current business activities as well as future challenges.

Research & Development

Because of our business model there are no significant activities in research and development.

Significant Developments after Reporting Date

No significant events occurred after the balance sheet date.

Preview and Latest Developments

In view of the prolonged global financial and economic crisis experienced in 2009, we regard the general economic conditions for the financial year 2010 to remain difficult. The upswing in economic activities, in particular within the EU, will be marginal and accompanied by setbacks. The anticipated growth in 2010 and 2011 will be carried by some emerging economies.

Following our business strategy, we are planning for the current financial year to continue the expansion of our well-established service platform in online banking as well as a strengthening of our earnings position.

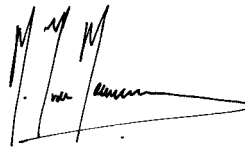
DenizBank AG is well positioned to meet all challenges that we might face in 2010.

Furthermore, we expect a profitable expansion of our deposit and savings business through our call center, direct banking and our branch network. The overwhelming acceptance of the "Europe Plus" package with a combination of an attractive savings component and a European index fund confirms this strategy to be continued.

By means of our ownership structure, we are part of an internationally successful group, whose client structure and financial strength will open up a range of various expansion opportunities for us. Despite decreasing interest margins and increasing competition, we further aim to achieve the same excellent operational results as we achieved in the previous years, while continuing to pay highest priority to an active risk management and controlling.

We would like to express our sincere thanks to all employees, who played a vital role in achieving such a remarkable development through their excellent team spirit. Our thanks also go to our main shareholder, DenizBank Financial Services Group, our business partners and in particular our clients, who entrusted us with their financial business.

Vienna, March 10, 2010
Management Board



Drs. Martijn van Mancius
CEO



Dr. Thomas Roznovsky
Member

Balance Sheet as of December 31, 2009

| Assets | December 31, 2009 | | December 31, 2008 | |
|---|-------------------|----------------|-------------------|------|
| | EUR | TEUR | EUR | TEUR |
| 1. Cash and balances with central banks | 20.833.946,77 | 16.550 | | |
| 2. Treasury bills Treasury bills and similar bills | 19.830.500,00 | 19.831 | | |
| 3. Loans and advances to credit institutions | | | | |
| a) repayable on demand | 23.752.686,49 | 6.937 | | |
| b) other loans and advances | 388.936.233,80 | 203.431 | | |
| 4. Loans and advances to customers | 1.117.532.901,53 | 1.040.819 | | |
| 5. Bonds and other fixed income securities | | | | |
| a) issued by public sector entities | 12.345.097,00 | 12.369 | | |
| b) issued by other borrowers | 52.692.336,83 | 60.898 | | |
| 6. Shares and other non-fixed income securities | 503.201,84 | 385 | | |
| Investments in subsidiaries thereof: credit institutions | 16.453.424,78 | 16.453 | | |
| 8. Intangible fixed assets | 1.652.856,13 | 1.910 | | |
| 9. Tangible fixed assets | 2.821.844,78 | 2.910 | | |
| 10. Other assets | 29.555.158,54 | 21.686 | | |
| 11. Deferred expenses | 143.854,89 | 337 | | |
| Off-balance sheet items | 1.687.054.043,38 | 1.404.496 | | |
| 1. Foreign assets | 1.619.505.405,97 | 1.267.202 | | |
| Liabilities and Shareholders' Equity | | | | |
| | December 31, 2009 | | December 31, 2008 | |
| | EUR | TEUR | EUR | TEUR |
| 1. Amounts owed to credit institutions | | | | |
| a) repayable on demand | 16.916.528,10 | 1.537 | | |
| b) with agreed maturity dates or periods of notice | 8.806.437,65 | 145.594 | | |
| 2. Amounts owed to customers | 25.722.965,75 | 147.131 | | |
| a) Savings deposits thereof: | | | | |
| aa) repayable on demand | 72.593.956,26 | 512.782 | | |
| bb) with agreed maturity dates or periods of notice | 646.200.764,66 | 718.794.720,92 | | |
| b) Other liabilities thereof: | | | | |
| aa) repayable on demand | 222.524.213,16 | 589.005 | | |
| bb) with agreed maturity dates or periods of notice | 552.035.184,61 | 774.559.397,77 | | |
| 3. Other liabilities | 1.493.354.118,69 | 1.101.787 | | |
| 4. Deferred income | 27.261.644,66 | 25.065 | | |
| 5. Provisions | | | | |
| a) Provisions for severance payments | 295.043,00 | 277 | | |
| b) Other provisions | 1.010.077,96 | 846 | | |
| 6. Supplementary capital | 1.305.120,96 | 1.123 | | |
| 7. Subscribed capital | 16.633.641,71 | 41.634 | | |
| 8. Capital reserves | 27.830.852,08 | 17.831 | | |
| a) share premium | 34.624.322,96 | 19.625 | | |
| 9. Retained earnings | | | | |
| a) other retained earnings | 46.370.209,14 | 38.372 | | |
| 10. Reserve according to section 23/6 Austrian Banking Act | 13.845.355,00 | 11.216 | | |
| 11. Net profit | 0,00 | 0 | | |
| Off-balance sheet items | 1.687.054.043,38 | 1.404.496 | | |
| 1. Contingent liabilities thereof: Guarantees and assets pledged as collateral assets | 20.374.541,30 | 32.514 | | |
| 2. Total qualifying capital according to section 23/14 Austrian Banking Act | 137.651.524,76 | 126.767 | | |
| 3. Legal minimum capital requirement according to section 22/1 Austrian Banking Act | 111.377.474,80 | 89.864 | | |
| 4. Foreign liabilities | 621.640.151,49 | 708.886 | | |

