

*(Convenience Translation of the Independent Auditor's Report
Originally Prepared and Issued in Turkish See Note 3.1.c)*

DENİZBANK ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

**INDEPENDENT AUDITOR'S REVIEW REPORT,
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
NOTES FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2019**

- I. Independent Auditor's Review Report
- II. Publicly Disclosed Consolidated Financial Report

*(Convenience translation of the independent auditor's report
originally issued in Turkish, See Note I.c of Section Three)*

INTERIM REVIEW REPORT AND INTERIM FINANCIAL INFORMATION

To the Board of Directors of Denizbank A.Ş.

Introduction

We have reviewed the consolidated statement of financial position of Denizbank A.Ş. (“the Bank”) and its subsidiaries (together will be referred as “the Group”) as of 31 March 2019 and the related consolidated income statement, consolidated statement of income and expense items under shareholders’ equity, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the three-month-period then ended. The Bank Management is responsible for the preparation and presentation of interim financial statements in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by BRSA Legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of Denizbank A.Ş. and its subsidiaries as of 31 March 2019 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section VII, are not consistent with the consolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English:

As explained in detail in Note I.c. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A Member Firm of Ernst & Young Global Limited



2 May 2019

Istanbul, Turkey

DENİZBANK A.Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT FOR
THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

Address of the Bank's Headquarters
Büyükdere Caddesi No:141
34394 -ESENTEPE/İSTANBUL

Telephone and Fax Numbers
Tel : 0.212.348 20 00
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yatirimciliskileri@denizbank.com

The consolidated financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

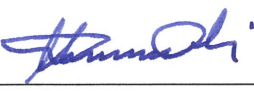


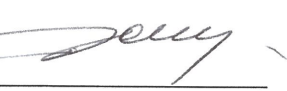
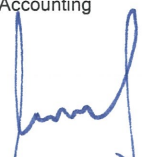


- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- DISCLOSURES ON ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

Our structured entity and subsidiaries whose financial statements have been consolidated under this consolidated financial report are as follows:

Subsidiaries
1 Denizbank A.G, Vienna
2 Eurodeniz International Banking Unit Ltd.
3 Deniz Yatırım Menkul Kıymetler A.Ş.
4 JSC Denizbank, Moscow
5 Deniz Portföy Yönetimi A.Ş.
6 Deniz Finansal Kiralama A.Ş.
7 Deniz Faktoring A.Ş.
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.
9 CR Erdberg Eins GmbH & Co KG
Structured Entity
1 DFS Funding Corp.

The consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in Thousands of Turkish Lira.

2 May 2019

 HAKAN ELVERDİ Senior Vice President Financial Reporting And Accounting	 RUSLAN ABİL Executive Vice President Financial Affairs	 HAKAN ATEŞ Member of Board of Directors and President and Chief Executive Officer	 HERMAN GREF Chairman of Board of Directors
 PAVEL BARCHUGOV Member of Board of Directors and Audit Committee	 WOUTER G.M. VAN ROSTE Member of Board of Directors and Audit Committee	 NİHAT SEVİNÇ Member of Board of Directors and Audit Committee	

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SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes in its statute

Denizbank A.Ş. ("the Bank") following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997 upon obtaining a permission to operate. Bank's shares have been quoted on Borsa Istanbul ("BIST") since 1 October 2004. 0,15% of the Bank's shares are publicly held as of 31 March 2019.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006, and subsequent to the transfer of shares, Dexia Participation Belgique's ownership rate increased to 99,85%.

Dexia has transferred 99,85% of shares of the Bank to Sberbank with a total consideration of TL 6.469.140.728^(*) (Euro 2.790 million) which is the Preliminary Purchase Price determined as per the sale and purchase agreement as of 28 September 2012. Following the completion of the adjustment process of the Preliminary Purchase Price to Purchase Price in accordance with the terms in the Share Purchase Agreement, an additional amount of Euro 185 million which is equivalent of TL 430.947.685^(*) was paid on 27 December 2012. Ultimately the process was completed with a total Purchase Price of TL 6.900.088.413^(*) (Euro 2.975 million).

(*) Amounts are expressed in full TL.

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

Current Period		
Name of the Shareholder	Amount (Full TL)	Share (%)
Sberbank of Russia	3.311.211.134	99,85
Publicly traded	4.888.709	0,15
Others shareholders	157	--
Total	3.316.100.000	100,00

Prior Period		
Name of the Shareholder	Amount (Full TL)	Share (%)
Sberbank of Russia	3.311.211.134	99,85
Publicly traded	4.888.709	0,15
Others shareholders	157	--
Total	3.316.100.000	100,00

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2019
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish,
See Note 3.1.c

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

Name	Title	Shares owned (%)
Chairman of the Board of Directors		
Herman Gref	Chairman	--
Board of Directors		
Nihat Sevinç	Deputy Chairman	--
Hakan Ateş	Member, President and CEO	0,000002
Dzhangir Dzhangirov	Member	--
Deniz Ülke Ariböğän	Member	--
Wouter G.M. Van Roste	Member	--
Timur Kozintsev	Member	--
Derya Kumru	Member	--
Alexander Morozov	Member	--
Pavel Barchugov	Member	--
Alexander Titov	Member	--
Igor Kolomeyskiy	Member	--
Audit Committee		
Wouter G.M. Van Roste	Member	--
Nihat Sevinç	Member	--
Pavel Barchugov	Member	--
Executive Vice Presidents		
Bora Böcügöz	Treasury and Financial Institutions	--
Ruslan Abil	Financial Affairs	--
Dilek Duman	Information Technologies and Support Operations	--
Tanju Kaya	Administrative Services and Investment Group	--
Mustafa Özel	Branch and Central Operations	--
İbrahim Şen	Credit Follow-up and Risk Monitoring	--
Mehmet Aydoğdu	Corporate and Commercial Banking	--
Mustafa Saruhan Özel	Economic Research, Strategy and Program Management	--
Cem Demirağ	Head of Internal Control Unit and Compliance	--
Ali Murat Dizdar	Chief Legal Advisor	--
Ayşenur Hıçkiran	Payment Systems and Non-Branch Channels	--
Selim Efe Teoman	Corporate and Commercial Credits	--
Ramazan Işık	Head of Internal Audit	--
Murat Kulaksız	SME Banking	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Burak Koçak	Agricultural Banking	--
Oğuzhan Özark	Retail Banking	--
Cemil Cem Önenç	Private Banking and Investment Group	--
Sinan Yılmaz	Head of Risk Management Group	--
Edip Kürşad Başer	Credit Policy and Retail, SME, Agricultural Banking Credits Allocation	--
Murat Çitak	IT Security and Digital-Card Payment Operations	--
Verda Beril Yüzer Oğuz	Financial Institutions	--
Hayri Cansever	Secretariat General and Sberbank Coordination	--
Umut Özdoğan	Digital Transformation, CRM and Process Management	--

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

Commercial Title	Share Amounts	Share Percentages	Paid-in Capital	Unpaid Capital
Sberbank of Russia	3.311.211	99,85%	3.311.211	--

Sberbank is the controlling party of the Parent Bank's capital having both direct and indirect qualified shares.

As of 31 March 2019 the capital structure of Sberbank is as follows:

Shareholders	Share Percentages
Central Bank of Russia	50,00 %
Publicly traded	50,00 %
Total	100,00 %

Central Bank of the Russian Federation holds 50%+1 share within 22.586.948.000 ordinary and preferred shares in total in Sberbank of Russia (the rate in 21.586.948.000 ordinary shares corresponds to 52,32%).

V. Type of services provided and the areas of operations of the Parent Bank

The Parent Bank is a private sector deposit bank which provides banking services to its customers through 709 domestic and 1 foreign branch as of 31 March 2019.

Activities of the Parent Bank as stated in the 3rd clause of the Articles of Association are as follows:

In accordance with the Banking Law and regulations;

- Performing all kinds of banking activities,
- Dealing with transactions on all kinds of capital market instruments within the limits set by the related regulations and Capital Market Law regulations,
- Establishing domestic and/or foreign entities and participating in existing entities. Entering into loan and intelligence agreements with domestic and international financial institutions. Participating in consortiums and syndications,
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.

Apart from the above-mentioned activities, in case different activities deemed advantageous and necessary for the company are to be undertaken in the future, they will be submitted to approval of the General Assembly based on Board of Director's decision and the company will be able to implement activities after the relevant decision is made by General Assembly.

VI. A short explanation on the differences between the communiqué on consolidated financial statement reporting and the consolidation procedures required by Turkish Accounting Standards and about institutions that are subject to full consolidation, proportional consolidation, by way of deduction from capital or those that are subject to none.

Banks are obligated to prepare consolidated financial statements with their associates and subsidiaries qualifying as credit institutions and financial subsidiaries based on the "Communiqué on Preparation of Consolidated Financial Statements of Banks" by applying Turkish Accounting Standards. There is no difference between the consolidated financial statements based on the related Communiqué and those prepared in accordance with Turkish Accounting Standards except the scope difference regarding non-financial associates and subsidiaries. Information in regards to consolidated subsidiaries and consolidation methods are given in Note III of Section Three.

VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Parent Bank and its subsidiaries and repayment of debts.

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Statements of Financial Position (Balance Sheets)
- II. Consolidated Statements of Off-Balance Sheet Items
- III. Consolidated Statements of Income
- IV. Consolidated Statements of Other Comprehensive Income
- V. Consolidated Statements of Changes in Shareholders' Equity
- VI. Consolidated Statements of Cash Flows

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(BALANCE SHEET)
AS OF 31 MARCH 2019 AND 31 DECEMBER 2018
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

ASSETS	Footnote	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		9.033.921	42.866.836	51.900.757	9.852.047	35.325.203	45.177.250
1.1 Cash and Cash Equivalents		2.274.770	35.080.912	37.355.682	2.641.967	32.113.372	34.755.339
1.1.1 Cash and Balances at Central Bank	(5.1.a)	1.023.291	26.368.017	27.391.308	2.374.157	25.750.052	28.124.209
1.1.2 Banks	(5.1.a)	3.503	8.719.110	8.722.613	258.162	6.367.606	6.625.768
1.1.3 Due from Money Markets		1.248.060	-	1.248.060	9.780	-	9.780
1.1.4 Expected Credit Losses (-)		84	6.215	6.299	132	4.286	4.418
1.2 Financial Assets at Fair Value through Profit or Loss	(5.1.b)	120.466	510.130	630.596	91.872	421.239	513.111
1.2.1 Public Debt Securities		115.738	4.401	120.139	90.381	1.767	92.148
1.2.2 Equity Instruments		3.207	119.748	122.955	-	95.845	95.845
1.2.3 Other Financial Assets		1.521	385.981	387.502	1.491	323.627	325.118
1.3 Financial Assets at Fair Value through Other Comprehensive Income	(5.1.c)	5.274.866	6.088.676	11.363.542	5.838.928	2.075.561	7.914.489
1.3.1 Public Debt Securities		5.274.088	5.427.597	10.701.685	5.838.150	1.516.476	7.354.626
1.3.2 Equity Instruments		778	209	987	778	200	978
1.3.3 Other Financial Assets		-	660.870	660.870	-	558.885	558.885
1.4 Derivative Financial Assets		1.363.819	1.187.118	2.550.937	1.279.280	715.031	1.994.311
1.4.1 Portion of Derivative Financial Assets Reflected to Profit or Loss	(5.1.b)	1.363.819	1.187.118	2.550.937	1.279.280	715.031	1.994.311
1.4.2 Portion of Derivative Financial Assets Reflected to Other Comprehensive Income	(5.1.i)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		67.629.446	82.166.575	149.796.021	67.095.421	77.876.250	144.971.671
2.1 Loans	(5.1.d)	68.490.846	77.701.344	146.192.190	66.880.327	73.476.067	140.356.394
2.2 Lease Receivables	(5.1.i)	692.938	2.371.098	3.064.036	715.049	2.345.061	3.060.110
2.3 Factoring Receivables		1.895.538	208.994	2.104.532	2.151.008	210.829	2.361.837
2.4 Financial Assets Measured at Amortised Cost	(5.1.e)	3.834.610	2.574.844	6.409.454	3.779.643	2.460.167	6.239.810
1.4.1 Public Debt Securities		3.834.610	2.574.844	6.409.454	3.779.643	2.460.167	6.239.810
1.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)		7.284.486	689.705	7.974.191	6.430.606	615.874	7.046.480
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)"	(5.1.m)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		809.354	222	809.576	806.290	211	806.501
4.1 Investments in Associates (Net)	(5.1.f)	13.596	-	13.596	10.833	-	10.833
4.1.1 Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		13.596	-	13.596	10.833	-	10.833
4.2 Investments in Subsidiaries (Net)	(5.1.g)	792.958	222	793.180	792.657	211	792.868
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		792.958	222	793.180	792.657	211	792.868
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	(5.1.h)	2.800	-	2.800	2.800	-	2.800
4.3.1 Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Associates		2.800	-	2.800	2.800	-	2.800
V. TANGIBLE ASSETS (Net)		1.231.629	286.975	1.518.604	681.372	200.412	881.784
VI. INTANGIBLE ASSETS (Net)		254.287	32.150	286.437	240.158	31.033	271.191
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		254.287	32.150	286.437	240.158	31.033	271.191
VII. INVESTMENT PROPERTY (Net)	(5.1.k)	204.816	-	204.816	202.001	-	202.001
VIII. CURRENT TAX ASSETS		2	-	2	8.975	564	9.539
IX. DEFERRED TAX ASSETS	(5.1.l)	1.167.626	164.555	1.332.181	1.062.119	151.504	1.213.623
X. OTHER ASSETS (Net)	(5.1.n)	2.014.789	2.078.522	4.093.311	2.034.138	1.743.738	3.777.876
TOTAL ASSETS		82.345.870	127.595.835	209.941.705	81.982.521	115.328.915	197.311.436

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(BALANCE SHEET)
AS OF 31 MARCH 2019 AND 31 DECEMBER 2018
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnote	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.a)	43.857.545	103.812.555	147.670.100	48.184.217	91.757.259	139.941.476
II. FUNDS BORROWED	(5.II.c)	1.551.796	15.910.359	17.462.155	1.829.916	14.532.244	16.362.160
III. DUE TO MONEY MARKETS		2.621.108	556.555	3.177.663	1.415.797	-	1.415.797
IV. SECURITIES ISSUED (Net)	(5.II.d)	3.877.058	868.632	4.745.690	3.086.177	901.682	3.987.859
4.1 Bills		3.877.058	-	3.877.058	3.079.013	-	3.079.013
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	868.632	868.632	7.164	901.682	908.846
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		1.154.733	840.262	1.994.995	908.105	1.141.758	2.049.863
7.1 Portion of Derivative Financial Assets Reflected to Profit or Loss	(5.II.b)	1.154.733	840.262	1.994.995	908.105	1.141.758	2.049.863
7.2 Portion of Derivative Financial Assets Reflected to Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (NET)	(5.II.f)	548.690	87.727	636.417	-	-	-
X. PROVISIONS	(5.II.h)	1.032.123	18.381	1.050.504	926.309	18.859	945.168
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		269.571	16.998	286.569	205.580	17.480	223.060
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		762.552	1.383	763.935	720.729	1.379	722.108
XI. CURRENT TAX LIABILITIES	(5.II.i)	289.044	74.123	363.167	295.779	67.170	362.949
XII. DEFERRED TAX LIABILITIES	(5.II.i)	1.248	23.899	25.147	1.050	24.778	25.828
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	(5.II.j)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT		-	6.671.463	6.671.463	-	6.274.450	6.274.450
14.1 Loans		-	6.671.463	6.671.463	-	6.274.450	6.274.450
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.e)	3.355.424	6.756.490	10.111.914	3.984.658	6.455.958	10.440.616
XVI. SHAREHOLDERS' EQUITY	(5.II.k)	7.827.350	8.205.140	16.032.490	8.078.680	7.426.590	15.505.270
16.1 Paid-in Capital		3.316.100	-	3.316.100	3.316.100	-	3.316.100
16.2 Capital Reserves		67.576	-	67.576	67.576	-	67.576
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		67.561	-	67.561	67.561	-	67.561
Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss		776.305	40.952	817.257	776.465	39.211	815.676
Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss		(4.380.159)	4.379.477	(682)	(3.915.648)	3.906.078	(9.570)
16.5 Profit Reserves		7.278.139	16.192	7.294.331	5.095.616	16.192	5.111.808
16.5.1 Legal Reserves		455.937	5.019	460.956	346.810	5.019	351.829
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		6.822.202	11.173	6.833.375	4.748.806	11.173	4.759.979
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or Loss		754.926	3.768.519	4.523.445	2.724.175	3.465.109	6.189.284
16.6.1 Prior Years' Profits or Losses		467.206	3.539.555	4.006.761	1.593.545	2.396.092	3.989.637
16.6.2 Current Period Net Profit or Loss		287.720	228.964	516.684	1.130.630	1.069.017	2.199.647
16.7 Minority Interest		14.463	-	14.463	14.396	-	14.396
TOTAL LIABILITIES AND EQUITY		66.116.119	143.825.586	209.941.705	68.710.688	128.600.748	197.311.436

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF
OFF-BALANCE SHEET ITEMS
AS OF 31 MARCH 2019 AND 31 DECEMBER 2018
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

		Footnote	CURRENT PERIOD (31/03/2019)			PRIOR PERIOD (31/12/2018)		
			TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)								
			80.352.642	153.858.626	234.211.268	70.119.981	133.267.437	203.387.418
I.	GUARANTEES	(5.III.a)	10.843.655	23.167.228	34.010.883	10.758.483	22.919.571	33.678.054
1.1.	Letters of Guarantee		10.819.896	15.353.388	26.173.284	10.744.708	15.583.822	26.328.530
1.1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations		79.021	108.365	187.386	79.021	102.658	181.679
1.1.3.	Other Letters of Guarantee		10.740.875	15.245.023	25.985.898	10.665.687	15.481.164	26.146.851
1.2.	Bank Acceptances		5.126	168.360	173.486	7.826	215.538	223.364
1.2.1.	Import Letter of Acceptance		5.126	168.360	173.486	7.826	215.538	223.364
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		18.633	4.111.692	4.130.325	5.949	3.505.885	3.511.834
1.3.1.	Documentary Letters of Credit		10.924	2.323.264	2.334.188	5.949	1.838.619	1.844.568
1.3.2.	Other Letters of Credit		7.709	1.788.428	1.796.137	-	1.667.266	1.667.266
1.4.	Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7.	Factoring Related Guarantees		-	-	-	-	-	-
1.8.	Other Collaterals		-	3.533.788	3.533.788	-	3.614.326	3.614.326
1.9.	Other Sureties		-	-	-	-	-	-
II.	COMMITMENTS	(5.III.a)	36.497.549	9.701.968	46.199.517	34.851.430	8.808.308	43.659.738
2.1.	Irrevocable Commitments		35.552.345	9.701.968	45.254.313	33.975.209	8.808.308	42.783.517
2.1.1.	Asset Purchase and Sale Commitments		1.829.077	4.722.719	6.551.796	1.409.987	3.754.663	5.164.650
2.1.2.	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3.	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4.	Loan Granting Commitments		11.793.015	76.284	11.869.299	11.210.043	85.027	11.295.070
2.1.5.	Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7.	Commitments for Cheque Payments		2.197.069	-	2.197.069	1.815.134	-	1.815.134
2.1.8.	Tax and Fund Obligations from Export Commitments		1.642	-	1.642	1.584	-	1.584
2.1.9.	Commitments for Credit Card Limits		19.419.183	-	19.419.183	19.225.849	-	19.225.849
2.1.10.	Commitments for Promotional Operations Re-Credit Cards and Banking Services		4.988	-	4.988	4.592	-	4.592
2.1.11.	Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12.	Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13.	Other Irrevocable Commitments		307.371	4.902.965	5.210.336	308.020	4.968.618	5.276.638
2.2.	Revocable Commitments		945.204	-	945.204	876.221	-	876.221
2.2.1.	Revocable Loan Granting Commitments		944.645	-	944.645	875.662	-	875.662
2.2.2.	Other Revocable Commitments		559	-	559	559	-	559
III.	DERIVATIVE FINANCIAL INSTRUMENTS		33.011.438	120.989.430	154.000.868	24.510.068	101.539.558	126.049.626
3.1.	Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2.	Trading Purpose Derivatives		33.011.438	120.989.430	154.000.868	24.510.068	101.539.558	126.049.626
3.2.1.	Forward Foreign Currency Purchases/Sales		2.354.895	7.818.484	10.173.379	2.721.070	4.761.386	7.482.456
3.2.1.1.	Forward Foreign Currency Purchases		1.297.672	3.774.590	5.072.262	1.236.475	2.478.261	3.714.736
3.2.1.2.	Forward Foreign Currency Sales		1.057.223	4.043.894	5.101.117	1.484.595	2.283.125	3.767.720
3.2.2.	Currency and Interest Rate Swaps		21.998.082	98.695.936	120.694.018	13.733.466	83.753.085	97.486.551
3.2.2.1.	Currency Swaps-Purchases		6.057.815	41.256.400	47.314.215	2.128.687	33.874.794	36.003.481
3.2.2.2.	Currency Swaps-Sales		9.840.267	38.641.781	48.482.048	5.004.779	31.897.280	36.902.059
3.2.2.3.	Interest Rate Swaps-Purchases		3.050.000	9.398.878	12.448.878	3.300.000	8.990.506	12.290.506
3.2.2.4.	Interest Rate Swaps-Sales		3.050.000	9.398.877	12.448.877	3.300.000	8.990.505	12.290.505
3.2.3.	Currency, Interest Rate and Security Options		7.047.343	10.294.825	17.342.168	7.949.933	10.666.955	18.616.888
3.2.3.1.	Currency Options-Purchases		3.755.425	4.868.349	8.623.774	3.833.002	5.435.419	9.268.421
3.2.3.2.	Currency Options-Sales		3.291.918	5.301.848	8.593.766	4.116.931	5.099.984	9.216.915
3.2.3.3.	Interest Rate Options-Purchases		-	62.314	62.314	-	65.776	65.776
3.2.3.4.	Interest Rate Options-Sales		-	62.314	62.314	-	65.776	65.776
3.2.3.5.	Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6.	Securities Options-Sales		-	-	-	-	-	-
3.2.4.	Currency Futures		1.611.118	1.578.749	3.189.867	78.768	72.355	151.123
3.2.4.1.	Currency Futures-Purchases		-	1.578.749	1.578.749	6	72.350	72.356
3.2.4.2.	Currency Futures-Sales		1.611.118	-	1.611.118	78.762	5	78.767
3.2.5.	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1.	Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2.	Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6.	Others		-	2.601.436	2.601.436	26.831	2.285.777	2.312.608
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			578.948.566	225.488.479	804.437.045	562.778.979	207.384.353	770.163.332
IV.	ITEMS HELD IN CUSTODY		90.977.027	11.253.342	102.230.369	81.167.104	9.015.106	90.182.210
4.1.	Customers' Securities and Portfolios Held		139.814	-	139.814	137.780	-	137.780
4.2.	Securities Held in Custody		88.088.798	8.925.538	97.014.336	78.009.150	6.886.818	84.895.968
4.3.	Checks Received for Collection		1.648.438	1.827.397	3.475.835	1.451.819	1.609.409	3.061.228
4.4.	Commercial Notes Received for Collection		1.098.725	356.766	1.455.491	1.567.103	384.389	1.951.492
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items under Custody		1.252	143.641	144.893	1.252	134.490	135.742
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		487.526.347	213.193.364	700.719.711	481.305.305	196.994.274	678.299.579
5.1.	Securities		3.028.099	58.939	3.087.038	3.116.269	55.289	3.171.558
5.2.	Guarantee Notes		316.030.294	68.937.393	384.967.687	308.431.632	65.320.900	373.752.532
5.3.	Commodities		16.136.919	9.796.195	25.933.114	16.082.123	9.287.813	25.369.936
5.4.	Warrants		-	-	-	-	-	-
5.5.	Immovables		90.987.721	75.228.648	166.216.369	95.095.000	64.695.435	159.790.435
5.6.	Other Pledged Items		61.343.314	59.172.189	120.515.503	58.580.281	57.634.837	116.215.118
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		445.192	1.041.773	1.486.965	306.570	1.374.973	1.681.543
TOTAL OFF BALANCE SHEET ITEMS (A+B)			659.301.208	379.347.105	1.038.648.313	632.898.960	340.651.790	973.550.750

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED 31 MARCH 2019 AND 2018
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

INCOME STATEMENT		Footnote	CURRENT PERIOD (01/01-31/03/2019)	PRIOR PERIOD (01/01-31/03/2018)
I.	INTEREST INCOME	(5.IV.a)	4.873.395	3.620.183
1.1	Interest on loans		4.273.855	3.148.023
1.2	Interest received from reserve deposits		48.514	36.432
1.3	Interest received from banks		39.939	62.878
1.4	Interest received from money market transactions		3.975	1.739
1.5	Interest received from marketable securities portfolio		376.127	288.983
1.5.1	Financial assets at fair value through profit or loss		4.543	2.993
1.5.2	Financial assets at fair value through other comprehensive income		232.241	168.249
1.5.3	Financial assets measured at amortized cost		139.343	117.741
1.6	Financial lease income		67.042	53.859
1.7	Other interest income		63.943	28.269
II.	INTEREST EXPENSES (-)	(5.IV.b)	3.132.336	1.996.511
2.1	Interest on deposits		2.503.919	1.549.942
2.2	Interest on funds borrowed		362.964	245.603
2.3	Interest on money market transactions		36.714	78.208
2.4	Interest on securities issued		185.525	111.517
2.5	Lease expenses		34.169	-
2.6	Other interest expenses		9.045	11.241
III.	NET INTEREST INCOME/EXPENSE (I - II)		1.741.059	1.623.672
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		794.766	453.556
4.1	Fees and commissions received		1.059.924	607.699
4.1.1	Non-cash loans		105.981	61.982
4.1.2	Other		953.943	545.717
4.2	Fees and commissions paid (-)		265.158	154.143
4.2.1	Non-cash loans		2.023	1.324
4.2.2	Other		263.135	152.819
V	DIVIDEND INCOME		2.762	101
VI.	TRADING PROFIT/LOSS (Net)	(5.IV.c)	130.603	(76.553)
6.1	Profit/losses from capital market transactions		(6.772)	4.178
6.2	Profit/losses from derivative financial transactions		774.285	153.979
6.3	Foreign exchange profit/losses		(636.910)	(234.710)
VII.	OTHER OPERATING INCOME	(5.IV.d)	110.836	82.703
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		2.780.026	2.083.479
IX.	EXPECTED CREDIT LOSSES (-)	(5.IV.e)	1.112.813	396.247
X.	OTHER PROVISION EXPENSES (-)		(141)	50.297
XI.	PERSONNEL EXPENSES (-)	(5.IV.f)	444.453	374.613
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.f)	580.272	478.036
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		642.629	784.286
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.g)	642.629	784.286
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.IV.h)	(125.878)	(178.607)
18.1	Current tax provision		(103.764)	(88.589)
18.2	Expense effect of deferred tax (+)		(620.150)	(382.289)
18.3	Income effect of deferred tax (-)		598.036	292.271
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)		516.751	605.679
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±)(XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	(5.IV.i)	516.751	605.679
25.1	Group's profit/loss		516.684	605.232
25.2	Minority shares Profit / Loss (-)		67	447
	Earnings / Losses per Share (Per thousand share)		0,16	0,18

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019 AND 2018

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

	CURRENT PERIOD (01/01-31/03/2019)	PRIOR PERIOD (01/01-31/03/2018)
I. CURRENT PERIOD PROFIT OR LOSS	516.751	605.679
II. OTHER COMPREHENSIVE INCOME	10.469	42.772
2.1 Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	1.581	1.434
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	2.042	1.923
2.1.2 Gains (Losses) on Revaluation of Intangible Assets	--	--
2.1.3 Gains (Losses) on Remeasurements of Defined Benefit Plans	57	--
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	--	--
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(518)	(489)
2.2 Other Comprehensive Income That Will Be Reclassified to Profit or Loss	8.888	41.338
2.2.1 Exchange Differences on Translation	475.321	457.426
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(166.286)	(75.392)
2.2.3 Income (Loss) Related to Cash Flow Hedges	(2.947)	--
2.2.4 Income (Loss) Related to Hedges of Net Investments in Foreign Operations	(427.525)	(458.198)
2.2.5 Other Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss	--	--
2.2.6 Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	130.325	117.502
III. TOTAL COMPREHENSIVE INCOME/(LOSS) (I±II)	527.220	648.451

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019 AND 2018

(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish*

See Note 3.1.c

CHANGES IN SHAREHOLDERS' EQUITY	Paid-In Capital	Share Premium	Share Cancellation Profits	Other capital reserves	Tangible and Intangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit and Loss		Other Accumulated Comprehensive Income That Will Be Reclassified In Profit and Loss		Profit reserves	Prior Period Net Profit / (Loss)	Current Period Net Profit / (Loss)	Total Equity Except Minority Shares	Minority Shares	Total Equity
							Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)	Exchange Differences on Translation	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)						
PRIOR PERIOD																
I. 01/01-31/03/2018																
II. Balance at the Beginning of Period	3,316,100	15	--	67,561	64,304	(15,371)	--	2,151,546	(447,399)	(1,741,301)	4,184,426	3,363,124	1,900,758	12,843,763	9,844	12,853,407
2.1 Adjustment In Accordance with TAS 8	--	--	--	--	--	--	601,351	--	(11,936)	--	--	--	--	242,552	--	242,552
2.2 Effect of Adjustment Related to Errors	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
III. New Balance (H1)	3,316,100	15	--	67,561	64,304	(15,371)	601,351	2,151,546	(459,336)	(1,741,301)	4,184,426	3,016,291	1,900,758	13,086,315	9,844	13,095,959
IV. Total Comprehensive Income	--	--	--	--	1,434	--	--	457,426	(58,693)	(357,395)	--	--	605,232	648,004	447	648,451
V. Capital Increase in Cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VI. Capital Increase through Internal Reserves	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VII. Issued Capital Inflation Adjustment	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VIII. Convertible Bonds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IX. Subordinated Debt	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X. Increase (Decrease) through Other Changes	--	--	--	--	--	--	--	--	--	--	--	331	--	331	2,810	3,141
XI. Profit Distribution	--	--	--	--	--	--	--	--	--	--	927,382	973,376	(1,900,758)	--	--	--
11.1 Dividends Paid	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.2 Transfer to Legal Reserves	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.3 Other	--	--	--	--	--	--	--	--	--	--	927,382	973,376	(1,900,758)	--	--	--
Balance at the End of Period (III+IV+.....+X+XI)	3,316,100	15	--	67,561	65,738	(15,371)	601,351	2,608,972	(518,028)	(2,068,696)	5,111,808	3,989,968	605,232	13,734,650	12,901	13,747,551
CURRENT PERIOD																
I. 01/01-31/03/2019																
II. Balance at the Beginning of Period	3,316,100	15	--	67,561	83,193	(45,570)	778,053	4,117,584	(805,241)	(3,321,913)	5,111,808	3,989,637	2,199,647	15,490,874	14,396	15,505,270
2.1 Adjustment In Accordance with TAS 8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2.2 Effect of Adjustment Related to Errors	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
III. New Balance (H1)	3,316,100	15	--	67,561	83,193	(45,570)	778,053	4,117,584	(805,241)	(3,321,913)	5,111,808	3,989,637	2,199,647	15,490,874	14,396	15,505,270
IV. Total Comprehensive Income	--	--	--	--	1,524	57	--	475,322	(130,696)	(335,768)	--	--	516,684	527,153	67	527,220
V. Capital Increase in Cash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VI. Capital Increase through Internal Reserves	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VII. Issued Capital Inflation Adjustment	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
VIII. Convertible Bonds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
IX. Subordinated Debt	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X. Increase (Decrease) through Other Changes	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
XI. Profit Distribution	--	--	--	--	--	--	--	--	--	--	2,182,523	17,124	(2,199,647)	--	--	--
11.1 Dividends Paid	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.2 Transfer to Legal Reserves	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
11.3 Other	--	--	--	--	--	--	--	--	--	--	2,182,523	17,124	(2,199,647)	--	--	--
Balance at the End of Period (III+IV+.....+X+XI)	3,316,100	15	--	67,561	84,717	(45,513)	778,053	4,592,906	(935,907)	(3,657,681)	7,294,331	4,006,761	516,684	16,018,027	14,463	16,032,490

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF 31 MARCH 2019 AND 2018

(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish
See Note 3.1.c

	Footnote	CURRENT PERIOD (01/01-31/03/2019)	PRIOR PERIOD (01/01-31/03/2018)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities (+)		(351.859)	624.904
1.1.1 Interest received (+)		4.550.577	3.376.645
1.1.2 Interest paid (-)		3.055.512	1.904.811
1.1.3 Dividends received (+)		2.762	101
1.1.4 Fees and commissions received (+)		1.059.924	607.699
1.1.5 Other income (+)		97.610	57.547
1.1.6 Collections from previously written off loans and other receivables (+)		431.244	255.066
1.1.7 Cash payments to personnel and service suppliers (-)		377.365	341.317
1.1.8 Taxes paid (-)		96.839	45.420
1.1.9 Other (+/-)		(2.964.260)	(1.380.606)
1.2 Changes in operating assets and liabilities subject to banking operations		3.619.365	1.153.861
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)		(110.064)	(271.198)
1.2.2 Net increase (decrease) in due from banks (+/-)		(1.560.156)	(25.761)
1.2.3 Net increase (decrease) in loans		(1.813.078)	(3.924.489)
1.2.4 Net increase (decrease) in other assets (+/-)		(238.264)	(1.733.473)
1.2.5 Net increase (decrease) in bank deposits (+/-)		28.266	(1.474.096)
1.2.6 Net increase (decrease) in other deposits (+/-)		5.052.668	5.289.788
1.2.7 Net increase (decrease) in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net increase (decrease) in funds borrowed (+/-)		863.508	1.791.182
1.2.9 Net increase (decrease) in matured payables (+/-)		-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)		1.396.485	1.501.908
I. Net cash provided from banking operations(+/-)		3.267.506	1.778.765
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities(+/-)		(3.514.726)	(353.826)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		-	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible asset (-)		81.710	91.244
2.4 Cash obtained from the sale of tangible and intangible asset (+)		31.038	22.659
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		4.123.079	621.044
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		659.025	230.081
2.7 Cash paid for the purchase of financial assets at amortized cost (-)		-	-
2.8 Cash obtained from sale of financial assets at amortized cost (+)		-	-
2.9 Other (+/-)		-	105.722
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flows from financing activities (+/-)		571.223	(1.245.292)
3.1 Cash obtained from funds borrowed and securities issued (+)		4.372.356	3.977.771
3.2 Cash outflow from funds borrowed and securities issued (-)		3.801.133	5.223.063
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for lease liabilities (-)		-	-
3.6 Other (+/-)		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)		1.295.428	584.422
V. Net increase in cash and cash equivalents		1.619.431	764.069
VI. Cash and cash equivalents at beginning of the period (+)		27.458.248	16.636.028
VII. Cash and Cash Equivalents at the End of Period		29.077.679	17.400.097

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

a. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents

Consolidated financial statements have been prepared in accordance with the regulations, communiqués, explanations and circulars published with respect to accounting and financial reporting principles by the Banking Regulation and Supervision Authority ("BRSA") within the framework of the provisions of the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Document Keeping published in the Official Gazette no. 26333 dated 1 November 2006 in relation with the Banking Law no. 5411, as well as the Turkish Accounting Standards (TAS") and Turkish Financial Reporting Standards ("TFRS") enforced by the Public Oversight Accounting and Auditing Standards Authority ("POA") and the annexes and commentaries relating to these Standards (hereinafter collectively referred to as "Turkish Accounting Standards" or "TAS") if there are no specific regulations made by BRSA. The form and content of the consolidated financial statements which have been drawn up and which will be disclosed to public have been prepared in accordance with the "Communiqué on the financial Statements to be Disclosed to the Public by Banks and the Related Explanations and Footnotes" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" as well as the communiqués that introduce amendments and additions to this Communiqué. The parent shareholder Bank keeps its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Commercial Law and Turkish Tax legislation.

Consolidated financial statements have been prepared based on historical cost principle, except the financial assets and liabilities indicated at their fair values.

The amounts in the consolidated financial statements and explanations and footnotes relating to these statements have been denoted in Thousand Turkish Liras unless otherwise stated.

In the preparation of consolidated financial statements according to TAS, the management of the parent shareholder Bank should make assumptions and estimations regarding the assets and liabilities in the balance sheet. These assumptions and estimations are reviewed regularly, the necessary corrections are made and the effects of these corrections are reflected in the income statement. The assumptions and estimations used are explained in the related foot notes.

The Parent Bank and its consolidated subsidiaries are classified as "DFS Group" in the footnotes related to the consolidated financial statements.

b. Accounting policies and changes in the presentation of financial statements

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA").

The Bank has applied TFRS 16 Leases (TFRS 16) standard issued by the POA for the first time on 1 January 2019 in the accompanying consolidated financial statements. In accordance with the transition rules of TFRS 16, the prior period financial statements and notes are not restated. Accounting policies, impacts and adoption of transition to TFRS 16 is disclosed in Section three notes XV.

c. Additional paragraph for convenience translation:

The differences between the standards set out by BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

II. Explanation on the strategy for the use of financial instruments and transactions denominated in foreign currencies

a. Strategy for the use of financial instruments

DFS Group's external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The majority of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity. The liquidity structure that ensures meeting all liabilities falling due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

DFS Group assumes risks within pre-determined risk limits in short-term currency, interest and price movements in money and capital markets and market conditions. These positions are closely monitored by the Risk Management System of the Parent Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment. In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration. The asset-liability balance is monitored on a daily basis in accordance with the maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options. No risks are taken as far as possible on foreign currencies other than US Dollar and Euro. Transactions are made under the determined limits to cover the position.

Net foreign currency position of DFS Group in foreign enterprises is considered along with the position of the Parent Bank and the specific position is evaluated within the risk limits.

b. Transactions denominated in foreign currencies

Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements

DFS Group accounts for the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from transactions that are completed as of the balance sheet date are translated to TL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into TL by using foreign currency exchange rates of the Parent Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Parent Bank's foreign currency exchange rates are as follows:

	31 March 2019	31 December 2018	31 March 2018
US Dollar	5,6284 TL	5,2810 TL	3,9489 TL
Euro	6,3188 TL	6,0422 TL	4,8673 TL

Foreign exchange gains and losses included in the income statement

As of 31 March 2019, net foreign exchange loss included in the income statement amounts to TL 636.910 (1 January - 31 March 2018: TL 234.710 net foreign exchange loss).