Profit and Loss Account for the Financial Year 2009

| | 2009 | 2008 |
|--|------------------------|-----------------|
| | EUR | TEUR |
| 1. Interest and similar income thereof: from fixed-income securities EUR 2,353,682.01 (prior year: EUR 5,012,004.41) | 85,600,983.08 | 98,674 |
| 2. Interest and similar expenses | (60,167,930.18) | (72,431) |
| I. NET INTEREST INCOME | 25,433,052.90 | 26,243 |
| 3. Fee and commission income | 2,811,755.95 | 3,005 |
| 4. Fee and commission expenses | (186,728.99) | (332) |
| 5. Income / expenses from financial transactions | 1,184,590.64 | (721) |
| 6. Other operating income | 161,379.71 | 117 |
| II. OPERATING INCOME | 29,404,050.21 | 28,312 |
| 7. General administrative expenses | | |
| a) Personnel expenses thereof: | | |
| aa) Salaries | (5,623,666.26) | (5,653) |
| bb) Social security contributions and other compulsory contributions | (1,386,051.31) | (1,314) |
| cc) Other employee benefits | (160,130.00) | (160) |
| dd) Expenses for pension benefits | (75,030.07) | (74) |
| ee) Expenses for severance payments and contributions to external pension funds | (118,792.65) | (104) |
| | (7,363,670.29) | (7,305) |
| b) Other administrative expenses | (5,387,236.36) | (5,624) |
| | (12,750,906.65) | (12,929) |
| 8. Depreciation and amortization in respect of intangible and tangible fixed assets | (1,374,158.23) | (1,480) |
| 9. Other operating expenses | (165,496.11) | (223) |
| III. OPERATING EXPENSES | (14,290,560.99) | (14,632) |
| IV. OPERATING RESULT | 15,113,489.22 | 13,680 |
| 10. Expenses from valuation of loans and allocation to provisions for contingent liabilities and loan risks | (6,121,135.57) | (6,965) |
| 11. Income from valuation of loans and allocation to provisions for contingent liabilities and loan risks | 1,595,584.18 | 476 |
| 12. Income from valuation of securities valued as financial fixed assets | 56,729.72 | 8 |
| V. PRE-TAX PROFIT FOR THE YEAR | 10,644,667.55 | 7,199 |
| 13. Taxes on income | (7,589.61) | 5,637 |
| 14. Taxes, other than taxes on income | (9,763.10) | (328) |
| VI. PROFIT FOR THE YEAR | 10,627,314.84 | 12,508 |
| 15. Changes in reserves thereof: | (10,627,314.84) | (12,508) |
| Allocation to the reserve according to section 23/6 ABA EUR 2,628,964.00 (i.v.j.: EUR 3,267,045.00) | | |
| VII. NET PROFIT | 0.00 | 0 |