Total amount of valuation fund arising from foreign currency exchange rate differences

The assets and liabilities of foreign operations are translated to TL at foreign exchange rates of the Parent Bank ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to TL at yearly average foreign exchange rates of the Parent Bank. The foreign exchange differences derived from translation of income statements of consolidated subsidiaries, and arising from the difference between TL equivalent of their equities and the Parent Bank's share in their net assets are recorded in "other profit reserves".

As of 31 March 2019, total foreign exchange differences in equity amount to TL 4.520.567 (31 December 2018: TL 4.048.506).

The foreign exchange difference of TL 72.339 (31 December 2018: TL 69.078) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to Turkish Lira per TAS 21 is recorded in "Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss".

DFS Group applies net investment hedge accounting to hedge from the foreign currency exchange risk arising from conversion of its investments in foreign currency denominated subsidiaries on a consolidated basis. Part

of foreign currency deposits to the net investment amount is designated as hedging instrument and the effective portion of the foreign exchange difference of these financial liabilities is recognized under hedging funds in equity.

III. Information regarding the consolidated subsidiaries

Consolidated financial statements are prepared in accordance with TFRS 10, the “Turkish Accounting Standard for Consolidated Financial Statements”.

The Parent Bank owns, directly or indirectly, the shares of Deniz Yatırım Menkul Kıymetler A.Ş. (Deniz Yatırım), Eurodeniz International Banking Unit Ltd. (Eurodeniz), Deniz Portföy Yönetimi A.Ş. (Deniz Portföy), Denizbank AG, JSC Denizbank, Deniz Finansal Kiralama A.Ş. (Deniz Leasing), Deniz Faktoring A.Ş. (Deniz Faktoring), Deniz Gayrimenkul Yatırım Ortaklığı A.Ş. (Deniz GYO), and CR Erdberg Eins GmbH & Co KG (CR Erdberg) and these subsidiaries are consolidated fully.

DFS Funding Corp., which is a structured entity, is also included in the scope of consolidation.

The non-financial subsidiaries of the parent bank; Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. (“Intertech”), Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. (“Deniz Kültür”) and Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (“Bantaş”) which is jointly controlled company and affiliates of Intertech; Deniz Kartlı Ödeme Sistemleri A.Ş. and Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş.; Ekspres Bilgi İşlem ve Ticaret Anonim Şirketi (“Ekspres Bilgi İşlem”) subsidiary of Deniz Yatırım, and Deniz Immobilien Service GMBH (“Deniz Immobilien”) subsidiary of Denizbank AG, since they are non-financial subsidiaries are excluded from the consolidation process.

Important changes on consolidated subsidiaries in reporting period

None.

Consolidation principles for subsidiaries

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank’s returns.

According to this method, the financial statements of the Parent Bank and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated income statement.

The carrying amount of the Parent Bank’s investment in each subsidiary and the Parent Bank’s portion of equity of each subsidiary are eliminated.

All intercompany transactions and intercompany balances between the consolidated subsidiaries and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as of 31 March 2019 and appropriate adjustments are made to financial statements to use uniform accounting policies for transactions and events alike in similar circumstances, in accordance with the principal of materiality.

IV. Explanations on forward transactions, options and derivative instruments

DFS Group's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contracts.

In accordance with TFRS 9, forward foreign currency purchase/sale contracts, swaps, options and futures are classified as "Derivative Financial Assets/Liabilities at Fair Value Through Profit or Loss". Derivative transactions are recorded with their fair values at contract date. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual notional amounts.

The derivative transactions are valued at fair value subsequent to initial recognition and are presented in the "Derivative Financial Assets/Liabilities at Fair Value Through Profit or Loss" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value are recognized in the income statement. Fair values of derivatives are calculated using either discounted cash flow model or market value.

V. Explanations on interest income and expenses

Interest income and expenses are recognized by applying the effective interest method. As of January 1, 2018, DFS Group has started to calculate accruals for its non-performing loans. The net book value of the non-performing loans (Gross Book Value - Expected Loss) is discounted with effective interest rate and recorded on the gross carrying amount of the non-performing loan.

VI. Explanations on fees and commissions income and expenses

Fees and commissions income and expenses are accounted for on an accrual basis or effective interest method and TFRS 15 "Revenue from Contracts with Customers" standard according to their nature excluding wage income related to certain banking transactions that are recorded as income in the period in which they are collected. Revenues provided through contracts or through services related to transactions such as the purchase or sale of assets for a third party or legal entity are recognized as income at the time of collection.

VII. Explanations on financial assets

DFS Group categorizes its financial assets as "Fair Value Through Profit or Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

DFS Group recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by the Parent Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Parent Bank's management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or interest that were previously recorded in the financial statements.

a. Financial assets at fair value through profit or loss

"Financial assets at fair value through profit or loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement.

b. Financial assets at fair value through other comprehensive income

In addition to Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial assets measured at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

DFS Group has government securities with a maturity of 5-10 years and indexed to CPI in the 3 months real coupon ratios that remain constant throughout the maturity in the "Fair value through other comprehensive income" and "Measured at amortized cost" securities portfolios. As stated by Secretary of Treasury in CPI indexed investor guide, the reference indexes used in calculating the actual coupon payment amounts of these securities are based on the CPI indexes of two months ago. DFS Group predicts the inflation rate in parallel to those.

VIII. Explanations on expected credit loss

As of 1 January 2018, the Bank allocates provisions for expected credit loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income, also loan commitments and non cash loans that are not carried at fair value through profit or loss in accordance with TFRS 9 'Financial Instruments' standard requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750.

The expected credit loss provision is weighted according to the probabilities determined by taking into consideration possible results and reflects the time value of money as a unbiased amount, past events, current conditions and forecasts of future economic conditions as reasonable and supportable information that can be obtained without incurring excessive cost or effort at the reporting date.

According to TFRS 9, after each financial instrument has been recognized for the first time in the financial statements for which there is a need for an impairment assessment, if there is a significant increase in the credit risk at each reporting date.

Estimated credit loss provision is calculated to estimate the loss if the financial instrument defaulted.

Due to the deterioration in credit quality since their initial recognition, financial instruments are allocated to one of the following stages:

Stage 1: Financial instruments with 12-months expected credit loss provision calculated, no significant increase in credit risk;

Stage 2: Financial instruments with a significant increase in credit risk and where the expected credit loss provision is calculated for lifetime;

Stage 3: impaired, non-performing (defaulted) loans.

The financial instruments in Stage 1 are financial instruments that has been recognized for the first time in the financial statements or do not have a significant increase in the credit risk after the initial recognition in the financial statements. For these instruments, credit risk impairment provision is calculated as the expected credit loss provision for 12-months default risk from the reporting date.

After the initial reporting period, a significant increase is observed in the credit risk and result of the provision for credit risk impairment for the financial instruments mentioned in Stage 2 is calculated as the expected loss provision over the remaining life from the reporting date. Loans for customers under the "Financial Restructuring Framework Agreement" are classified in Stage 2.

Financial instruments in Stage 3 are assumed to be defaulted and therefore impaired. For these assets, lifetime expected credit losses are recognized.

The expected credit loss provision is calculated as whole (collective) or separate (individual).

Financial instruments with common credit risk characteristics are grouped for the expected loan loss provisions calculated collectively.

In the Parent Bank, grouping of credit risks according to common characteristics was made according to 'risk segments'. The standards for the separation of credit risks by risk segments have been prepared in accordance with the Basel II recommendations for the assessment of capital adequacy based on credit risk in the context of the standard internal rating-based approach ("IRB"). The purpose of classifying credit risks according to risk segments is to determine the approach for analyzing and evaluating credit risk for the relevant risk segment.

The credit risk classification is as follows:

- Segment classification for non-retail loans is made at the counterparty level to collect all the risks of the counterparty only to a risk segment based on the credit products requested by the counterparty;
- Segment classification for retail loans is based on both product level and counterparty characteristics. This means that Credit risks of the other party can be classified into different risk segments.

The main groupings based on risk segments for the expected credit loss provision calculation are as follows:

- Corporate / Commercial loans
- OBI loans
- KBI loans
- Agricultural loans
- Consumer loans
- Mortgage loans
- Vehicle loans
- Overdraft
- Credit cards
- Loans granted to local governments
- Project financing loans
- Central administrations
- Banks

The expected loan loss provisions calculated collectively are calculated by using the components such as default amount (DA), default probability (DP), loss in default (LiD) and effective interest rate of the loan.

Default amount

The default amount is the expected economic receivable at the time of default.

In order to calculate the expected loan loss provision, the DA value of each loan is calculated by discounting the expected principal and interest payments from the future dates to the reporting date using the effective interest rate. The loan conversion rate is also applied to the DA value.

Probability of default

The probability of default indicates the probability of default of the debtor in a certain period of time.

There are two types of PD values calculated in accordance with TFRS 9 requirements:

- 12-month PD: Estimate the probability of default for 12 months after the reporting date of the financial instrument.
- Lifetime default probability: Estimated probability of default over the life of the financial instrument.

The credit ratings of the internal rating systems used by the Parent Bank in credit allocation processes are used to classify the customers in the expected credit loss provision calculations.

Internal rating systems used for non-individual customers are mainly divided into Corporate / Commercial, OBI, CBI and Agriculture model groups. The internal ratings in the Corporate / Commercial and OBI model groups take into account quantitative characteristics such as indebtedness, liquidity and size of the customer as well as qualitative assessment elements. The internal ratings in the KBI and Agriculture model groups reflect behavioral information such as the trend in the use rate of the entire banking sector in the banking sector, the duration of use of the CBM product in the Parent Bank, or the recent frequency of delays in loan payments.

Internal rating systems for retail consumers are differentiated at level Consumer, Mortgage, Vehicle Loans, Overdraft and Credit Card products group. In order to produce these scores, behavioral data such as the customer's trend in the limit usage rate in the Bank and the sector, the frequency of the delays in the current period, customers' ownerships of the cross products and their payment habits of the other products are used.

In the first step, the outputs of the internal rating systems are grouped on the basis of risk segments according to the common characteristics of credit risks for PD calculations in accordance with TFRS 9. Historical default data of these groups were prepared. A basket creation analysis was performed for the default data obtained for the purpose of obtaining reasonable and valid accumulated default rates.

PD curves are drawn by running regression method used by proper distribution through data obtained for the baskets. Since the PD values obtained represent PD values 'throughout the life cycle', they were converted to 'instant' PD values in accordance with TFRS 9. In the last step, macroeconomic expectations for PD value are reflected.

For credit risk groups that do not have sufficient historical default data, external default statistics or minimum PD rates in Basel documentation are used.

The internal validation of the process described above was carried out at the end of 2018.

Loss given default

In case of default, the loss refers to the ratio of the economic loss to the debtor has defaulted.

For the purpose of calculating the expected credit loss provision, two types of LGD rate is calculated: LGD ratio for the unsecured credit risk and LGD ratio for the collateralized credit risk.

The LGD ratio for unsecured credit risk was calculated using the Parent Bank's previous collection data and grouped on the basis of risk segments based on common characteristics of credit risks.

The following TFRS 9 requirements are taken into account for the LGD ratio calculation for unsecured credit risk:

- Long-term LGD is used (excluding regression effect)
- In the case of conservative approach it is excluded
- Excludes indirect costs in the case of existence
- The result figures are discounted by the effective interest rate

The LGD ratio for collateralized credit risk is calculated by considering the collateral structure for each loan. To calculate this ratio, the rates of consideration taken for the Parent Bank's collateral type, the periods of cash conversion and the effective interest rate of the loan to which the collateral belongs are used. Historical data and in the case of absent of it best estimates are used to determine the relevant rates of consideration and cash-through periods.

For unsecured credit risk groups with insufficient historical collection data, the standard rate included in the Basel documentation is used.

The internal validation of the process described above was carried out at the end of 2018.

Effective interest rate

The effective interest rate is the discount rate that equals the future expected cash receipts and collections that are expected to occur over the expected life of the financial asset or liability to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

Other than the expected credit loss provisions calculated collectively, the expected credit loss provisions of the financial instruments that are subject to a coverage over a certain risk or which will be determined by the Parent Bank management are calculated based on the separate (individual) evaluation. In accordance with the Guideline on Calculation of Provision for Loan Losses in Accordance with TFRS 9 announced by the BRSA on 26 February 2018, the calculation was made using at least two scenarios for each financial instrument in accordance with the discounted cash flow method. The ultimate expected credit loss provision of the financial instrument is based on the fact that the expected credit loss provisions calculated for the related scenarios are weighted by the probability of realization of the scenarios.

Low credit risk

In accordance with TFRS 9, the risk of the default of the financial instrument is low, the borrower has a strong structure to meet the contractual cash flow obligations in the short term, and the negative changes in the economic conditions and operating conditions in the longer term reduce the power of the debtor to fulfill the contractual cash flow obligations. the credit risk of the financial instrument is considered to be low.

It has not been concluded that financial instruments have a low credit risk only if the risk of loss of the financial instruments is considered to be low due to the value of the collateral and if the credit risk of the related financial instrument is not evaluated as low.

Furthermore, it is not considered that the financial instruments have a low credit risk only because they have less risk than the other financial instruments of the enterprise or the credit risk of the region where the business is operating.

In the case of low risk determination of any financial instrument and also assuming that the first contact of the credit risk is not significantly increased after the financial statements, the relevant financial instrument is evaluated in Stage 1.

Financial instruments considered to have a low credit risk under TFRS 9 are presented below:

- Receivables from CBRT.
- Risks in the case of the counterparty is the TC Treasury
- Loans to subsidiaries of the main shareholder.
- Transactions with banks with AAA rating

The Participation of Senior Management of the Bank to the IFRS 9 Process

Principles and Procedures for the Classification of Loans and Provisions to be Reserved in the Official Gazette dated June 22, 2016 and numbered 29750 within the scope of the regulations related to internal systems, risk management, corporate governance and credit classification, which are issued pursuant to the Banking Law No. 5411 In accordance with Article 20 of the By-Law, 'TFRS 9 Management Committee' has been established in accordance with the 'Guide on the Calculation of Provision for Loan Loss Expected under TFRS 9' prepared by the BRSA.

In accordance with TFRS 9, the Committee is responsible for the control of the classification and measurement of financial instruments, the approval of business models and an adequate calculation of the expected credit loss provision. The Committee is also responsible for ensuring that the DFS Group's existing policies and processes' control to establish and maintain in accordance with TFRS 9 and relevant good practice guidelines

The Committee is responsible for ensuring that the expected credit loss provisions are based on reliable and robust methods, that these methods are documented, developed, updated in a timely manner and are accounted for as required.

Executive Board Member responsible for Loans, Assistant General Manager responsible for Financial Affairs, Assistant General Managers responsible for the duties of the Board member charging with loans and Assistant General Manager responsible for Risk Management are the among of members of Committee.

IX. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the DFS Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. Explanations on sale and repurchase agreements and transactions related to the lending of securities

Government bonds and treasury bills sold to customers under repurchase agreements are classified according to purpose of being held into portfolio on the assets side of the accompanying consolidated balance sheet within "Financial assets at fair value difference through profit or loss", "Financial assets at fair value difference through other comprehensive income" and "Measured at amortized cost" and are measured according to valuation principles of relating portfolio. Funds obtained from repurchase agreements are presented on the liability side of the consolidated balance sheet within the account of "Receivables from money market". The accrual amounts corresponding to the period is calculated over the sell and repurchase price difference determined in repurchase agreements. Accrued interest expenses calculated for funds obtained from repurchase agreements are presented in "Due to money markets" account in liability part of the consolidated balance sheet.

Securities received with resale commitments are presented under "Due from money markets" line in the balance sheet. The accrual amounts for the corresponding part to the period of the resale and repurchase price difference determined in reverse repurchase agreements are calculated using the effective interest method. The Parent Bank has no securities which are subject to borrowing activities.

XI. Explanations on assets held for sale and discontinued operations and related liabilities

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

A discontinued operation is a division of a bank that is either disposed or held for sale and represents a separate major line of business or geographical area of operations; or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

As 31 March 2019, DFS Group does not have non-current assets held for sale and discontinued operations.

XII. Explanations on goodwill and other intangible assets

a. Goodwill

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles. Assets of the acquired company which are not presented on financial statements but separated from goodwill represented with fair values of tangible assets (credit card brand equity, customer portfolio etc.) and/or contingent liabilities to financial statements in process of acquisition.

In accordance with "TFRS 3 - Business Combinations", the goodwill is not amortized instead it is tested yearly or more frequently when they indicate that changes in circumstances may result in impairment according to "Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets".

b. Other intangible assets

Intangible assets are initially measured at acquisition cost and other costs which are required for activation of the financial asset in accordance with TAS 38 "Intangible Assets" standard. Intangible assets are evaluated over excess value of net cost that derived from accumulated depreciation and accumulated impairment after recognition period.

The Group's intangible assets consist of software, license rights, data/telephone line, total values of credit cards and personal loans portfolio.

Intangible assets purchased before 1 January 2003 and after 31 December 2006 are amortized on a straight-line basis; and those purchased between the aforementioned dates are amortized by using the double-declining method. Useful life of an asset is estimated by assessment of the expected life span, technical, and technological wear outs of the asset. The amortization rates used approximate the useful lives of the assets.

Maintenance costs associated with the computer software that are in use are expensed at the period of occurrence.

XIII. Explanations on tangible assets

DFS Group has passed to revaluation model from cost model in the framework of TAS 16 “Tangible Fixed Assets” in valuation of properties in use as of 31 December 2016, while it tracks all of its remaining tangible fixed assets by cost model in accordance with TAS 16. Positive differences between property value in expertise reports prepared by licensed valuation firms and net carrying amount of the related property are recorded under equity accounts while negative differences are posted to the income statement.

	Estimated Economic Life (Year)	Depreciation Rate
Movables		
- Office machinery	4 Years	10 % - 50 %
- Furniture and fixtures	5 Years	10 % - 50 %
- Motor vehicles	5 Years	20 % - 50 %
- Other equipment	10 Years	2,50 % - 50 %
Real estate	50 Years	2 % - 3,03 %

Maintenance and repair costs that are routinely made on tangible assets are expensed. The capital expenditures incurred in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized on the cost of the tangible asset.

There are no restrictions such as pledges and mortgages on tangible assets or no purchase commitments.

XIV. Explanations on investment properties

Land and buildings that are held for rental yields or for capital appreciation or both, rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as “investment property”. Investment property is carried at fair value. Gains or losses arising from a change in the fair value of investment property are recognized in the income statement in the period in which they occur.

Investment property is derecognized through disposal or withdrawal from use and when no future economic benefit is expected from its disposal. Gains or losses arising from the disposal of investment property are recognized in the related statement of income or expense accounts in the period in which they occur.

XV. Explanations on leasing activities

Fixed assets acquired through financial leasing are recognized in tangible assets and depreciated in line with the fixed assets group they relate to. The obligations under finance leases arising from the lease contracts are presented under “Lease Payables” account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

DFS Group has finance lease transactions as “lessor” via its subsidiary, Deniz Leasing. The lease receivables related to leased assets are recorded as finance lease receivables. The asset subject to the financial leasing is presented in the balance sheet as receivable equal to the net leasing amount. Interest income is recognized over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unrecognized portion is followed under unearned interest income account.

With the “IFRS 16 Leases” standard effective from 1 January 2019, the difference between operating leases and financial leases has been eliminated and the leasing transactions have been presented under “Liabilities from Leasing Operations”. Impacts and adoption of transition to IFRS 16 is disclosed in Section three notes XXVI.

XVI. Explanations on provisions and contingent liabilities

Provisions other than specific and general provisions for loans and other receivables and free provisions for probable risks, contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by DFS Group management. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured reliably, a provision is recognized. If the amount of the obligation cannot be measured reliably or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

XVII. Explanations on obligations for employee benefits

Provision for employee benefits has been accounted for in accordance with TAS 19 “Employee Benefits”.

The Parent Bank in accordance with existing legislation in Turkey, is required to make retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to the this extents, the Parent Bank is required to make severance payment to each employee whose employment is terminated due to retirement, death, military service and to female employees following their marriage within one year leave the job of their own accords by fourteenth clause of Labor Law.

DFS Group, in accordance with TAS 19 “Employee Benefits” realized provision registry under the condition of prediction of present value of possible liability in the future related to employee termination benefits. Losses and gains which occur after 1 January 2013 are adjusting under the Equity Accounts in accordance with updated TAS 19 Standard.

DFS Group has recognized vacation pay liability amount which is calculated from unused vacation to financial statement as a provision.

XVIII. Explanations on taxation

a. Current taxes

By the provisional article added to Corporate Tax Law no.5520 by the Clause 91 of law no.7061, current tax rate is declared to be 22% for corporations in 2018, 2019 and 2020 taxation periods.

Companies file their corporate tax returns between the 1st and 25th days of the following four months period after to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the “Current Tax Liability” in the liabilities and “Current Tax Provision” in the income statement.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

Besides institutions reside in Turkey, dividends paid to the offices or the institutions earning through their permanent representatives in Turkey are not subject to withholding tax. According to the decision no. 2006/10731 of the Council of Ministers published in the Official Gazette no. 26237 dated 23 July 2006, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. In this respect, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the institutions residing in Turkey is 15%. While applying the withholding tax rates on dividend payments to the foreign based institutions and the real persons, the withholding tax rates covered in the related Avoidance of Double Taxation Treaty are taken into account. Addition of profit to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The foreign subsidiaries of DFS Group that operate in Austria, the Russian Federation and Cyprus are subject to corporate tax rates of 25%, 20% and 2%, respectively.

Tax effects of items that are accounted for under the shareholders’ equity are also recorded under equity accounts.

b. Deferred taxes

In accordance with TAS 12 “Income Taxes”, DFS Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Individual deferred tax assets and liabilities of the consolidated entities have been offset in their separate financial statements, but have not been offset in the consolidated balance sheet. As a result of offsetting, as of 31 March 2019 deferred tax assets of TL 1.332.181 (31 December 2018: TL 1.213.623) and deferred tax liabilities of TL 25.147 (31 December 2018: TL 25.828) have been recognized in the accompanying financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets has started to be recognized over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

c. Transfer pricing

In the framework of the provisions on “Disguised Profit Distribution Through Transfer Pricing” regulated under article 13 of Corporate Tax Law no. 5520, pursuant to the Corporate Tax Law General Communiqué no. 1, which became effective upon its promulgation in the Official Gazette dated 3 April 2007 and numbered 26482, Corporate Tax Law General Communiqué no. 3, which became effective upon its promulgation in the Official Gazette dated 20 November 2008 and numbered 27060, Council of Ministers Decree no. 2007/12888, which became effective upon its promulgation in the Official Gazette dated 6 December 2007 and numbered 26722, Council of Minister Decree no. 2008/13490, which became effective upon its promulgation in the Official Gazette dated 13 April 2008 and numbered 26846, “General Communiqué No. 1 on Disguised Profit Distribution Through Transfer Pricing”, which became effective upon its promulgation in the Official Gazette dated 18 November 2007 and numbered 26704 and “General Communiqué No. 2 on Disguised Profit Distribution Through Transfer Pricing”, which became effective upon its promulgation in the Official Gazette dated 22 April 2008 and numbered 26855, “General Communiqué No. 3 on Disguised Profit Distribution Through Transfer Pricing”, which became effective upon its promulgation in the Official Gazette dated 7 December 2017 and numbered 30263, profits shall be deemed to have been wholly or partially distributed in a disguised manner through transfer pricing if companies engage in the sales or purchases of goods or services with related parties at prices or amounts defined contrary to the arm’s length principle. Buying, selling, manufacturing and construction operations and services, renting and leasing transactions, borrowing or lending money, bonuses, wages and similar payments are deemed as purchase of goods and services in any case and under any condition.

Corporate taxpayers are obliged to fill in the “The Form on Transfer Pricing, Controlled Foreign Corporation and Thin Capital” regarding the purchases or sales of goods or services they perform with related parties during a fiscal period and submit it to their tax office in the attachment of the corporate tax return.

Furthermore, the taxpayers registered in the Large Taxpayers Tax Administration (Büyük Mükellefler Vergi Dairesi Başkanlığı) must prepare the “Annual Transfer Pricing Report” in line with the designated format for their domestic and cross-border transactions performed with related parties during a fiscal period until the filing deadline of the corporate tax return, and if requested after the expiration of this period, they must submit the report to the Administration or those authorized to conduct tax inspection.

XIX. Additional explanations on borrowings

Borrowings are initially recognized at cost representing their fair value and remeasured at amortized cost based on the internal rate of return at next periods. Foreign currency borrowings have been translated using the foreign currency buying rates of the Parent Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

General hedging techniques are used for borrowings against liquidity and currency risks. The Parent Bank, if required, borrows funds from domestic and foreign institutions. The Parent Bank also borrows funds in the forms of syndication loans and securitization loans from foreign institutions.

XX. Explanations on issuance of share certificates

In 2019 and 2018, the Parent Bank does not have issuance of share certificates.

XXI. Explanations on acceptances

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

XXII. Explanations on government grants

As of the balance sheet date, DFS Group does not have any government grants.

XXIII. Explanations on segment reporting

Segment reporting is presented in Note IX of Section Four.

XXIV. Explanations on other matters

None.

XXV. Classifications

In order to comply with the presentation of 31 March 2019 financial statements, the financial statements as of 31 December 2018 and the statement of profit or loss as of 31 March 2018, other comprehensive income statement, equity movement table and cash flow statement are reclassified.

XXVI. Explanations on TFRS 16 Leases standard

At the beginning of a contract, the Group assesses whether the contract has a lease qualification or include a lease transaction. In the event that the contract is transferred for a certain period of time to the right to control the use of the asset defined for a price, this contract is of a rental nature or includes a lease transaction. The Group reflects the existence of a right of use and a lease obligation to the financial statements at the date the lease is commenced.

Right-of-use asset

The right-of-use asset is initially recognized by cost method and includes:

- The first measurement amount of the lease obligation,
- The amount obtained by deducting all rental incentives received from all lease payments made at or before the date of the rental,
- All initial direct costs incurred by the Group

When the Group applying cost method, the existence of the right-of-use:

- Accumulated depreciation and accumulated impairment losses are deducted and
- Measures the restatement of the lease obligation over the adjusted cost.

The Group applies depreciation provisions in TAS 16 Tangible Assets standard while depreciating the right-of-use.

Lease obligation

At the effective date of the lease, the Group measures the leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the implied interest rate at the lease if this rate can be easily determined. The Group uses the Group's alternative borrowing interest rate if this rate cannot be easily determined.

Lease payments included in the measurement of the lease liability at the date of the lease's actual start date shall be made for the right of use during the lease term of the underlying asset and consists of the payments which have not been paid at the date of the rental. After the effective date of the lease, the Group measures the lease obligation as follows:

- Increase the book value to reflect the interest on the lease obligation,
- Reduces the book value to reflect the lease payments made and
- Remeasures the book value to reflect revaluations and reconstructions, or to reflect rental payments that are fixed at the revised basis.

The interest on the lease liability for each period of the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liability.

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Transition to TFRS 16

“TFRS 16 Leases” Standard was published in the Official Gazette dated 16 April 2018 and numbered 29826, to be applied in the accounting periods beginning after 31 December 2018. The Group has applied TFRS 16 “Leases” standard as of 1 January 2019 that is the first application date, instead TMS 17 “Leasing Transactions”.

The Group applied TFRS 16 with a simplified transition application approach and did not rearrange comparable amounts for the previous year.

Lease agreements for vehicles and ATMs, which are determined as low-value by the Group, with short term lease agreements that is 12 months and less, have been evaluated under the exception granted by the standard, and payments for these contracts are recorded as expense in the period in which they are incurred.

As of 1 January 2019, when the TFRS 16 is effective, information on the right-of-use and the lease liability is as follows:

	1 January 2019
Properties	703.772
Total right-of-use	703.772
	1 January 2019
Operational lease commitments	1.499.631
Contracts excluded from TFRS 16 (-)	139.261
Total lease liability	1.360.370
Discounted lease liabilities	690.718

As of 31 March 2019, the net usage right of the consolidated financial statements is TL 635.426 and the lease liability is TL 634.121.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations related to the consolidated shareholders' equity

Capital and capital adequacy ratio are calculated in accordance with the "Regulation on Equities of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The current period equity of the Group is TL 23.276.964 (31 December 2018: TL 22.751.004) while its capital adequacy standard ratio is 14,32% as of 31 March 2019 (31 December 2018: 14,93%).

a. Components of consolidated capital

	Current Period	Prior Period
	31 March 2019	31 December 2018
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3.316.100	3.316.100
Share issue premiums	15	15
Reserves	7.294.331	5.111.808
Gains recognized in equity as per TAS ⁽¹⁾	2.306.299	2.295.369
Profit	4.523.445	6.189.284
Current Period Profit	516.684	2.199.647
Prior Period Profit	4.006.761	3.989.637
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	778	708
Minorities' Share	14.463	14.396
Common Equity Tier 1 Capital Before Deductions	17.455.431	16.927.680
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	--	--
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	990.252	858.359
Improvement costs for operating leasing	80.963	90.968
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	286.437	271.191
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	270.890	296.702
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	--	--
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	--	--
Gains arising from securitization transactions	--	--
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	--	--
Defined-benefit pension fund net assets	--	--
Direct and indirect investments of the Bank in its own Common Equity	--	--
Shares obtained contrary to the 4th clause of the 56th Article of the Law	--	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Portion of mortgage servicing rights exceeding 10% of the Common Equity	--	--
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	--	--
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	--	--
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets based on temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	--	--
Total Deductions From Common Equity Tier 1 Capital	1.628.542	1.517.220
Total Common Equity Tier 1 Capital	15.826.889	15.410.460

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ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	--	--
Debt instruments and premiums approved by BRSA	--	--
Debt instruments and premiums approved by BRSA (Temporary Article 4)	--	--
Third parties' share in the Additional Tier I capital	--	--
Third parties' share in the Additional Tier I capital (Temporary Article 3)	--	--
Additional Tier I Capital before Deductions	--	--
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	--	--
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7. -	--	--
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital -	--	--
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital -	--	--
Other items to be defined by the BRSA	--	--
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	--	--
Total Deductions From Additional Tier I Capital	--	--
Total Additional Tier I Capital	--	--
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	15.826.889	15.410.460
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	5.623.370	5.606.183
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Third parties' share in the Tier II Capital	--	--
Third parties' share in the Tier II Capital (Temporary Article 3)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.840.744	1.749.362
Tier II Capital Before Deduction	7.464.114	7.355.545
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	--	--
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	--	--
Other items to be defined by the BRSA (-)	--	--
Total Deductions from Tier II Capital	--	--
Total Tier II Capital	7.464.114	7.355.545
Total Capital (The sum of Tier I Capital and Tier II Capital)	23.291.003	22.766.005
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	--	--
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	--	--
Other items to be defined by the BRSA (-)	14.039	15.001
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--	--
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not be deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--	--
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	--	--
TOTAL CAPITAL		
Total Capital ((The sum of Tier I Capital and Tier II Capital)	23.276.964	22.751.004
Total risk weighted amounts	162.583.480	152.368.431
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	9,73	10,11
Tier 1 Capital Adequacy Ratio (%)	9,73	10,11
Capital Adequacy Ratio (%)	14,32	14,93

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BUFFERS

Total additional Common Equity Tier 1 Capital requirement ratio	2,657	1,989
Bank specific total common equity tier 1 capital ratio (%)	2,500	1,875
Capital conservation buffer requirement (%)	0,157	0,114
Systemic significant bank buffer ratio (%)	--	--
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	0,653	1,063
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	--	--
Portion of the total of investments in equity items of Consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	--	--
Amount arising from mortgage-servicing rights	--	--
Amount arising from deferred tax assets based on temporary differences	--	--
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before one hundred twenty five in ten thousand limitation)	3.907.401	3.221.135
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.840.744	1.749.362
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--	--
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	--	--
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	--	--
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	--	--
Upper limit for Additional Tier II Capital subjected to temporary Article 4 ⁽²⁾	--	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--	--

(1) As of May, 2018, the difference between the expected loan loss provisions calculated in accordance with TFRS 9 and the total provision amount calculated before the application of TFRS 9 has been recorded in "Prior Years' Profit and Loss" account. Therefore, in accordance with Provisional Article 5 of the "Regulation on Equity of Banks", this amount has started to be shown net in the calculation of equity by adding 60% of the portion after deduction of the tax amount resulting from the difference (31 December 2018: 80%).

(2) There are no credits included in Tier 2 capital related to "Temporary Article 4".

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b. Information on debt instruments included in the calculation of equity

Issuer	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA	SBERBANK OF RUSSIA
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans	Subordinated Loans
Governing law(s) of the instrument	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 5 September 2013.	"Regulations on Banks' Equity " dated 1 November 2006.	"Regulations on Banks' Equity " dated 1 November 2006.
Regulatory treatment					
Subject to 10% deduction as of 1/1/2015	Not Deducted	Not Deducted	Not Deducted	Not Deducted	Not Deducted
Eligible at solo/group/group&solo	Eligible	Eligible	Eligible	Eligible	Eligible
Instrument type	Loan	Loan	Loan	Loan	Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	727	844	1350	1351	1351
Par value of instrument	727	844	1688	1688	1689
Accounting classification	3470102	3470102	3470102	3470102	3470102
Original date of issuance	30.09.2014	30.04.2014	31.01.2014	30.09.2013	28.06.2013
Perpetual or dated	Dated	Dated	Dated	Dated	Dated
Original maturity date	10 years	10 years	10 years	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full on condition that it is at fifth years of the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.	Subject to the written approval of the Banking Regulation and Supervision Agency, repayable in full or partially at any time before the planned repayment date, on condition that it is at least 5 years after the loan is given.
Subsequent call dates, if applicable	None.	None.	None.	None.	None.
Coupons/Dividends					
Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon rate and any related index	First five year 6,2%, after IRS +5,64	First five year 7,93%, after IRS +6,12	7,50%	7,49%	6,10%
Existence of a dividend stopper	None.	None.	None.	None.	None.
Fully discretionary, partially discretionary or mandatory	--	--	--	--	--
Existence of step up or other incentive to redeem	None.	None.	None.	None.	None.
Noncumulative or cumulative	--	--	--	--	--
Convertible or non-convertible					
If convertible, conversion trigger (s)	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be fully or partially extinguished principal amount and interest payment liabilities of loan or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.	May be permanently or temporarily derecognized or converted into capital in accordance with the related regulations in the case that the operation authorization of the Bank is revoked or in the event of an occurring possibility that the Bank may be transferred to the Fund.
If convertible, fully or partially	Convertible fully.	Convertible fully.	Convertible fully.	Convertible fully.	Convertible fully.
If convertible, conversion rate	--	--	--	--	--
If convertible, mandatory or optional conversion	--	--	--	--	--
If convertible, specify instrument type convertible into	--	--	--	--	--
If convertible, specify issuer of instrument it converts into	--	--	--	--	--
Write-down feature					
If write-down, write-down trigger(s)	None.	None.	None.	None.	None.
If write-down, full or partial	--	--	--	--	--
If write-down, permanent or temporary	--	--	--	--	--
If temporary write-down, description of write-up mechanism	--	--	--	--	--
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	In the event of the litigation of the Bank, gives the owner the authority to collect the claim after the borrowing instruments to be included in the additional principal capital and after deposit holders and all other claimants.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.	Gives the owner the right to collect the claim before share certificates and primary subordinated debts and after all other debts.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.	Possessed for Article 8.
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	--	--	--	--	--

- c. Main differences between "Equity" amount mentioned in the prior tables' equity statements and "Equity" amount in consolidated balance sheet arise from first and second stage loss provisions. The portion of main amount to credit risk of first and second stage loss provisions up to 1,25% considered as supplementary capital in the calculation of "Equity" amount included in equity statement as result of deductions mentioned in scope of Regulation on Equity of Banks. Additionally, Losses reflected to equity are determined through excluding losses sourcing from cash flow hedge reflected in equity in accordance with TAS which are subjects of discount from Core Capital. On the other hand, leasehold improvement costs monitored under Plant, Property and Equipment in balance sheet, intangible assets and deferred tax liabilities related to intangible assets, net carrying value of properties acquired in return for receivables and kept for over three years and certain other accounts determined by the Board are taken into consideration in the calculation as assets deducted from capital.**

d. Explanations on provisional article 5 of the regulation on the equity of banks

EQUITY COMPONENTS	T-1	T-2	T-3	T-4
Core Capital	15.826.889	15.826.889	15.826.889	15.826.889
<i>Transition Process Unapplied Core Capital</i>	<i>15.433.845</i>	<i>15.564.860</i>	<i>15.695.874</i>	<i>15.826.889</i>
Tier I Capital	15.826.889	15.826.889	15.826.889	15.826.889
<i>Transition Process Unapplied Main Capital</i>	<i>15.433.845</i>	<i>15.564.860</i>	<i>15.695.874</i>	<i>15.826.889</i>
Equity	23.276.964	23.276.964	23.276.964	23.276.964
<i>Transition Process Unapplied Equity</i>	<i>22.883.920</i>	<i>23.014.935</i>	<i>23.145.949</i>	<i>23.276.964</i>
TOTAL RISK WEIGHTED AMOUNTS				
Total Risk Weighted Amounts	162.583.480	162.583.480	162.583.480	162.583.480
CAPITAL ADEQUACY RATIO				
Core Capital Adequacy Ratio (%)	9,73	9,73	9,73	9,73
<i>Transition Process Unapplied Core Capital Adequacy Ratio (%)</i>	<i>9,49</i>	<i>9,57</i>	<i>9,65</i>	<i>9,73</i>
Main Capital Adequacy Ratio (%)	9,73	9,73	9,73	9,73
<i>Transition Period Unapplied Main Capital Adequacy Ratio (%)</i>	<i>9,49</i>	<i>9,57</i>	<i>9,65</i>	<i>9,73</i>
Capital Adequacy Ratio (%)	14,32	14,32	14,32	14,32
<i>Transition Process Unapplied Capital Adequacy Ratio (%)</i>	<i>14,08</i>	<i>14,16</i>	<i>14,24</i>	<i>14,32</i>
LEVERAGE RATIO				
Total Leverage Ratio Risk Exposure	275.397.097	275.397.097	275.397.097	275.397.097
Leverage Ratio	5,74	5,74	5,74	5,74
<i>Transition Process Unapplied Leverage Ratio</i>	<i>5,59</i>	<i>5,64</i>	<i>5,68</i>	<i>5,73</i>

II. Explanations related to the consolidated foreign exchange rate risk

a. Foreign exchange rate risk the Group is exposed to, related impact estimations, and the limits set by the Board of Directors of the Parent Bank for positions which are monitored daily

Foreign currency exchange rate risk can be taken by DFS Group within defined position and value at risk limits. Measurable and manageable risks are taken within legal limits.