Development of Fixed Assets

| | Acquisition costs | | Disposals | | Adjustments | | Acquisition costs | | Accumulated Depreciation | | Book value | | Depreciation | | |
|--|-------------------|--------------|--------------|-------------|---------------|--------------|-------------------|---------------|--------------------------|-------------------|------------|-----------------|--------------|-------------|-----|
| | January 1, 2009 | EUR | EUR | EUR | EUR | EUR | December 31, 2009 | EUR | EUR | December 31, 2009 | EUR | January 1, 2009 | EUR | of the year | EUR |
| I. Intangible fixed assets | | | | | | | | | | | | | | | |
| 1. Software and rights | 4,673,834.89 | 396,263.05 | 23,911.53 | 99,318.29 | 99,318.29 | 5,145,504.70 | 3,609,919.61 | 1,535,585.09 | 1,729,499.72 | 689,495.97 | | | | | |
| 2. Payments on account | 180,709.33 | 35,880.00 | 0.00 | (99,318.29) | (99,318.29) | 117,271.04 | 0.00 | 117,271.04 | 180,709.33 | 0.00 | | | | | |
| 3. low value assets - Software | 0.00 | 20,838.72 | 20,838.72 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | | | | |
| | 4,854,544.22 | 452,981.77 | 44,750.25 | 0.00 | 0.00 | 5,262,775.74 | 3,609,919.61 | 1,652,856.13 | 1,910,209.05 | 710,334.69 | | | | | |
| II. Tangible fixed assets | | | | | | | | | | | | | | | |
| 1. Installations in third parties' buildings | 2,412,777.55 | 288,688.15 | 8,649.07 | 0.00 | 2,692,816.63 | 903,475.37 | 1,789,341.26 | 1,758,152.60 | 252,601.18 | | | | | | |
| 2. Fixture, furniture and office equipment | 3,204,018.26 | 280,304.37 | 189,506.67 | 0.00 | 3,294,815.96 | 2,262,312.44 | 1,032,503.52 | 1,151,883.51 | 381,731.55 | | | | | | |
| 3. low value assets | 0.00 | 29,490.81 | 29,490.81 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 29,490.81 | | | | | | |
| | 5,616,795.81 | 598,483.33 | 227,646.55 | 0.00 | 5,987,632.59 | 3,165,787.81 | 2,821,844.78 | 2,910,036.11 | 663,823.54 | | | | | | |
| III. Financial assets | | | | | | | | | | | | | | | |
| 1. Treasury bills and similar bills | | | | | | | | | | | | | | | |
| 2. Bonds and other fixed income securities issued by other borrowers | 19,830,500.00 | 0.00 | 0.00 | 0.00 | 19,830,500.00 | 0.00 | 19,830,500.00 | 19,830,500.00 | 0.00 | | | | | | |
| 3. Investments in subsidiaries | 31,902,670.28 | 0.00 | 1,943,270.28 | 0.00 | 29,959,400.00 | 0.00 | 29,959,400.00 | 31,902,670.28 | 0.00 | | | | | | |
| 4. Shares and other non-fixed income securities | 16,453,424.78 | 0.00 | 0.00 | 0.00 | 16,453,424.78 | 0.00 | 16,453,424.78 | 16,453,424.78 | 0.00 | | | | | | |
| | 384,527.57 | 0.00 | 26,478.50 | 0.00 | 358,049.07 | 0.00 | 358,049.07 | 384,527.57 | 0.00 | | | | | | |
| | 68,571,122.63 | 0.00 | 1,969,748.78 | 0.00 | 66,601,373.85 | 0.00 | 66,601,373.85 | 68,571,122.63 | 0.00 | | | | | | |
| | 79,042,462.66 | 1,051,465.10 | 2,242,145.58 | 0.00 | 77,851,782.18 | 6,775,707.42 | 71,076,074.76 | 73,391,367.79 | 1,374,158.23 | | | | | | |

Notes for the Financial Year 2009

General Information

The annual financial statements of DenizBank AG as of December 31, 2009 were prepared based on the books giving a true and fair view of the company's financial position and results of operation in conformity with generally accepted accounting principles in Austria.

The valuation and the presentation of all the items in the financial statements are in line with the general regulations of the Austrian Enterprise Code (AEC) and the special rules provided in the Austrian Banking Act (ABA).

Accounting Policies

The structure of the balance sheet and the profit and loss account for the year 2009 complies with the requirements of Appendix 2 to Article 1 section 43 ABA. Items without any value in the financial year and the previous year were omitted. The principle of completeness has been applied and the valuation of the assets, provisions and liabilities follows the general rules of individual assessment and valuation under the going concern assumption.

Pursuant to the general regulations and taking into consideration the special risks of the banking business, gains are not recognised if unrealised at the balance sheet date. Appropriate specific reserves and provisions cover all identifiable risks of loss.

All items denominated in foreign currencies are accounted for using the spot middle exchange rate of the balance sheet date according to section 58/1 ABA. Foreign exchange is reported at the foreign exchange rate as of the balance sheet date.

Assets

Available for sale securities are measured at lower of historical cost or market price at the balance sheet date. Securities held for trading are valued at the market price at the balance sheet date. Securities intended to be held as long-term investments are valued at historical cost according to section 56/2 ABA. All bonds refer to fixed interest bearing, admitted to stock exchange trading and domestic or foreign securities which were issued by states, credit institutions or companies of area A or area B. Fixed interest bearing, non-admitted to stock exchange trading bonds are shown among other receivables.

A trading book according to section 22n/1 ABA is kept since January 1, 2005.

Cash at banks, loans to credit institutions and non-bank customers, securities available for sale, bills of exchange and other accounts receivable are measured at the lower of historical cost or market price pursuant to section 207 AEC.

A write-up according to section 208 AEC was not carried out because of reasons of the determination of taxable income.

The forbearance to write-up because of tax purposes amounted to EUR 0.64 million.

Intangible and tangible fixed assets are recorded at the net book value and are depreciated under the terms of the straight-line method over the estimated economic useful life. Management estimated the economic useful life for investments in leased buildings at 10 years and software, furniture and office equipment at 2 to 10 years.

Low value assets with acquisition costs up to EUR 400.00 are fully depreciated in the year of acquisition pursuant to section 13 of Austrian Income Tax Act. They are shown in the enclosed table "Development of Fixed Assets" under the columns "additions", "disposals" and "depreciation of the year". The option to capitalise deferred tax assets pursuant to section 198/10 AEC amounting to EUR 15.0 thousand (December 31, 2008: EUR 13.9 thousand) was not exercised. Commitments arising from the use of tangible assets not disclosed in the balance sheet are EUR 0.99 million (December 31, 2008: EUR 0.97 million) for the following fiscal year and EUR 4.90 million (December 31, 2008: EUR 4.84 million) for the following five years.

Liabilities

The provisions for severance payments were calculated by an actuarial method using an interest rate of 3.5%, with an assumed retirement age of 60 years for women and 65 years for men. The provisions for severance payments pursuant to section 14 Austrian Income Tax Act is valued at EUR 235,046.00.

Other provisions take into account all risks and pending losses which emerged in the current or past financial year until the effective date of the preparation of the balance sheet and are measured considering the principle of prudence. Other provisions refer mainly to unused vacation days and bonuses payable to personnel. Liabilities are accounted for at their face value or at the amount repayable.

Notes to the Balance Sheet and the Profit and Loss Account

1. Assets

Cash and balances with Central Banks

Cash and balances with Central Banks increased by EUR 4.30 million to EUR 20.83 million (December 31, 2008: EUR 16.53 million).

The requirements of liquidity stated by the Ministry of Finance were met throughout the year.

Treasury Bills

This item amounts to EUR 19.83 million at the balance sheet date (December 31, 2008: EUR 19.83 million).

Loans and Advances to Credit Institutions

Loans and advances to credit institutions increased by EUR 202.32 million to EUR 412.69 million. Loans totalling EUR 12.96 million are secured by drafts. Loans to affiliated companies amount to EUR 362.76 million at the balance sheet date, thereof EUR 5.44 million subordinated. The position does not comprise fiduciary transactions.