Foreign exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with "Regulation on Bank's Internal Systems and Internal Capital Adequacy Assessment Process". Value at Risk approach is used to measure the exchange rate risk for trading positions and calculations are made on a daily basis.

Based on general economic environment and market conditions the Parent Bank's Board of Directors reviews the risk limits and makes changes where necessary.

b. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

In accordance with TFRS 9, DFS Group applies net investment hedge accounting to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments in its consolidated financial statements.

Information relating to investment hedge to avoid foreign currency exchange rate risk arising from retranslation of its foreign investments are explained in Note VIII-a of Section Four.

c. Foreign currency risk management strategy

Foreign exchange risk can be taken by DFS Group within defined position and value at risk limits. Measurable and manageable risks are taken within legal limits.

d. The Parent Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate as at the balance sheet date TL 5,6284
Euro purchase rate as at the balance sheet date TL 6,3188

Date	US Dollar	Euro
25 March 2019	5,6458	6,3858
26 March 2019	5,4945	6,2162
27 March 2019	5,3307	6,0091
28 March 2019	5,5423	6,2335
29 March 2019	5,6284	6,3188

e. The basic arithmetical average of the Parent Bank's foreign exchange bid rate for the last thirty days prior to the balance sheet date

The arithmetical average US Dollar and Euro purchase rates for March 2019 are TL 5,4649 and TL 6,1768.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁵⁾	Total
Assets				
Cash Equivalents and Central Bank	18.992.208	4.884.228	2.491.581	26.368.017
Banks	2.385.924	5.993.523	339.663	8.719.110
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	825.466	63.541	--	889.007
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive Income	4.116.211	1.807.263	165.202	6.088.676
Loans ⁽²⁾	49.366.446	31.596.866	1.416.840	82.380.152
Investments in Associates, Subsidiaries and Joint Ventures	222	--	--	222
Financial Assets Measured at Amortized Cost	171.756	2.403.088	--	2.574.844
Hedging Derivative Financial Assets	--	--	--	--
Tangible Assets (Net)	283.277	89	3.609	286.975
Intangible Assets (Net) ⁽³⁾	--	--	--	--
Other Assets ⁽⁴⁾	1.154.068	864.453	122.686	2.141.207
Total Assets	77.295.578	47.613.051	4.539.581	129.448.210
Liabilities				
Bank Deposits	1.734.210	526.188	107.826	2.368.224
Foreign Currency Deposits	63.804.617	35.456.322	2.183.392	101.444.331
Due to Money Markets	--	556.555	--	556.555
Funds Borrowed	4.203.954	15.075.673	3.302.195	22.581.822
Securities Issued	868.632	--	--	868.632
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁶⁾	1.360.391	5.886.383	63.293	7.310.067
Total Liabilities	71.971.804	57.501.121	5.656.706	135.129.631
Net on Balance Sheet Position	5.323.774	(9.888.070)	(1.117.125)	(5.681.421)
Net off-Balance Sheet Position ⁽⁷⁾	(5.029.698)	9.093.155	1.653.096	5.716.553
Financial Derivative Assets	22.871.099	38.943.192	3.900.060	65.714.351
Financial Derivative Liabilities	(27.900.797)	(29.850.037)	(2.246.964)	(59.997.798)
Net Positions	294.076	(794.915)	535.971	35.132
Non Cash Loans	10.320.219	12.030.721	816.288	23.167.228
Prior Period				
Total Assets	68.296.873	44.561.598	4.680.518	117.538.989
Total Liabilities	66.947.498	48.341.640	5.009.649	120.298.787
Net on Balance Sheet Position	1.349.375	(3.780.042)	(329.131)	(2.759.798)
Net off-Balance Sheet Position	(623.461)	3.309.689	775.877	3.462.105
Financial Derivative Assets	22.861.903	29.344.079	2.172.181	54.378.163
Financial Derivative Liabilities	(23.485.364)	(26.034.390)	(1.396.304)	(50.916.058)
Net Positions	725.914	(470.353)	446.746	702.307
Non Cash Loans	10.210.179	11.937.016	772.376	22.919.571

(1) : Foreign currency differences of derivative assets amounting to TL 808.241 are excluded.

(2) : Foreign currency indexed loans amounting to TL 2.107.354 are included. Stage 1 and Stage 2 provisions amounting to TL (680.745) are not included.

(3) : Intangible assets amounting to TL 32.150 are excluded.

(4) : Stage 1 and Stage 2 provisions amounting to TL (6.215) are not included. Prepaid expenses at the amount of TL 101.548 are not included.

(5) : There are gold amounts in total assets amounting to TL 3.368.285 and in total liabilities amounting to TL 4.535.230.

(6) : Not including the exchange rate difference of TL 489.475 pertaining to derivative financial assets and the FX equity of TL 8.205.140 and the Stage 1 and Stage 2 provisions of TL 1.340.

(7) : Net amount of receivables and liabilities from financial derivatives is shown on the table. FX swap transactions that are reported under the "Financial Assets Purchase Pledges" is included in "Net Off-Balance Sheet Position".

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III. Explanations related to the consolidated interest rate risk

Interest rate risk arises from disagreements between the repricing dates of the assets, liabilities and off-balance sheet items (for floating-rate products) or maturities (for fixed-rate products). Although this dispute is a structural situation in the banking system, it may affect the bank's interest income and expense and the economic value of the balance sheet if there are unexpected changes in interest rates.

The ultimate responsibility for managing the interest rate risk is in the Asset and Liability Committee (ALCO). However, the Treasury and Asset Liability and Capital Management units are responsible for identifying the most appropriate strategies for interest rate risk management and recommending them to decision makers. There are limits approved by the Board of Directors for the control of interest rate risk.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

End of The Current Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Month	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank Banks ⁽¹⁾	3.090.851	--	--	--	--	24.300.457	27.391.308
Financial Assets at Fair Value through Profit or Loss (Net)	2.196.874	69.045	1.089.287	237	--	5.360.871	8.716.314
Due from Money Markets	502.593	210.498	809.022	1.008.454	512.877	138.089	3.181.533
Financial Assets at Fair Value through Other Comprehensive Income	1.248.060	--	--	--	--	--	1.248.060
Loans	772.377	1.566.546	3.791.994	4.503.374	728.264	987	11.363.542
Financial Assets Measured at Amortized Cost ⁽²⁾	28.973.032	14.829.387	24.033.540	49.682.203	22.892.228	2.977.361	143.387.751
Other Assets ⁽³⁾	474.832	--	2.772.981	1.756.230	1.404.227	--	6.408.270
	253	--	309	637.305	--	7.607.060	8.244.927
Total Assets	37.258.872	16.675.476	32.497.133	57.587.803	25.537.596	40.384.825	209.941.705
Liabilities							
Bank Deposits	1.542.327	149.380	320.988	447.388	--	337.847	2.797.930
Other Deposits	59.827.899	12.878.806	19.257.687	18.925.930	993.378	32.988.470	144.872.170
Due to Money Markets	3.177.663	--	--	--	--	--	3.177.663
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	761.931	2.370.943	744.184	868.632	--	--	4.745.690
Funds Borrowed	3.907.839	9.782.206	3.947.056	4.882.827	1.613.690	--	24.133.618
Other Liabilities ⁽⁴⁾	159.029	1.057.319	347.400	958.128	307.562	27.385.196	30.214.634
Total Liabilities	69.376.688	26.238.654	24.617.315	26.082.905	2.914.630	60.711.513	209.941.705
Balance Sheet Long Position	--	--	7.879.818	31.504.898	22.622.966	--	62.007.682
Balance Sheet Short Position	(32.117.816)	(9.563.178)	--	--	--	(20.326.688)	(62.007.682)
Off-balance Sheet Long Position	1.183.441	--	1.293.272	--	--	--	2.476.713
Off-balance Sheet Short Position	--	(1.470.443)	--	(632.779)	(439.278)	--	(2.542.500)
Total Position	(30.934.375)	(11.033.621)	9.173.090	30.872.119	22.183.688	(20.326.688)	(65.787)

(1) Includes amounting of TL (6.299) first and second stage of expected loss provisions.

(2) Includes amounting of TL (1.184) first and second stage of expected loss provisions.

(3) Other assets/non-interest bearings include; tangible assets, intangible assets, investment properties, investments in associates and joint ventures, deferred tax assets, investments in subsidiaries, assets to be sold and the expected losses of other assets and other assets with balances of TL 881.299, TL 286.437, TL 204.816, TL 16.396, TL 1.332.181, TL 793.180, TL 299.735, (10.159) and TL 3.803.175, respectively.

(4) Other liabilities/non-interest bearings include; shareholders' equity, tax liabilities, deferred tax liabilities, provisions and other liabilities with balances of TL 16.032.439, TL 363.167, TL 25.147, TL 1.050.504 and TL 9.913.886, respectively.

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End of The Prior Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Month	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank Banks ⁽¹⁾	4.233.671	--	--	--	--	23.890.538	28.124.209
Financial Assets at Fair Value through Profit or Loss (Net)	983.336	96.199	527.740	186.845	33.955	4.793.276	6.621.351
Due from Money Markets	119.853	298.373	394.415	885.344	388.474	97.336	2.183.795
Financial Assets at Fair Value through Other Comprehensive Income	9.780	--	--	--	--	--	9.780
Loans	386.432	1.164.414	3.064.311	2.450.417	847.937	978	7.914.489
Financial Assets Measured at Amortized Cost ⁽²⁾	17.557.607	7.775.527	19.591.598	52.771.747	38.791.593	2.568.533	139.056.605
Other Assets ⁽³⁾	2.323.225	429.124	459.381	1.371.287	1.655.675	--	6.238.692
Total Assets	25.613.904	9.763.733	24.037.445	57.665.640	41.717.634	38.513.080	197.311.436
Liabilities							
Bank Deposits	1.659.705	80.899	337.395	428.113	--	171.775	2.677.887
Other Deposits	52.954.581	17.912.576	17.089.241	18.115.713	1.003.194	30.188.284	137.263.589
Due to Money Markets	1.415.797	--	--	--	--	--	1.415.797
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	1.202.731	2.382.535	402.593	--	--	--	3.987.859
Funds Borrowed	7.650.209	12.047.615	2.418.843	459.638	60.305	--	22.636.610
Other Liabilities ⁽⁴⁾	259.771	531.103	922.026	116.850	222.891	27.277.053	29.329.694
Total Liabilities	65.142.794	32.954.728	21.170.098	19.120.314	1.286.390	57.637.112	197.311.436
Balance Sheet Long Position	--	--	2.867.347	38.545.326	40.431.244	--	81.843.917
Balance Sheet Short Position	(39.528.890)	(23.190.995)	--	--	--	(19.124.032)	(81.843.917)
Off-balance Sheet Long Position	2.032.518	--	799.309	--	--	--	2.831.827
Off-balance Sheet Short Position	--	(1.217.285)	--	(1.709.835)	(457.257)	--	(3.384.377)
Total Position	(37.496.372)	(24.408.280)	3.666.656	36.835.491	39.973.987	(19.124.032)	(552.550)

(1) Includes amounting of TL (4.417) first and second stage of expected loss provisions.

(2) Includes amounting of TL (1.118) first and second stage of expected loss provisions.

(3) Other assets/non-interest bearings include; tangible assets, intangible assets, investment properties, investments in associates and joint ventures, deferred tax assets, investments in subsidiaries, assets to be sold, financial assets and the expected losses of other assets and other assets with balances of TL 881.784, TL 271.191, TL 202.001, TL 13.633, TL 1.213.623, TL 792.868, TL 269.830, (9.986) and TL 3.527.476, respectively.

(4) Other liabilities/non-interest bearings include; shareholders' equity, tax liabilities, deferred tax liabilities, provisions and other liabilities with balances of TL 15.505.270, TL 362.949, TL 25.828, TL 945.168 and TL 10.437.838, respectively.

b. Average interest rates applied to monetary financial instruments

Current Period - 31 March 2019	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	2,00	--	13,00
Banks	1,72	2,41	--	--
Financial Assets at Fair Value through Profit or Loss (Net)	1,92	6,63	--	19,49
Due from Money Markets	--	--	--	25,49
Financial Assets at Fair Value through Other Comprehensive Income	2,21	3,99	--	14,37
Loans	4,57	6,25	5,48	22,33
Financial Assets Measured at Amortized Cost	1,34	5,05	--	19,13
Liabilities				
Bank Deposits	1,11	3,99	--	20,62
Other Deposits	1,35	3,27	0,65	20,16
Due to Money Markets	--	4,41	--	25,46
Miscellaneous Payables	--	--	--	--
Securities Issued	2,12	--	--	23,44
Funds Borrowed	3,23	5,92	--	21,12
Prior Period - 31 December 2018	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	1,90	--	13,00
Banks	1,59	2,24	--	23,85
Financial Assets at Fair Value through Profit or Loss (Net)	3,98	6,39	--	20,14
Due from Money Markets	--	--	--	--
Financial Assets at Fair Value through Other Comprehensive Income	2,89	3,96	--	14,85
Loans	4,59	6,57	5,46	22,04
Financial Assets Measured at Amortized Cost	1,33	5,05	--	22,34
Liabilities				
Bank Deposits	1,31	4,35	--	23,16
Other Deposits	1,51	3,96	0,65	22,70
Due to Money Markets	--	--	--	16,72
Miscellaneous Payables	--	--	--	--
Securities Issued	2,14	--	--	26,98
Funds Borrowed	3,16	5,79	--	24,38

IV. Position risk of equity shares on banking book

a. Comparison of carrying, fair and market values of equity shares

DFS Group does not have unconsolidated associates and subsidiaries traded at BIST markets as of 31 March 2019 and 31 December 2018.

b. Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capital

None.

V. Explanations related to the consolidated liquidity risk

Liquidity risk can form as a result of significant changes which can happen in market liquidity or a general funding risk. Funding risk states the risk of not meeting cash outflows completely because of maturity mismatch between assets and liabilities while market liquidity risk states the risk of not liquidating assets because of a collision in market conditions or insufficient market depth.

Information on liquidity risk management, including the Parent Bank's risk capacity, responsibilities and structure of liquidity risk management, liquidity risk reporting in the Parent Bank, liquidity risk strategy, policy and practices, communication with the board of directors and business lines

Within the Parent Bank, the procedures and principles regarding liquidity risk management are determined by the "Liquidity Risk Management Policy " approved by the Board of Directors. This policy includes the basic duties and principles of liquidity risk management within the Bank including the related methods, procedures, controls and reporting framework. The "Liquidity Emergency Action Plan" was established within the Liquidity Risk Management Policy, enclosing possible precautions which can be taken against unexpected liquidity squeezes.

"Risk Appetite Statement" is reviewed annually in order to manage risks in accordance with the Parent Bank's strategy and its financial power. Risk Appetite Statement includes limits towards liquidity risks besides other risk limits. Risk appetite limits are reported to senior management monthly in scope of risk management activities. In the risk appetite declaration (RAD), limits were set based on the loan / deposit ratio and the LCR criteria for liquidity risk. Other indicators followed outside these metrics are; liquidity buffer, large consistent deposits, and core deposits.

Short-term liquidity management of the Parent Bank is under the responsibility of Treasury Group. Treasury Group weekly reports to Assets and Liabilities Committee (ALCO) related to liquidity structure. ALCO has an active role in establishing related systems and monitoring and decision making processes regarding liquidity risk management. ALCO is also responsible and authorized for monitoring current liquidity position and legal and internal liquidity indicators and taking decisions related to liquidity management taking risk appetite framework into consideration. Different departments of the Parent Bank such as the Treasury Group, Financial Institutions Group, Financial Affairs Group and Risk Management Group contribute to the liquidity management process of the Bank in accordance with the ALCO decisions and also provide the necessary support to the ALCO with the information, analysis and recommendations needed in the decision-making process.

Information on the centralization degree of liquidity management and funding strategy and the functioning of the Parent Bank's partnerships:

Liquidity risk management is performed as par consolidated and non-consolidated. In this context, liquidity monitoring and management in subsidiaries are performed by the related subsidiary and monitored closely by the Parent Bank. In order to meet the liquidity needs of partnerships in case of emergency, limits are allocated by the Parent Bank.

Information on the Bank's funding strategy, including policies on the diversity of fund resources and durations

Management of risk sourcing from funding presents the fundamental of liquidity management activities of the Bank. Main funding source of the Bank is deposits since it is a more stable funding source compared to other sources and it provides a diversified source of funding. Additionally, security issuance and borrowing activities are performed in order to extend the maturity of funding.

On the other hand, the securities portfolio of the Parent Bank carried in order to liquidity risk management that maintain in CBRT and BIST is structured in a way to consist of sovereign securities issued by Treasury of Turkey in order to reduce liquidity risk sourcing from market to minimum level. Criteria and principles related to security investments which shall be received to this portfolio are committed on paper and approved by the related committee.

Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities

A large majority of Bank's liabilities consist of TL, US Dollar, Euro and gold. The main foreign currency funding source of the Parent Bank is deposit and borrowings provided from credit agencies. Foreign currency liquidity risk is at a low level since the foreign currency sources of the Parent Bank are at a higher level and have longer maturity than assets. For this reason, Turkish Lira is created by swap transactions using the current foreign currency liquidity. In other words, foreign currency liabilities are used in the funding of Turkish Lira assets.

Information on liquidity risk mitigation techniques used

Reducing the liquidity risk continues to prepare and follow up liquidity buffer where possible fund outflows exist. Securities required to manage short-term risks are kept within the balance sheet together. On the other hand, in order to reduce structural liquidity risk, diversified funding sources are aimed to be diversified and the maturity structure will be expanded. Another important element is the strategy of spread to deposit base.

Explanations related to using the stress test

Scenario analyses, including specific conditions having significance with respect to liquidity which have been experienced or which shall possibly be experienced, are performed in order to measure liquidity level under stress conditions. A liquidity level at a sufficient amount to meet all liabilities even under stress conditions is aimed in scope of this scenario analyses through evaluating measures which can be taken. Assumptions related to liquidity stress tests are reviewed annually at minimum. Periodical stress tests are performed within the determined scenarios and liquidity situation is monitored and the duration of the Bank can survive is calculated and the results are compared with the determined limits and presented to the related committees.

General information on the liquidity emergency and contingency plan

In order to be prepared for the liquidity crises that can be experienced and to make the management in a healthy and planned manner, "Liquidity Unexpected Situation Plan Regulation" has been set up to prepare appropriate processes and guide these processes. In this document, early warning indicators, action plans, duties and responsibilities of the units within the Bank are used to determine the unexpected liquidity situation.