Loans and Advances to Customers

Loans and advances to customers increased from EUR 1,040.82 million as of December 31, 2008 by EUR 76.71 million to EUR 1,117.53 million as at the balance sheet date. This position includes loans to affiliated companies of EUR 17.00 million.

Loans and advances to credit institutions and non-bank customers with agreed maturity dates have the following remaining maturities:

| | Amounts due from | | | |
|------------------------------|---------------------|-------------------|-------------------|-------------------|
| | Credit Institutions | | Other Customers | |
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | TEUR | TEUR | TEUR | TEUR |
| Up to 3 months | 146,849 | 108,150 | 140,972 | 103,818 |
| 3 months up to 1 year | 220,563 | 60,359 | 172,887 | 160,897 |
| 1 year up to 5 years | 5,980 | 20,172 | 535,394 | 498,179 |
| More than 5 years | 15,544 | 14,750 | 263,075 | 269,637 |
| Thereof affiliated companies | 360,604 | 63,845 | 17,000 | 17,000 |

Regional classification of loans and advances to credit institutions and non-banking institutions:

| | Loan and advances to | | | |
|-----------------|----------------------|-------------------|-------------------|-------------------|
| | Credit Institutions | | Other Customers | |
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | TEUR | TEUR | TEUR | TEUR |
| Turkey | 20,047 | 52,088 | 1,065,282 | 987,580 |
| Austria | 2,031 | 71,545 | 10,999 | 12,691 |
| Other countries | 390,611 | 86,735 | 41,252 | 40,549 |

Bonds and Other Fixed-Income Securities

Bonds and other fixed-income securities decreased from EUR 73.27 million to EUR 65.04 million at the balance sheet date.

At the balance sheet date the Company held listed securities with a book value of EUR 17.98 million and non-listed securities with a book value of EUR 11.98 million which are valued as fixed assets pursuant to section 56/1 ABA. Listed available for sale securities amount to EUR 34.69 million and securities held for trading amount to EUR 0.38 million as of December 31, 2009.

The difference between the acquisition costs and the lower fair value of the available for sale portfolio as of December 31, 2009 amounts to EUR 0.55 million. The difference between the acquisition costs and the higher fair value of the available for sale portfolio as of December 31, 2009 amounts to EUR 0.03 million.

Fixed interest bearing securities with a nominal value of EUR 5.00 million have a remaining maturity of less than one year. No securities are pledged to banks. Repurchase Agreements according to section 50/4 ABA do not exist.

Financial Instruments according to section 237a/1/1 AEC:

Non-current financial assets measured above their fair value are presented as follows:

| | Book value December 31, 2009 TEUR | Hidden burdens TEUR | Book value December 31, 2008 TEUR | Hidden burdens TEUR |
|---|---|------------------------|---|------------------------|
| Treasury bills | 19,831 | 1,770 | 19,831 | 2,616 |
| Bonds and other fixed-income securities | 29,959 | 2,841 | 31,903 | 6,699 |

The hidden burdens of the bonds arose from fluctuations of the market value. A lasting decrease of the solvency of the issuers could not be ascertained.

Shares and Other Non-Fixed-Income Securities

As of December 31, 2009 shares in non-listed companies are valued at EUR 0.36 million and an equity fund amounts to EUR 0.14 million.

The shares in the equity fund with the value of EUR 0.14 million are held for trading.

Investments in Subsidiaries

In December 2003, a 51% share in CJSC Dexia Bank, Moscow (former CJSC DenizBank Moscow) has been acquired. DenizBank AG, Vienna received a Letter of Comfort, dated 20 March 2009, from the main shareholder DenizBank A.Ş. that any losses to be recorded in the books of DenizBank AG arising whatsoever from the investment in Dexia Bank, Moscow will be irrevocably covered by DenizBank A.Ş. The shareholders' equity of CJSC Dexia Bank Moscow amounts to EUR 29.85 million as of December 31, 2009 including the net profit for the year 2009 of EUR 4.84 million.

Intangible Fixed Assets

Intangible fixed assets amount to EUR 1.65 million (December 31, 2008: EUR 1.91 million) and mainly consist of purchased software.

Tangible Fixed Assets

Investments in fixed assets totalling EUR 0.60 million are reduced by depreciation amounting to EUR 0.66 million. The tangible assets decreased from EUR 2.91 million by EUR 0.09 million to EUR 2.82 million. The development of the fixed assets are shown in detail at the enclosed table "Development of Fixed Assets" pursuant to section 226 AEC.

Other Assets

This position mainly contains clearing positions of EUR 29.55 million.

Other assets contain deferred interest income of EUR 27.48 million which will be payable after the balance sheet date.

Total Assets

Total Assets of DenizBank AG amount to EUR 1,687.05 million (December 31, 2008: EUR 1,404.50 million) as of December 31, 2009 and exceeds the prior year's amount by EUR 282.55 million.

Off Balance Sheet Items

Foreign assets total is EUR 1,619.51 million (December 31, 2008: EUR 1,267.20 million). The total of assets not denominated in EUR is reported at EUR 649.27 million.

Notes to the Balance Sheet and the Profit and Loss Account

2. Liabilities and Shareholders' Equity

Amounts Owed to Credit Institutions

Deposits by banks including deposits repayable on demand and time deposits decreased from EUR 147.13 million by EUR 121.41 million to EUR 25.72 million. Deposits by affiliated companies amount to EUR 25.37 million at the balance sheet date.

Amounts Owed to Customers

Customers' deposits increased from EUR 1,101.79 million to EUR 1,493.35 million as of December 31, 2009. Deposits by affiliated companies amount to EUR 0.74 million. Savings deposits increased by EUR 206.01 million to EUR 718.79 million as per December 31, 2009. The percentage of deposits with agreed maturity or period of notice is 89.90%. The deposits do not contain guilt-edged securities. The position contains no fiduciary transactions.

Liabilities with agreed maturity dates have the following remaining maturity:

| | Liabilities to | | | |
|------------------------------|---------------------|-------------------|-------------------|-------------------|
| | Credit Institutions | | Other Customers | |
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | TEUR | TEUR | TEUR | TEUR |
| Up to 3 months | 8,806 | 37,812 | 325,185 | 192,408 |
| 3 months up to 1 year | - | - | 508,721 | 397,932 |
| 1 year up to 5 years | - | 107,782 | 414,952 | 313,989 |
| More than 5 years | - | - | 18,441 | 20,295 |
| Thereof affiliated companies | 8,806 | 131,223 | - | - |

Other Liabilities

The other liabilities totalled EUR 27.26 million at the balance sheet date and increased by EUR 2.2 million in comparison to the previous year.

This item includes accrued interest expenses of EUR 11.03 million which will be payable after the balance sheet date.

Furthermore this position relates to the FX internal adjustments amounting to EUR 12.51 million which comprises foreign exchange adjustments between on-balance cash transactions and off-balance forward transactions. These transactions mainly concern EUR/USD foreign exchange swaps.

Deferred Income

Deferred income totalling EUR 0.11 million mainly consists of deferrals of discounted letters of credit.

Provisions

The total of provisions amounts to EUR 1.31 million (December 31, 2008: EUR 1.12 million) and increased by EUR 0.19 million in comparison to previous year. This position comprises provisions for severance payments (EUR 0.30 million) and other provisions (EUR 1.01 million), which mainly refer to personnel expenses.

Supplementary Capital

DenizBank AG resigned the subordinated liability amounting to EUR 25 million with a maturity up to June 30, 2018 and an interest rate of EURIBOR +2.4% which was issued in 2008. At the same time an increase of subscribed capital in the same amount was performed.

The supplementary capital amounts to EUR 16.63 million (December 31, 2008: EUR 41.63 million).

Subscribed Capital

At the extraordinary general meeting on November 19, 2008 an increase of subscribed capital was concluded by the new shareholder Deniz Finansal Kiralama A.Ş. The registered shares increased from 24,536 by 13,760 to 38,296. The face value of the subscribed capital increased from 17,831,047.28 by 9,999,804.80 to 27,830,852.08. The issue price of the capital increased was issued at 250% and was payable immediately in cash. The capital increase was registered at the commercial register on March 27, 2009.