In addition, in order to ensure that the Parent Bank maintains its liquidity in all circumstances and meets its liquidity obligations, an emergency liquidity limit to be used by the shareholder to be used within the framework of emergency liquidity management is defined. The mentioned limit is reviewed every year in the budget period and approved by the prevailing partner in the Board of Directors.

a. Liquidity coverage ratio

Liquidity coverage rates calculated in accordance with the Regulation on Calculation of Bank's Liquidity Coverage rate published in Official Gazette dated 21 March 2014 and numbered 28948 are as follows. Consolidated foreign currency rate calculated for the last three months is at the lowest level in 264,41 in February and at the highest level in March 394,46 while the liquidity coverage rate is at the lowest level in January 156,11 and at the highest level in February 163,03.

Calculation table of liquidity coverage rate is reported to BRSA monthly and monitored daily in the Bank.

High quality liquid assets consist of cash assets, reserves kept in Central Bank of Republic of Turkey and unrestricted marketable securities. Cash outflows consist of deposits, bank borrowings, non-cash loans, derivatives and other liabilities without a certain maturity. Additionally, several bank borrowings are shown as cash outflow regardless of their maturity since they include contingent early payment condition. In addition, additional collateral liability that may arise from the possible changes in the fair value of derivative transactions within the cash outflows are included. Cash inflows consist of credits having maturity less than 30 days and a certain payment due date and receivables from banks and derivative products.

LCR is considered as an important liquidity management criterion for our Bank. The Bank managed to manage the LCR management in terms of the minimum limits that would reach 80% for the foreign currency in 2019 and 100% for the total by searching by the Regulation in terms of 10% each year. In the Risk Appetite Declaration, internal limits are set above the legal minimum limits for the LCR and the related ratio is reported and monitored at the level of ALCO, senior management and the Board of Directors.

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Current Period	Total unweighted value (*)		Total weighted value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 Total High Quality Liquid Assets			39.377.619	28.970.076
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	106.980.667	68.176.204	10.129.719	6.817.620
3 Stable deposits	11.366.960	--	568.348	--
4 Less stable deposits	95.613.707	68.176.204	9.561.371	6.817.620
5 Unsecured wholesale funding, of which	25.767.178	14.522.062	13.898.082	6.877.522
6 Operational deposits	5.200.249	3.394.060	1.300.062	848.515
7 Non-operational deposits	14.482.567	9.063.030	6.520.055	3.969.953
8 Unsecured debt	6.084.362	2.064.972	6.077.965	2.059.054
9 Secured wholesale funding			442.720	42.471
10 Other cash outflows	3.024.400	4.323.722	1.610.273	3.251.806
11 Outflows related to derivative exposures and other collateral requirements	667.521	2.537.195	667.521	2.537.195
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.356.879	1.786.527	942.752	714.611
14 Other contractual funding obligations	673.314	672.754	672.782	672.754
15 Other contingent funding obligations	71.399.363	23.249.993	5.348.495	2.243.505
16 TOTAL CASH OUTFLOWS			32.102.071	19.905.678
CASH INFLOWS				
17 Secured lending	38.132	--	--	--
18 Unsecured lending	10.013.884	6.536.948	7.191.599	5.300.809
19 Other cash inflows	147.157	5.310.432	147.157	5.310.432
20 TOTAL CASH INFLOWS	10.199.173	11.847.380	7.338.756	10.611.241
			Total adjusted value	
21 TOTAL HQLA			39.377.619	28.970.076
22 TOTAL NET CASH OUTFLOWS			24.763.315	9.294.437
23 LIQUIDITY COVERAGE RATIO (%)			159,2	327,9

(*) Simple arithmetic average of last three months' month-end values.

Prior Period	Total unweighted value (*)		Total weighted value (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 Total High Quality Liquid Assets			35.257.953	25.374.179
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	107.685.131	68.141.659	10.198.065	6.814.166
3 Stable deposits	11.408.948	--	570.447	--
4 Less stable deposits	96.276.183	68.141.659	9.627.618	6.814.166
5 Unsecured wholesale funding, of which	27.723.684	16.292.370	15.464.540	8.027.212
6 Operational deposits	5.274.702	3.486.291	1.318.676	871.573
7 Non-operational deposits	15.235.213	10.060.646	6.939.247	4.416.212
8 Unsecured debt	7.213.769	2.745.433	7.206.617	2.739.427
9 Secured wholesale funding			587.624	--
10 Other cash outflows	3.789.886	4.479.668	2.437.655	3.464.444
11 Outflows related to derivative exposures and other collateral requirements	1.536.168	2.787.628	1.536.168	2.787.628
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.253.718	1.692.040	901.487	676.816
14 Other contractual funding obligations	1.033.153	1.032.593	1.032.621	1.032.593
15 Other contingent funding obligations	73.717.589	24.714.358	5.656.597	2.392.594
16 TOTAL CASH OUTFLOWS			35.377.102	21.731.009
CASH INFLOWS				
17 Secured lending	4.088	--	--	--
18 Unsecured lending	13.895.332	9.802.605	10.927.647	8.685.132
19 Other cash inflows	288.559	5.409.314	288.559	5.409.314
20 TOTAL CASH INFLOWS	14.187.979	15.211.919	11.216.206	14.094.446
			Total adjusted value	
21 TOTAL HQLA			35.257.953	25.374.179
22 TOTAL NET CASH OUTFLOWS			24.160.896	7.636.563
23 LIQUIDITY COVERAGE RATIO (%)			146,1	339,5

(*) Simple arithmetic average of last three months' month-end values.

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b. Presentation of assets and liabilities according to their residual maturities

End of The Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (*)	Total
Assets								
Cash Equivalents and Central Bank Deposits	20.503.852	6.887.456	--	--	--	--	--	27.391.308
Financial Assets at Fair Value through Profit or Loss (Net)	5.360.871	1.748.003	113.981	1.267.227	226.161	71	--	8.716.314
Due from Money Markets	138.089	502.590	210.435	808.750	1.008.792	512.877	--	3.181.533
Financial Assets at Fair Value through Other Comprehensive Income	--	1.248.060	--	--	--	--	--	1.248.060
Loans	987	57.620	520.174	2.554.568	5.126.684	3.103.509	--	11.363.542
Financial Assets Measured at Amortized Cost (2)	4.690	14.821.134	5.788.864	24.629.447	56.560.848	38.889.773	2.692.995	143.387.751
Other Assets	--	--	--	60.850	4.943.193	1.404.227	--	6.408.270
Total Assets	29.608.655	25.264.863	6.633.454	29.321.151	68.502.983	43.910.457	6.700.142	209.941.705
Liabilities								
Bank Deposits	337.847	1.542.326	149.380	320.988	447.389	--	--	2.797.930
Other Deposits	32.988.470	59.747.997	12.876.844	19.322.295	18.942.491	994.073	--	144.872.170
Fund Borrowed	--	2.520.660	8.111.170	4.573.743	7.257.761	1.670.284	--	24.133.618
Due to Money Markets	--	3.177.663	--	--	--	--	--	3.177.663
Securities Issued	--	761.932	2.370.942	744.184	868.632	--	--	4.745.690
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	4.860.301	522.317	2.904.636	3.272.679	958.130	307.562	17.389.009	30.214.634
Total Liabilities	38.186.618	68.272.895	26.412.972	28.233.889	28.474.403	2.971.919	17.389.009	209.941.705
Net Liquidity Excess/ (Gap)	(8.577.963)	(43.008.032)	(19.779.518)	1.087.262	40.028.580	40.938.538	(10.688.867)	--
Net Off-balance sheet Position	--	358.409	(856.651)	(87.160)	549.924	--	--	(35.478)
Financial Derivative Assets	--	32.375.239	18.766.561	11.550.981	5.196.351	9.093.563	--	76.982.695
Financial Derivative Liabilities	--	(32.016.830)	(19.623.212)	(11.638.141)	(4.646.427)	(9.093.563)	--	(77.018.173)
Non Cash Loans	--	2.853.350	3.341.418	9.384.560	4.958.299	13.473.256	--	34.010.883
End of The Prior Period								
Total Assets	28.920.999	23.511.766	5.843.887	27.189.108	63.463.416	41.972.634	6.409.626	197.311.436
Total Liabilities	35.677.748	59.936.339	28.051.468	27.682.275	24.823.397	4.412.931	16.727.278	197.311.436
Net Liquidity Excess/ (Gap)	(6.756.749)	(36.424.573)	(22.207.581)	(493.167)	38.640.019	37.559.703	(10.317.652)	--
Net Off-balance sheet Position	--	(186.998)	(234.751)	(582.544)	503.145	--	--	(501.148)
Financial Derivative Assets	--	25.156.430	12.314.445	10.634.366	5.923.855	8.745.143	--	62.774.239
Financial Derivative Liabilities	--	(25.343.428)	(12.549.196)	(11.216.910)	(5.420.710)	(8.745.143)	--	(63.275.387)
Non Cash Loans	--	2.939.168	2.945.626	10.076.704	4.606.259	13.110.297	--	33.678.054

(1) Includes amounting of TL (6.299) first and second stage of expected loss provisions.

(2) Includes amounting of TL (1.184) first and second stage of expected loss provisions.

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

VI. Explanations related to leverage ratio

Information on matters causing difference between leverage ratios of current period and previous period:

Leverage ratio which is calculate quarterly average amounts of DFS Group is 5,74% as of 31 March 2019 (31 December 2018: 5,59%). This ratio is over minimum ratio. Difference between leverage ratios of current and previous period mainly sources from increase in risk amounts regarding assets on balance sheet.

Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS :

	Current Period (**)	Prior Period (**)
1 Total assets in the consolidated financial statements prepared in accordance with TAS (*)	201.020.106	196.991.243
2 Differences between the total assets in the consolidated financial statements prepared in accordance with TAS and the total assets in the consolidated financial statements prepared in accordance with Communiqué on Preparation of Consolidated Financial Statements of the Banks	(2.890.903)	(2.918.813)
3 Differences between the balances of derivative financial instruments and the credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	875.100	1.275.094
4 Differences between the balances of securities financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	--	--
5 Differences between off- balance sheet items in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	(503)	(503)
6 Other differences in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of the Banks and their risk exposures	76.393.297	77.105.726
7 Total Risk	275.397.097	272.452.747

(*) The consolidated financial statements prepared in accordance with the sixth paragraph of the Article 5 in the Communiqué on Preparation of Consolidated Financial Statements of the Banks.

(**) Quarterly average amounts.

Leverage ratio common disclosure template:

	Current Period (*)	Prior Period (*)
On-balance sheet exposures		
1 On-balance sheet items (exclude derivatives and SFTs; include collateral)	198.129.203	194.072.430
2 (Assets deducted in determining Basel III Tier 1 capital)	(568.851)	(542.344)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of 1 and 2 lines)	197.560.352	193.530.086
Derivative exposures		
4 Replacement cost	2.087.441	2.256.385
5 Add-on amount	875.100	1.275.094
6 Total derivative exposures (sum of 4 and 5 lines)	2.962.541	3.531.479
Securities financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	232.929	384.514
8 Agent transaction exposures	-	-
9 Total securities financing transaction exposures (sum of 7 and 8 lines)	232.929	384.514
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	74.641.778	75.007.171
11 Adjustment amount off-balance sheet exposures with credit conversion factor	(503)	(503)
12 Total off-balance sheet exposures (sum of 10 and 11 lines)	74.641.275	75.006.668
Capital and total exposures		
13 Tier 1 capital	15.785.034	15.211.405
14 Total exposures (sum of 3,6,9 and 12 lines)	275.397.097	272.452.747
Leverage ratio		
15 Leverage ratio	5,74	5,59

(*) Quarterly average amounts.

VII. Explanations Related on Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Standard Approach is used in calculating the Parent Bank's capital adequacy, the tables to be prepared under the Internal Rating Based Approach (IRB) have not been presented yet as of 31 March 2019.

The risk management disclosures were prepared as to comply with the internal control process that is approved by the Board of Directors.

a. Risk management and overview of risk weighted assets

Overview of risk weighted amount

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	144.337.256	137.470.531	11.546.980
2 Standardized approach (SA)	144.337.256	137.470.531	11.546.980
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	2.920.000	2.476.534	233.600
5 Standardized approach for counterparty credit risk (SA-CCR)	2.920.000	2.476.534	233.600
6 Internal model method (IMM)	--	--	--
7 Basic risk weight approach to internal models equity position in the banking account	--	--	--
8 Investments made in collective investment companies - look-through approach	--	--	--
9 Investments made in collective investment companies - mandate-based approach	2.300	1.900	184
10 Investments made in collective investment companies - %1250 weighted risk approach	--	--	--
11 Settlement risk	--	--	--
12 Securitization positions in banking accounts	--	--	--
13 IRB ratings-based approach (RBA)	--	--	--
14 IRB Supervisory Formula Approach (SFA)	--	--	--
15 SA/simplified supervisory formula approach (SSFA)	--	--	--
16 Market risk	1.196.175	1.137.450	95.694
17 Standardized approach (SA)	1.196.175	1.137.450	95.694
18 Internal model approaches (IMM)	--	--	--
19 Operational Risk	14.127.749	11.282.016	1.130.220
20 Basic Indicator Approach	14.127.749	11.282.016	1.130.220
21 Standard Approach	--	--	--
22 Advanced measurement approach	--	--	--
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	162.583.480	152.368.431	13.006.678

VIII. Explanations related to hedging transactions

a. Net Investment Risk

DFS Group applies net investment hedge strategy to hedge against the currency risk arising on a consolidated basis from the net investments amounting to a total of Euro 1.537 million and US Dollar 7 million of subsidiaries Denizbank AG and Eurodeniz. The part consisting of the same amounts of its foreign currency deposit has been defined as “hedging instrument”. The effective part of the change in value of the foreign currency deposit arising from exchange rate has been recognized as “hedging funds” under equity.

On the other hand, as of 1 April 2014, the Parent Bank stopped applying net investment hedge accounting due to its net investment to hedge against the currency risk on the subsidiary of JSC Denizbank, and the total hedging fund which is booked under equity for that subsidiary is amounting to TL (57.744).

Total net investment hedging funds recognized under equity is amounting to TL (3.625.973) as of 31 March 2019 (31 December 2018: TL (3.292.504)).

b. Cash Flow Hedge

Within the scope of foreign exchange risk management, Deniz Leasing started to apply cash flow hedge accounting as of April 1, 2018 by matching the future Euro lease receivables and the estimated future sales of used cars, whose fair values are followed by Euro, in accordance with the agreements.

In the accounting for hedge of cash flow that Deniz Leasing has started to implement; the Company has identified forward-looking future rental sales of Euro-denominated operating lease receivables and their fair values in EUR, and the credit in Euro terms has been taken as a hedging tool.

Profit/ (loss) after tax TL (31.708) which is accounted under shareholders' equity as cash flow hedge accounting as of March 31, 2019 (31 December 2018: TL (29.409)).

IX. Explanations related to the consolidated segment reporting

DFS Group is active in four areas; namely, wholesale banking, SME and agricultural banking, retail banking, and treasury.

Wholesale banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short and long-term working capital loans, investment loans, financial and operational leasing and factoring services, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance, and deposit products and cash management services.

The Bank offers loan products (consumer loans, mortgage, vehicle, agricultural and investment loans), distinctive credit cards, producer card, investment products (mutual funds, shares, government bonds/treasury bills, and repos), deposit products (time, demand, protected), insurance products, SME loans, agricultural loans, financial and operational leasing and factoring services to the customers classified under retail, SME and agricultural segments. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet every day needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

Within treasury; sales, prop-trading and private banking departments offer spot and forward TL and foreign exchange transactions, trading of treasury bills, bonds and other local and international securities and derivative products. Providing medium and long-term financing, diversification of funding and maintenance an international investor base are also the activities defined in this segment.

Segment information is prepared in line with the Parent Bank's Management Information Systems and the prior period figures are also revised accordingly.

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Segment information of the Group is presented in the following table:

Current Period (01/01/2019-31/03/2019)	Wholesale Banking	Agricultural Banking	SME & Banking	Retail Banking	Treasury & Other	Total
Net interest income	514.987		395.691	360.722	469.659	1.741.059
Net fees and commission income	96.358		366.384	398.361	(66.337)	794.766
Other income/loss, net	105.272		70.821	15.213	52.895	244.201
Total segment income	716.617		832.896	774.296	456.217	2.780.026
Other operational expenses (*)	(191.558)		(340.538)	(451.973)	(40.656)	(1.024.725)
Expected credit losses and other provisions	(591.131)		(355.109)	(162.851)	(3.581)	(1.112.672)
Taxation						(125.878)
Net profit from continuing operations	(66.072)		137.249	159.472	411.980	516.751
Net profit from discontinued operations						—
Net profit for the period	(66.072)		137.249	159.472	411.980	516.751
Current Period (31/03/2019)						
Segment assets	82.679.846		40.528.061	20.178.660	58.310.211	201.696.778
Subsidiaries and associates						809.576
Undistributed assets						7.435.351
Total assets						209.941.705
Segment liabilities	33.429.323		22.460.152	89.647.978	37.871.534	183.408.987
Undistributed liabilities						10.500.228
Equity						16.032.490
Total liabilities and shareholders' equity						209.941.705

(*) It also includes personnel expenses.

Prior Period (01/01/2018-31/03/2018)	Wholesale Banking	Agricultural Banking	SME & Banking	Retail Banking	Treasury & Other	Total
Net interest income	417.705		505.770	383.992	316.205	1.623.672
Net fees and commission income	54.919		199.522	210.774	(11.659)	453.556
Other income/loss, net	73.874		49.324	36.494	(153.442)	6.250
Total segment income	546.498		754.616	631.260	151.104	2.083.478
Other operational expenses (*)	(152.417)		(298.724)	(375.580)	(25.927)	(852.648)
Expected credit losses and other provisions	(142.928)		(131.885)	(125.098)	(46.633)	(446.544)
Taxation						(178.607)
Net profit from continuing operations	251.153		324.007	130.582	78.544	605.679
Net profit from discontinued operations	--		--	--	--	—
Net profit for the period	251.153		324.007	130.582	78.544	605.679
Prior Period (31/12/2018)						
Segment assets	79.365.495		39.664.022	20.027.087	51.092.317	190.148.921
Subsidiaries and associates						806.501
Undistributed assets						6.356.014
Total assets						197.311.436
Segment liabilities	30.017.496		21.073.032	86.722.662	33.163.583	170.976.773
Undistributed liabilities						10.829.393
Equity						15.505.270
Total liabilities and shareholders' equity						197.311.436

(*) It also includes personnel expenses.

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to consolidated assets

a. Information on cash and cash equivalents

1. Information on cash and balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	600.218	760.876	629.541	698.311
Central Bank of the Republic of Turkey	423.073	11.020.877	1.744.616	10.962.810
Other (*)	--	14.586.264	--	14.088.931
Total	1.023.291	26.368.017	2.374.157	25.750.052

(*) This includes the balances of foreign subsidiaries in foreign banks subject to consolidation.

2. Information on balances with the Central Bank of the Republic of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	374.559	4.225.445	1.683.477	3.764.264
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	48.514	6.795.432	61.139	7.198.546
Total	423.073	11.020.877	1.744.616	10.962.810

3. Information on reserve requirements

As per the Communiqué no. 2013/15 "Reserve Deposits" of the Central Bank of the Republic of Turkey ("CBRT"), banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué.