The subscribed capital amounts to 27,830,852.08 as at December 31, 2009 and is divided into 38,296 shares which are registered in the name of the principal shareholders.

Capital Reserves

The capital reserves increased from EUR 19.62 million by EUR 15.0 million to EUR 34.62 million because of the issue of the new shares with a premium of 150%.

Retained Earnings

After increasing the reserves under section 23/6 ABA the management decided to allocate the profit for the year with EUR 8.00 million to the retained earnings.

Reserves According to Section 23/6 ABA

This obligatory reserve was increased by the amount of EUR 2.63 million as of December 31, 2009. The mandatory reserve totals EUR 13.85 million as at the balance sheet date.

Off Balance Sheet Items

Contingent liabilities include guarantees amounting to EUR 20.37 million. Foreign liabilities amount to EUR 621.64 million (December 31, 2008: EUR 708.89 million).

Liabilities denominated in currencies other than EUR total EUR 150.66 million.

Total qualifying capital according to section 23/14 ABA

| | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|---|-------------------|-------------------|-------------------|
| | TEUR | TEUR | TEUR |
| Subscribed capital | 27,831 | 17,831 | 11,831 |
| Capital reserves | 34,624 | 19,625 | 10,625 |
| Retained earnings | 46,370 | 38,372 | 29,131 |
| Reserve under section 23/6 ABA | 13,845 | 11,216 | 7,949 |
| Untaxed reserves | - | - | - |
| Net profit | - | - | - |
| Capital deducted pursuant to section 23/13/4 ABA | - | - | - |
| Less book value of intangible fixed assets | (1,653) | (1,911) | (1,386) |
| Core capital | 121,018 | 85,133 | 58,150 |
| Supplementary capital | 16,634 | 41,634 | 16,634 |
| Total qualifying capital | 137,652 | 126,767 | 74,784 |
| As a percentage of the assessment basis according to section 22 ABA (%) | 9.89 | 11.69 | 9.93 |

Additional Information

Statement of derivative financial instruments which are not settled:

| | Purchase and sell market value | | |
|--------------------|--------------------------------|-----------------------|-----------------------|
| | Nominal value | Positive market value | Negative market value |
| | TEUR | TEUR | TEUR |
| FX transactions | 693,953 | 1,289 | 15,862 |
| Interest Rate Swap | 85,000 | 1,139 | 1,138 |
| Options | 76,653 | 733 | 730 |
| Total | 855,606 | 3,161 | 17,730 |

Profit and Loss Account

Net Interest Income

The net interest result including interest from fixed-income securities, interest expenses and similar expenses decreased by EUR 0.81 million to EUR 25.43 million. The interest expenses for the supplementary capital amount to EUR 1.03 million (2008: EUR 1.64 million).

Operating Income

The operating income including net interest income, net fee and commission income, the net trading result and other operating revenues increased by EUR 1.09 million or 3.9% to EUR 29.4 million.

Operating Expenses

Operating expenses decreased from EUR 14.63 million by EUR 0.34 million to EUR 14.29 million.

Personnel expenses increased by EUR 0.06 million to EUR 7.36 million (2008: EUR 7.30 million).

The other administrative expenses decreased from EUR 5.62 million to EUR 5.39 million including rent and leasing expenses totalling EUR 1.00 million.

Operating Result

Our operating result increased by EUR 1.43 million to EUR 15.11 million.

Pre-Tax Profit for the year

The pre-tax profit for the year is reported with EUR 10.64 million and is by EUR 3.44 million or 47.9% higher than the result of the year 2008 (EUR 7.20 million).

Taxes on Income

Due to the double tax agreement between Turkey and Austria a fictitious withholding tax for interest income for the year 2009 amounting to EUR 2.68 million could be offset in the full amount of the taxes. In 2008 due to the double tax agreement between Turkey and Austria a fictitious withholding tax for interest income for the years 2002 to 2007 amounting to EUR 7.34 million could retrospectively be offset from the corporate income tax of the years 2002 to 2007.

Profit for the Year

The profit for the year after consideration of the taxes decreased by 15.0% or EUR 1.88 million from EUR 12.51 million to EUR 10.63 million.