As of 31 March 2019, all banks operating in Turkey should provide a reserve in a range of 1% to 7% (31 December 2018: between 1,5% and 8%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 4% to 20% (31 December 2018: between 4% and 20%) in US Dollars or standard gold for their liabilities in foreign currencies.

CBRT began paying interest for the reserve deposits maintained in Turkish Lira as from November 2014 and for the reserve deposits maintained in US Dollar as from May 2015. The interest income of TL 48.514 derived from the reserve deposits maintained by the Parent Bank at CBRT (1 January - 31 March 2018: TL 36.432) has been recorded under the account "interests derived from reserve requirements".

4. Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	2.754	1.328.088	256.662	406.282
Foreign	749	7.391.022	1.500	5.961.324
Foreign head offices and branches	--	--	--	--
Total	3.503	8.719.110	258.162	6.367.606

b. Information on financial assets at fair value through profit or loss

1. Information on financial assets at fair value through profit or loss given as collateral or blocked

<i>given as collateral or blocked</i> <i>financial assets at fair value through profit or loss</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	14.115	--	8.883	--
Other	--	--	--	--
Total	14.115	--	8.883	--

2. Financial assets at fair value through profit or loss subject to repurchase agreements

None.

3. Other Financial Assets

Within the context of the existing loan agreements, all creditors including the Bank have reached an agreement on restructuring the loans granted to a company operating in telecommunication sector and shares owned by the company, representing 55% of its issued share capital corresponding to shares have been pledged as a guarantee for the existing facilities would be taken over by a special purpose entity which is incorporated or will be incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors. As a result of the transfer of this liability, the risk balance amounting to TL 237.211 has been left out of the balance sheet and all legal and administrative permissions have been taken and the restructured risk balance of TL 385.981 (31 December 2018: TL 323.627) has been started to be followed as financial assets at fair value through profit or loss in accordance with TFRS 9.

4. Positive value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	21.230	117.126	48.376	107.499
Swap Transactions	1.329.642	848.756	1.229.876	325.928
Futures Transactions	--	--	--	--
Options	12.947	221.236	1.028	281.604
Other	--	--	--	--
Total	1.363.819	1.187.118	1.279.280	715.031

c. Information on financial assets at fair value through other comprehensive income

1. Major types of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist of share certificates, debt securities representing government bonds, Eurobonds and foreign currency government bonds issued by the Turkish Treasury and foreign private sector debt securities.

2. Financial assets at fair value through other comprehensive income given as collateral and book value

Financial assets at fair value through other comprehensive income which were collateralized consist of securities offered to various financial institutions, primarily the Central Bank of the Republic of Turkey and Istanbul Takas ve Saklama Bankası A.Ş. (Settlement and Custody Bank) for interbank money market, foreign exchange market and other transactions. Such financial assets include government bonds and Eurobonds, and their total book value amounts to TL 2.810.210 (31 December 2018: TL 238.181).

3. Financial assets at fair value through other comprehensive income given as collateral or blocked

<i>given as collateral or blocked</i> <i>financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	--	--	--	--
T-bills, Bonds and Similar Securities	122.126	2.688.084	111.118	127.063
Other	--	--	--	--
Total	122.126	2.688.084	111.118	127.063

4. Financial assets at fair value through other comprehensive income subject to repurchase agreements

<i>subject to repurchase agreements</i> <i>financial assets at fair value through other comprehensive income</i>	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	783.720	--	329.144	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	783.720	--	329.144	--

5. Information on financial assets at fair value through other comprehensive income

<i>Financial assets at fair value through other comprehensive income</i>	Current Period	Prior Period
Debt instruments	11.362.555	7.913.511
Quoted on Stock Exchange	11.362.555	7.913.511
Unquoted on Stock Exchange	--	--
Share certificates	987	978
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	987	978
Impairment provision (-)	--	--
Total	11.363.542	7.914.489

d. Information related to loans

1. Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	1.351	--	1.292
Loans Granted to Employees	59.680	186	59.454	166
Total	59.680	1.537	59.454	1.458

2. Information on loans classified in groups I and II, other receivables and loans that have been restructured or rescheduled

Cash loans (*) (**)	Standard Loans	Loans Under Close Monitoring		
		Not included in restructured loans	Restructured Loans	
			Changes in conditions of contract	Refinancing
Non-specialized loans	105.483.040	15.478.287	3.909.135	4.200.561
Corporate loans	44.761.821	4.466.990	1.741.616	1.385.907
Export loans	1.665.348	654.736	16.035	30.444
Import loans	--	--	--	--
Commercial loans	1.819.871	31	195.561	--
Consumer loans	13.437.406	1.765.692	67	487.298
Credit cards	7.072.052	896.300	2	286.844
Others	36.726.542	7.694.538	1.955.854	2.010.068
Specialized loans	9.665.082	2.240.132	8.033	1.440.746
Other receivables	1.581.665	301.118	--	--
Total	116.729.787	18.019.537	3.917.168	5.641.307

(*) It includes loans measured at amortized cost.

(**) The balances of loans at fair value through profit or loss are not included. It includes Lease Receivables and Factoring Receivables balances.

Stage 1 and Stage 2 Expected Loss Provisions	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month expected credit losses	1.071.895	--	1.107.349	--
Significant increase in credit risk	--	2.541.148	--	1.856.903
Total	1.071.895	2.541.148	1.107.349	1.856.903

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3. Information on consumer loans, individual credit cards and personnel credit cards

	Short Term	Medium or Long Term	Total
Consumer Loans-TL	506.509	13.974.950	14.481.459
Real estate Loans	3.555	3.143.469	3.147.024
Vehicle Loans	396	89.461	89.857
General Purpose Loans	502.558	10.739.749	11.242.307
Other	--	2.271	2.271
Consumer Loans-Indexed to FC	--	14.530	14.530
Real estate Loans	--	14.074	14.074
Vehicle Loans	--	--	--
General Purpose Loans	--	456	456
Other	--	--	--
Consumer Loans-FC	53	73.566	73.619
Real estate Loans	--	1.220	1.220
Vehicle Loans	--	--	--
General Purpose Loans	--	211	211
Other	53	72.135	72.188
Individual Credit Cards-TL	6.260.816	599.783	6.860.599
Installment	2.865.263	599.783	3.465.046
Non installment	3.395.553	--	3.395.553
Individual Credit Cards-FC	2.324	--	2.324
Installment	--	--	--
Non installment	2.324	--	2.324
Loans Given to Employees-TL	3.195	25.935	29.130
Real estate Loans	--	969	969
Vehicle Loans	--	19	19
General Purpose Loans	3.195	24.947	28.142
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	69	436	505
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	69	436	505
Personnel Credit Cards - TL	27.913	150	28.063
Installment	12.432	150	12.582
Non installment	15.481	--	15.481
Personnel Credit Cards - FC	50	--	50
Installment	--	--	--
Non installment	50	--	50
Overdraft Loans-TL (Real Persons) (*)	1.089.354	--	1.089.354
Overdraft Loans-FC (Real Persons)	1.866	--	1.866
Total	7.892.149	14.689.350	22.581.499

(*) Overdrafts used by the personnel of the Parent Bank are TL 1.932 (31 December 2018: TL 2.017).

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4. Information on installment commercial loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	453.323	12.388.817	12.842.140
Real estate Loans	--	119.040	119.040
Vehicle Loans	5.883	174.142	180.025
General Purpose Loans	447.440	12.095.635	12.543.075
Other	--	--	--
Installment Commercial Loans - Indexed to FC	280	1.094.299	1.094.579
Real estate Loans	--	6.126	6.126
Vehicle Loans	--	18.417	18.417
General Purpose Loans	280	1.069.756	1.070.036
Other	--	--	--
Installment Commercial Loans - FC	13.993	2.368.980	2.382.973
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	13.993	2.368.980	2.382.973
Other	--	--	--
Corporate Credit Cards - TL	1.350.519	13.388	1.363.907
Installment	384.112	13.388	397.500
Non installment	966.407	--	966.407
Corporate Credit Cards - FC	255	--	255
Installment	--	--	--
Non installment	255	--	255
Overdraft Loans-TL (Legal Entities)	1.750.715	--	1.750.715
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	3.569.085	15.865.484	19.434.569

5. Domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	117.754.615	114.747.583
Foreign Loans	26.553.184	24.704.741
Total	144.307.799	139.452.324

6. Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	6.787	13.334
Indirect loans granted to subsidiaries and associates	--	--
Total	6.787	13.334

7. Specific provision for loans or provisions for stage 3 loans

	Current Period	Prior Period
Provisions for stage 3 loans		
Loans with Limited Collectability	572.148	696.699
Loans with Doubtful Collectability	1.257.930	1.243.369
Uncollectible Loans	2.529.886	2.141.043
Total	4.359.964	4.081.111

8. Information on non-performing loans (Net)

(i) Information on non-performing loans and restructured loans by DFS group

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period	45.669	107.476	136.120
(Gross amounts before provisions)			
Restructured loans	45.669	107.476	136.120
Prior Period	21.949	41.748	116.396
(Gross amounts before provisions)			
Restructured loans	21.949	41.748	116.396

(ii) Movement of non-performing loans

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Balances at Beginning of Period	1.701.091	2.240.807	2.707.746
Additions (+)	1.178.515	40.209	93.629
Transfers from Other Categories of Non-Performing Loans (+)	--	1.111.647	952.152
Transfers from Other Categories of Non-Performing Loans (-)	1.111.647	952.152	--
Collections (-)	256.914	325.301	124.396
Write-offs (-)	--	--	--
Sales (-) (*)	54	909	201.464
Corporate and Commercial Loans	2	10	6.307
Retail Loans	28	337	76.594
Credit Cards	6	157	45.760
Other	18	405	72.803
Balances at End of the Period	1.510.991	2.114.301	3.427.667
Specific Provisions (-)	572.148	1.257.930	2.529.886
Net Balance on Balance Sheet	938.843	856.371	897.781

(*) In March 2019 the Bank sold its retail loan portfolio, which is being followed in the legal follow-up accounts, amounting to TL 122.511 for TL 8.277 and its business portfolio amounting to TL 58.594 for TL 2.360 and its corporate-commercial portfolio amounting to TL 21.281 for TL 170 to the asset management companies.

(iii) Information on non-performing loans and other receivables in foreign currencies

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period: 31 March 2019			
Balance as of the Period End	28.763	10.318	29.071
Provisions (-)	--	8.960	--
Net Balance on Balance Sheet	28.763	1.358	29.071
Prior Period: 31 December 2018			
Balance as of the Period End	203.226	8.670	3.910
Provisions (-)	--	8.670	--
Net Balance on Balance Sheet	203.226	--	3.910

(iv) Information on non-performing loans according to beneficiary group

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net): 31 March 2019	938.843	856.371	897.781
Loans Granted to Real Persons and Legal Entities (Gross)	1.510.991	2.114.301	3.427.667
Provisions (-)	572.148	1.257.930	2.529.886
Loans Granted to Real Persons and Legal Entities (Net)	938.843	856.371	897.781
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
Prior Period (Net): 31 December 2018	1.004.393	997.437	566.703
Loans Granted to Real Persons and Legal Entities (Gross)	1.701.091	2.240.649	2.707.746
Provisions (-)	696.698	1.243.212	2.141.043
Loans Granted to Real Persons and Legal Entities (Net)	1.004.393	997.437	566.703
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	158	--
Provisions (-)	--	158	--
Other Loan (Net)	--	--	--

(v) Information on accrual of interest, rediscount rate and valuation difference and their provisions

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	90.004	162.285	100.154
Accrual of interest and discount rate with valuation difference	144.865	305.051	182.560
Amount of provision (-)	54.861	142.766	82.406
Prior Period (Net)	68.100	139.183	27.706
Accrual of interest and discount rate with valuation difference	130.511	256.807	59.803
Amount of provision (-)	62.411	117.624	32.097

e. Information on financial assets measured at amortized cost

1. Information on securities subject to repurchase agreement and given as collateral or blocked

(i) Information on securities subject to repurchase agreement

Financial assets measured at amortized cost subject to repurchase agreement are TL 1.937.378 (31 December 2018: TL 1.111.654).

(ii) Information on securities subject to given as collateral or blocked

Collateralized financial assets measured at amortized cost are government bonds, whose book value amounts to TL 1.381.052 (31 December 2018: TL 951.233).

2. Information on government securities in financial assets measured at amortized cost

<i>Financial assets measured at amortized cost</i>	Current Period	Prior Period
Government Bonds	6.409.454	6.239.810
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	6.409.454	6.239.810

3. Information on financial assets measured at amortized cost

<i>Financial assets measured at amortized cost</i>	Current Period	Prior Period
Debt Securities	6.409.454	6.239.810
Quoted on Stock Exchange	6.333.322	6.239.810
Unquoted on Stock Exchange	76.132	--
Impairment (-)	--	--
Total	6.409.454	6.239.810

4. Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of the period	6.239.810	5.335.638
Foreign exchange differences (*)	169.644	1.265.697
Purchases during the year	--	--
Disposals/Redemptions	--	(361.525)
Impairment losses (-)	--	--
Total	6.409.454	6.239.810

(*) Accruals of financial assets measured at amortized cost are included in "foreign exchange differences".

The Parent Bank transferred a portion of its securities from "financial assets at fair value through other comprehensive income" portfolio, with a new cost amounting to TL 2.826.026 and US Dollar 320.674 as of reclassification date, to the "financial assets measured at amortized cost" portfolio due to change in the intention of holding on 23 July, 24 July, 26 December 2013, 24 January 2014 and 1 November 2016. The negative valuation differences amounting to TL 326.599 followed under equity until the date of classification will be amortized with effective interest method and recycled to profit/loss until the maturities of these securities. As of the balance sheet date, the remaining negative valuation difference under equity is TL 165.839 (31 December 2018: TL 173.970).

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f. Investments in associates

1. Investments in unconsolidated associates

Title	Address (City/Country)	The Parent Bank's share percentage (%)	The Parent Bank's risk group share percentage (%)
1-Kredi Kayıt Bürosu A.Ş. ⁽¹⁾	Istanbul/Turkey	9	--
2-Kredi Garanti Fonu A.Ş. ⁽¹⁾	Ankara/Turkey	2	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. ⁽¹⁾	İzmir/Turkey	9	--

	Total Assets	Shareholders 'Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	342.784	211.006	181.206	16.750	--	41.206	44.798	--
2	476.692	392.969	22.805	57.263	--	64.893	135.818	--
3	12.481	11.701	8.103	186	--	1.729	(534)	--

⁽¹⁾ Information on the financial statements is presented as of the period ended 31 December 2018.

2. Investments in consolidated associates

There are no investments in consolidated associates.

g. Investments in subsidiaries

1. Information on shareholders' equity of major subsidiaries

The parent Bank does not need any capital requirement due to its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio.

Amounts at below table are prepared within the scope of regulation valid for Denizbank AG and they are obtained from financial data of 31 March 2019.

	Denizbank AG
Paid-in capital	1.464.894
Share premium	2.152.348
Reserves	6.301.727
Deductions from capital	5.667
Total Common Equity	9.913.302
Total additional Tier I capital	--
Deductions from capital	22.667
Total Core Capital	9.890.635
Total supplementary capital	168.725
Capital	10.059.360
Deductions from capital	--
SHAREHOLDERS' EQUITY	10.059.360

2. Information on non-consolidated subsidiaries

Title	Address (City/Country)	The Parent Bank's share percentage (%)	Other shareholders' share percentage (%)
1-Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	Istanbul/Turkey	100	--
2-Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	Istanbul/Turkey	100	--
3-Deniz Kartlı Ödeme Sistemleri A.Ş.	Istanbul/Turkey	100	--
4-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	Istanbul/Turkey	--	100
5-Deniz Immobilien Service GmbH	Vienna/Austria	--	100
6-Ekspres Bilgi İşlem ve Ticaret A.Ş.	Istanbul/Turkey	71	29

	Total Assets	Shareholders 'Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	203.231	52.465	41.918	529	--	9.162	373	--
2	1.163	1.134	--	--	--	(33)	(28)	--
3	196	195	--	10	--	5	--	--
4	375	368	--	--	--	14	6	--
5	119	119	--	--	--	1	(2)	--
6	18.838	17.224	12.419	38	--	(41)	136	--

Information on the financial statements is presented as of the period ended 31 March 2019, and those subsidiaries are not included in consolidation because they are non-financial subsidiaries.

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3. Information on consolidated subsidiaries

Title	Address (City/Country)	The Parent Bank's share percentage(%)	Other shareholders' share percentage (%) (*)	Consolidation Method
1 Denizbank AG	Vienna/Austria	100	--	Full consolidation
2 Eurodeniz International Banking Unit Ltd.	Nicosia / Cyprus	100	--	Full consolidation
3 Deniz Yatırım Menkul Kıymetler A.Ş.	Istanbul/Turkey	100	--	Full consolidation
4 JSC Denizbank Moskova	Moscow / Russia	49	51	Full consolidation
5 Deniz Portföy Yönetimi A.Ş.	Istanbul/Turkey	--	100	Full consolidation
6 Deniz Finansal Kiralama A.Ş.	Istanbul/Turkey	49	51	Full consolidation
7 Deniz Faktoring A.Ş.	Istanbul/Turkey	100	--	Full consolidation
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	--	89	Full consolidation
9 CR Erdberg Eins GmbH & Co KG	Vienna/Austria	--	100	Full consolidation

(*) Presenting risk group of Bank's share percentage.

	Total Assets	Shareholders 'Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value	Capital requirement
1	71.198.055	9.873.115	155.129	632.823	8.214	147.844	200.397	--	--
2	1.965.762	40.035	70	15.244	--	63	183	--	--
3	476.751	369.358	15.091	12.522	--	31.345	34.368	--	--
4	1.587.577	517.153	7.062	24.316	2.686	16.484	11.113	--	--
5	23.803	17.234	4.138	885	21	1.784	1.515	--	--
6	3.398.921	666.402	272.985	67.494	--	(17.649)	5.306	--	--
7	2.322.501	415.504	13.353	147.092	--	36.038	18.014	--	--
8	598.285	250.645	184	797	--	530	3.974	--	--
9	196.352	170.451	156.483	2	--	45	791	--	--

Includes information on the consolidated financial statements as of 31 March 2019.

(i) Movement of consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	3.265.326	2.731.577
Movements during the Period	18.635	533.749
Purchases (**)	--	303.801
Bonus Shares Received	--	--
Dividends from Current Year Profit	--	--
Sales (*)	--	(2.809)
Revaluation Increase, Effect of Inflation and F/X Difference	18.635	232.757
Other	--	--
Allowance for impairment	--	--
Balance at the End of the Period	3.283.961	3.265.326
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) Deniz Yatırım sold 2,5% of the shares of Deniz GYO, its 91% subsidiary, with a cost of TL 2.810, in February and March 2018.

(**) It is disclosed in Notes III of Section Three.

(ii) Sectorial information on the consolidated subsidiaries and the related carrying amounts

	Current Period	Prior Period
Banks	1.973.674	1.969.123
Insurance Companies	--	--
Factoring Companies	138.107	138.107
Leasing Companies	764.314	737.656
Finance Companies	--	--
Other Subsidiaries	407.866	420.440
Total	3.283.961	3.265.326

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

(iii) Quoted subsidiaries within the consolidation scope

	Current Period	Prior Period
Quoted on domestic markets	134.606	152.376
Quoted on foreign markets	--	--

(iv) Consolidated subsidiaries disposed during the current period: None.