Changes in Reserves

The changes of reserves total EUR 10.63 million and comprise the allocation to the reserve under section 23/6 ABA (EUR 2.63 million) and the allocation to the retained earnings of EUR 8.00 million.

Retained and Distributed Earnings

The net profit of the financial year 2009 was allocated to the profit reserves and this position amounts to EUR 0.00.

Other Information

DenizBank AG is included in the consolidated financial statements of the ultimate parent company, Dexia S.A., Brussels and of DenizBank A.Ş., Istanbul (subgroup).

DenizBank AG prepares consolidated financial statements in Vienna. The consolidated financial statements are deposited at the respective locations.

On a monthly basis average, the Company employed 169 employees (2008: 148 employees).

The remuneration for members of the Managing Board amounts to EUR 604,399.71 (2008: EUR 749,280.21. Commitments accounting EUR 17,220.00 (2008: EUR 6,720.00) were assumed for the Managing Board. The expenses for severance payments and retirement pay of the members of the Managing Board and executives according to section 80/1 Austrian Stock Corporation Act amounts to EUR 26,712.35 (2008: EUR 277,890.66). Expenses for severance payments and retirement pay for non-executive employees totaled EUR 179,670.08 (2008: EUR 235,934.36) including expenses for severance payments of EUR 47,305.71 (2008: EUR 112,796.33) and expenses for the employee welfare fund of EUR 64,694.38 (2008: EUR 63,305.54).

In 2009 the expenses for audits amounting to EUR 221,857.88, the expenses for tax advice amounting to 17,796.20 and the expenses for consulting amounting to EUR 30,000.00.

The emoluments of the Supervisory Board amount to EUR 77,250.00.

The members of the Supervisory Board are as follows:

Hakan Ateş, Chairman
Bruno Accou, Deputy-Chairman (until September 11, 2009)
Dirk Bruneel, Deputy-Chairman (since September 11, 2009)
Dr. Kurt Heindl, Member
Bora Böcügöz, Member (until March 20, 2009)
Mustafa Aydın, Member (until March 20, 2009)
Oğuz Öncü, Member (since March 20, 2009 until December 4, 2009)
Derya Kumru, Member (since December 4, 2009)

Following State Commissioners were appointed:

Dr. Marcus Heinz (until July 31, 2009)
Amtsdirktor Andreas Staritz (since August 1, 2009)
MR Mag. Lisa Mandl, Deputy

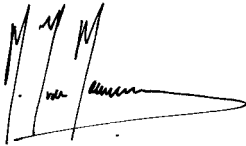
Following members of the Management Board for the financial year 2009 respectively until the preparation of financial statement were appointed:

Drs. Martijn van Mancius, CEO (since January 1, 2009)
Ali İhsan Tokkuzun, Deputy-Chairman (until December 31, 2009)
Hüseyin Yener, Member (until November 30, 2009)
Dr. Thomas Roznovsky, Member (since January 1, 2010)

The company is registered at the commercial register at the commercial court in Vienna under the number FN 142199t.

Vienna, March 10, 2010

Management Board



Drs. Martijn van Mancius
CEO



Thomas Roznovsky
Member

Auditor's Opinion

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting records of DenizBank AG, Vienna, for the financial year from January 1, 2009 to December 31, 2009. These financial statements comprise the balance sheet as of December 31, 2009, the income statement for the year ended December 31, 2009 and the notes.

Management's Responsibility for the Financial Statements and the Accounting Records

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Austrian regulations. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in concordance with legal requirements and present fairly, in all material respects, the financial position of DenizBank AG as of December 31, 2009 and of its financial performance and its cash-flows for the financial year from January 1, 2009 to December 31, 2009 in accordance with Austrian generally accepted accounting principles.

Conclusion on Management Report

Laws and regulations require us to perform audit procedures to determine whether the management report is consistent with the financial statements and whether the other disclosures made in the management report do not give rise to misconception of the position of the company. The auditor's report has to state whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

DenizBank AG,
Vienna, March 10, 2010

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Mag. Gerhard Martenbauer
Mag. Thomas Becker
Austrian Certified Public Accountants

This English translation of the audit report was prepared for the client's convenience only. It is no legally relevant translation of the German audit report.

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