(v) Consolidated subsidiaries acquired during the current period: None.

h. Entities Under Common Control (Joint Ventures)

1. Entities Under Common Control (Joint Ventures)

Title	The Parent Bank's share percentage (%)	The Group's share percentage (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	49.562	37.468	9.534	48.620	(41.313)

Information on the unaudited financial statements is presented as of the period ended 31 March 2019.

2. Reasons of being non-consolidated for non-consolidated entities under common control (Joint Ventures) and methods of recognition of entities under common control (Joint Ventures) in the Parent Bank's unconsolidated financial statements

The Parent Bank, although represents Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") with 33% of ownership rate as entities under common control in its financial statements, it was not consolidated due to being a non-financial entity. This investment is carried at cost.

i. Information on receivables from leasing activities

1. Maturity analysis of finance lease receivables

	Current Period (*)		Prior Period (*)	
	Gross	Net	Gross	Net
Less than 1 year	735.796	589.229	111.908	110.800
Between 1-4 years	1.886.839	1.442.083	2.226.843	1.721.109
Over 4 years	784.758	687.911	859.781	741.420
Total	3.407.393	2.719.223	3.198.532	2.573.329

(*) Amount of TL 344.813 are not included non-performing lease receivables (31 December 2018: TL 486.781).

2. Information on net investments in finance lease receivables

	Current Period (*)	Prior Period (*)
Gross finance lease receivable	3.407.393	3.198.532
Unearned finance income (-)	688.170	625.203
Cancelled leasing agreements (-)	--	--
Net investment on finance leases	2.719.223	2.573.329

(*) Amount of TL 344.813 are not included non-performing lease receivables (31 December 2018: TL 486.781).

3. Information on operating lease activities

Deniz Finansal Kiralama A.Ş. started to fleet rental operations in the scope of operational leasing in June 2014.

Future receivables arising from leased assets are not recognized in the Group's balance sheet. Receivables arising from the rents invoiced within the period are recognized in the Group's balance sheet.

As of 31 March 2019, the Group's receivables which arise from its operational leasing agreements and will emerge in the future are distributed as follows by year:

	Current Period	Prior Period
Up to 1 year	176.075	146.063
Between 1-5 years	2.523	165.388
5 years and over	--	--
Total	178.598	311.451

j. Explanation on hedging purpose derivatives

None.

k. Explanation on investment property

Investment properties are properties held by Deniz GYO for the basic purpose of making lease profit.

As of 31 March 2019, the Group's investment property amounts to TL 204.816 (31 December 2018: TL 202.001) which are carried by their fair value in the consolidated financial statements.

l. Information on deferred tax asset

Deferred tax asset calculated on the basis of related regulation is TL 1.332.181 (31 December 2018: TL 1.213.623) and deferred tax liability is TL 25.147 (31 December 2018: TL 25.828). These balances are the net of deductible and taxable temporary differences calculated as of the balance sheet date.

The following table presents the deferred tax assets according to nature:

	Current Period	Prior Period
Miscellaneous Provisions	1.047.641	881.498
Tax Losses Carried Forward (*)	270.889	296.702
Unearned Revenue	75.401	71.869
Provision for Employee Benefits	59.775	35.275
Valuation Differences of Derivatives	--	26.358
Other	2.760	--
Deferred Tax Assets	1.456.466	1.311.702
Valuation Differences of Derivatives	(78.915)	--
Valuation Differences of Tangible Fixed Assets	(63.203)	(64.193)
Valuation Differences of Financial Assets	(7.314)	(59.675)
Other	--	(39)
Deferred Tax Liabilities	(149.432)	(123.907)
Net Deferred Tax Assets	1.307.034	1.187.795

(*) Tax losses carried forward mainly consist of valuation differences of financial assets in accordance with Tax Procedure Law in the calculation of corporate tax.

m. Explanation on property and equipment held for sale and related to discontinued operations

None.

n. Information on other assets

1. Information on prepaid expense, taxes and similar items

DFS Group's total prepaid expenses are TL 524.845 (31 December 2018: TL 503.592).

2. Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

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II. Explanations and disclosures related to consolidated liabilities

a. Information on deposits

1. Information on maturity structure of deposits

Current period - 31 March 2019:

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	2.765.229	--	3.009.168	22.473.314	874.008	1.111.671	865.904	10.306	31.109.600
Foreign Currency Deposits (*)	26.067.052	--	10.289.316	19.173.465	2.204.545	7.969.799	34.487.497	1.437	100.193.111
Residents in Turkey	10.021.205	--	8.777.698	17.406.808	1.182.081	1.284.619	4.101.040	1.320	42.774.770
Residents Abroad	16.045.847	--	1.511.618	1.766.657	1.022.464	6.685.180	30.386.457	117	57.418.340
Public Sector Deposits	697.841	--	23.062	240.389	14.353	940	1.434	--	978.019
Commercial Deposits	2.802.797	--	2.739.347	3.944.274	137.903	173.939	40.747	--	9.839.007
Other Ins. Deposits	108.651	--	86.745	1.089.146	90.668	37.122	88.881	--	1.501.213
Precious Metal Deposits	546.900	--	60.750	480.363	73.322	20.391	62.889	6.605	1.251.220
Bank Deposits	337.847	--	1.484.534	608.950	853	53.306	312.440	--	2.797.930
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	12.212	--	688	--	--	7.195	2.000	--	22.095
Foreign Banks	223.222	--	1.483.846	608.950	853	46.111	310.440	--	2.673.422
Special Finan. Inst.	102.413	--	--	--	--	--	--	--	102.413
Other	--	--	--	--	--	--	--	--	--
Total	33.326.317	--	17.692.922	48.009.901	3.395.652	9.367.168	35.859.792	18.348	147.670.100

(*) Foreign Exchange Deposit Account consists of Saving Deposit customers at the amount of TL 69.221.502 and Commercial Deposit customers at the amount of TL 30.971.609.

Prior period - 31 December 2018:

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and Over	Accumulated Deposit Accounts	Total
Saving Deposits	2.639.350	--	2.935.189	25.744.233	1.535.696	1.081.992	794.810	13.340	34.744.610
Foreign Currency Deposits (*)	23.792.891	--	7.189.125	16.258.823	1.548.768	7.873.893	32.036.437	1.579	88.701.516
Residents in Turkey	8.521.239	--	6.333.878	14.185.768	852.219	1.225.391	4.279.197	1.417	35.399.109
Residents Abroad	15.271.652	--	855.247	2.073.055	696.549	6.648.502	27.757.240	162	53.302.407
Public Sector Deposits	772.601	--	32.122	49.246	19.336	1.314	913	--	875.532
Commercial Deposits	2.462.105	--	3.116.905	4.681.878	141.146	148.873	28.305	--	10.579.212
Other Ins. Deposits	118.976	--	77.692	987.865	167.608	17.511	68.481	--	1.438.133
Precious Metal Deposits	402.361	--	53.384	378.595	29.670	43.033	10.890	6.653	924.586
Bank Deposits	171.775	--	1.160.153	569.867	6	49.521	726.565	--	2.677.887
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	10.202	--	--	--	--	6.779	2.000	--	18.981
Foreign Banks	160.565	--	1.160.153	569.867	6	42.742	724.565	--	2.657.898
Special Finan. Inst.	1.008	--	--	--	--	--	--	--	1.008
Other	--	--	--	--	--	--	--	--	--
Total	30.360.059	--	14.564.570	48.670.507	3.442.230	9.216.137	33.666.401	21.572	139.941.476

(*) Foreign Exchange Deposit Account consists of Saving Deposit customers at the amount of TL 63.002.143 and Commercial Deposit customers at the amount of TL 25.699.373.

2. Information on deposit insurance

- (i) Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

Deposits owned by foreign subsidiaries in scope of consolidation are under insurance coverage according to legislations of countries in which they are located and are not included in following table.

	Saving Deposit Insurance Fund		Exceeding the Insurance Coverage Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	17.136.253	17.976.394	13.941.717	16.731.784
Foreign Currency Saving Deposits	6.102.096	4.608.101	17.616.026	15.279.925
Other Saving Deposits	--	--	--	--
Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	23.238.349	22.584.495	31.557.743	32.011.709

(ii) Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	116.449	113.615
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEO with Their Parents, Spouse and Children under Their Wardship	68.349	74.037
Deposits and Other Accounts linked to Crimes Mentioned in 282nd Article of 5237 Numbered Turkish Penal Code dated on 26/09/2004	--	--
Deposits belong to Off-Shore Banks who are established in Turkey	275.371	303.889
Total	460.169	491.541

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

b. Information on trading purpose derivatives

1. Negative value of trading purpose derivatives

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	85.721	39.514	93.476	121.315
Swap Transactions	1.068.791	579.360	814.597	726.089
Futures Transactions	--	--	--	--
Options	221	221.388	32	294.354
Other	--	--	--	--
Total	1.154.733	840.262	908.105	1.141.758

c. Information on funds borrowed

1. Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank Loans	--	--	--	--
Domestic Banks and Institutions	1.245.991	681.032	1.829.916	1.012.863
Foreign Banks, Institutions and Funds	305.805	15.229.327	--	13.519.381
Total	1.551.796	15.910.359	1.829.916	14.532.244

2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	1.551.796	9.988.038	1.829.916	9.231.621
Medium and Long-Term	--	5.922.321	--	5.300.623
Total	1.551.796	15.910.359	1.829.916	14.532.244

d. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	--	868.632	7.164	901.682
Bills	3.877.058	--	3.079.013	--
Asset Backed Securities	--	--	--	--
Total	3.877.058	868.632	3.086.177	901.682

Nominal value of TL 28.681 of the securities issued were repurchased by the Parent Bank and offset in the financial statements (31 December 2018: TL 9.976).

e. If other liabilities line of the balance sheet exceeds 10% of the balance sheet total; excluding the off balance sheet commitments; information on components making up at least 20% of the other liabilities

Other liabilities do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

f. Information on lease payables

With the "IFRS 16 Leases" standard effective from 1 January 2019, the difference between operating leases and financial leases has been eliminated and the leasing transactions have been presented under "Liabilities from Leasing Operations". Impacts and adoption of transition to IFRS 16 is disclosed in Section three notes XXVI.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	2.446	2.199	--	--
Between 1-4 years	1.023.376	634.218	--	--
Over 4 years	--	--	--	--
Total	1.025.822	636.417	--	--

g. Information on liabilities arising from hedging purpose derivatives

None.

h. Explanation on provisions

1. Provision for currency exchange gain/loss on foreign currency indexed loans

As of 31 March 2019, there are no reserves allocated for the exchange rate differences of loans indexed to foreign currency amount (31 December 2018: TL None). Provisions for exchange rate differences pertaining to loans indexed to foreign currency are netted off against the loans and receivables under assets in the financial statements.

2. Liabilities on provision for employee benefits

TAS 19 requires using the actuarial method for calculation of obligations the company.

Accordingly, the following actuarial assumptions were used in the calculation of the total reserve for employee termination benefits:

	Current Period	Prior Period
Discount rate	5,45%	5,45%
Interest rate	16,00%	16,00%
Expected rate of salary/limit increase	10,00%	10,00%

As of 31 March 2019, TL 144.649 of provision for employee termination benefits (31 December 2018: TL 130.477) and TL 141.920 of unused vacation accruals (31 December 2018: TL 92.583) were reflected to the consolidated financial statements.

Movement of the provision during the period:

	Current Period	Prior Period
Balance at the Beginning of the Period	130.477	111.109
Changes in the period	21.033	18.502
Actuarial loss/gain	--	38.690
Paid in the period	(6.559)	(39.356)
FX difference	(302)	1.532
Balance at the End of the Period	144.649	130.477

3. Information on other provisions

(i) Information on other provisions exceeding 10% of total provisions

Current period:

TL 276.718 of other provisions is the expected credit loss for Stage 1 and Stage 2 non-cash loans, TL 94.211 is related to Stage 3 expected loss provisions for NPL customers' non-cash loans that are not converted into cash, TL 90.000 provision for possible developments in the overall economic and market conditions, TL 95.315 for provisions for the litigations against the Bank and TL 207.691 includes other provisions.

Prior period:

TL 241.361 of other provisions is the expected credit loss for Stage 1 and Stage 2 non-cash loans, TL 88.105 is related to Stage 3 expected loss provisions for NPL customers' non-cash loans that are not converted into cash, TL 90.000 provision for possible developments in the overall economic and market conditions, TL 96.242 for provisions for the litigations against the Bank and TL 206.400 includes other provisions.

i. Information on taxation

1. Information on current taxes

(i) Information on current tax liability

As of 31 March 2019, the corporate tax provision of DFS Group is TL 120.402 (31 December 2018: TL 386.533), and it has been offset with prepaid taxes amounting to TL 10.520 (31 December 2018: TL 308.479).

(ii) Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	109.882	78.054
Taxation on securities	125.489	80.451
Capital gains taxes on property	2.662	2.789
Banking Insurance Transaction Tax (BITT)	78.310	100.733
Taxes on foreign exchange transactions	--	--
Value added taxes payable	2.649	7.445
Other	13.947	62.682
Total	332.939	332.154

(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	9.570	9.998
Social security premiums- employer share	10.763	11.112
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	720	694
Pension fund membership fees and provisions- employer share	882	850
Unemployment insurance- employee share	687	721
Unemployment insurance- employer share	1.337	1.382
Other	6.269	6.038
Total	30.228	30.795

2. Information on deferred tax liabilities

Deferred tax liability calculated on the basis of related regulation is TL 25.147 (31 December 2018: TL 25.828). Information on deferred taxes is disclosed in Note "I" of explanations and disclosures related to consolidated assets.

j. Information on debts of fixed assets held for sales purposes and related to discontinuing operations

None.

k. Information on shareholders' equity

1. Paid-in capital

	Current Period	Prior Period
Common Stock	3.316.100	3.316.100
Preferred Stock	--	--

Paid-in capital of the Parent Bank is shown at nominal value.

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital

Registered paid-in capital system is not applied.

3. Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

4. Information on share capital increases from revaluation funds

None.

5. Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments

The capital is totally paid in and there are no capital commitments.

6. Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering uncertainty indicators

Balance sheets of the entities under DFS Group are managed prudently, to minimize the negative effects of interest rate, foreign currency and credit risks. This policy contributes to the progress of DFS Group's profitability with a steady increasing trend.

7. Information on the privileges given to stocks representing the capital

The Parent Bank does not have any preferred stocks.

8. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Shares (*)	50.368.526	50.368.526
Preferred Stock	--	--
Common Stock Issue Premium (**)	15	15
Common Stock Cancellation Profits	--	--
Other Equity Instruments	--	--
Total Common Stock Issued (*)	50.369	50.369

(*) Related to the Bank's paid-in capital increase on 27 September 2004. At that date, the paid-in capital was increased from TL 202.000 to TL 290.000; and TL 50.369 of this TL 88.000 increase was received in cash through issuance of new shares to the public.

(**) The share price for the above mentioned public issuance was "twothousandeighthundredandseventyfive" Turkish Liras and a total issuance premium of TL 94.441 was realized. The inflation restatement effect of TL 3.910 was also recognized over the original balance until December 2004. A total issuance premium of TL 60 was realized through the Bank's paid-in capital increase amounting TL 400.000 on 28 August 2008.

Share premium at an amount of TL 94.501 and inflation adjustment differences of share premium at an amount of TL 3.910 has been added to paid-in capital with the capital increase made by the Bank at the date of 14 October 2015.

A share premium at an amount of TL 15 has been occurred due to capital increase on 28 June 2016 at an amount of TL 1.500.000.

9. Information on securities revaluation reserve

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	778.054	--	778.054	--
Valuation Difference	(796.970)	(138.938)	(662.813)	(142.428)
FX Difference	--	--	--	--
Total	(18.916)	(138.938)	115.241	(142.428)

10. Information on hedging funds

Explanations about hedging funds are in Note VIII of Section Four.

11. Information on minority shares

	Current Period
Balance at the Beginning of the Period	14.396
Minority interest in net income of consolidated subsidiaries	67
Increase/(decrease) in minority interest due to disposals	--
Other	--
Balance at the End of the Period	14.463

12. Information on revaluation differences of tangible assets

DFS Group has passed to revaluation model from cost model in the framework of TAS 16 "Tangible Fixed Assets" in valuation of properties in use which are recorded under tangible fixed assets as of 31 December 2016 while it records all of its other tangible fixed assets in accordance with cost model. Revaluation difference amount of TL 84.717 is recognized "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities as a result of revaluation process (31 December 2018: TL 83.191).

13. Explanation of profit distribution

According to the dividend distribution proposal of the Parent Bank's Board of Directors at the Ordinary General Assembly held on 28 March 2019, TL 109.126 is allocated as legal reserve, and the remaining TL 2.073.397 from the net profit of the year 2018 amounting to TL 2.182.523 is allocated to extraordinary reserves.

III. Explanations and disclosures related to consolidated off-balance sheet items

a. Information related to off-balance sheet commitments

1. Type and amount of irrevocable commitments

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 March 2019, non-cash loans, commitments for credit card limits and commitments for cheque payments are TL 34.010.883, TL 19.419.183 and TL 2.197.069 respectively (31 December 2018: TL 33.678.054, TL 19.225.849 and TL 1.815.134 respectively). These items are detailed in the off-balance sheet accounts.

2. Type and amount of possible losses from off-balance sheet items referred to below

(i) Guarantees, bills of exchange and acceptances and other letters of credit which can be considered as financial collateral

As of 31 March 2019, DFS Group has letters of guarantee amounting to TL 26.173.284, bills of exchange and acceptances amounting to TL 173.486, and guarantees and sureties on letters of credit amounting to TL 4.130.325 and other guarantees and sureties amounting to TL 3.533.788.

As of 31 December 2018, DFS Group has letters of guarantee amounting to TL 26.328.530, bills of exchange and acceptances amounting to TL 223.364, and guarantees and sureties on letters of credit amounting to TL 3.511.834 and other guarantees and sureties amounting to TL 3.614.326.

(ii) Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	767.676	746.614
Final Letters of Guarantee	15.900.997	15.725.413
Letters of Guarantee for Advances	2.393.060	2.557.254
Letters of Guarantee given to Customs Offices	187.387	181.679
Other Letters of Guarantee	6.924.164	7.117.570
Total	26.173.284	26.328.530

3. Information on non-cash loans

(i) Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Obtaining Cash Loans	12.296.894	12.334.499
With Original Maturity of 1 Year or Less	12.143.568	10.867.251
With Original Maturity of More Than 1 Year	153.326	1.467.248
Other Non-Cash Loans	21.713.989	21.343.555
Total	34.010.883	33.678.054

b. Contingent assets and liabilities

The Group has provided a provision amounting to TL 95.315 (31 December 2018: TL 96.242) for the lawsuits against the Group in accordance with the precautionary principle. These provisions are classified among "Other provisions". Except for those provisioned, other ongoing lawsuits are unlikely to result in a negative conclusion and cash outflow is not foreseen for them.

IV. Explanations and disclosures related to consolidated statement of income

a. Interest income

1. Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans	1.127.817	113.272	776.944	50.824
Medium and Long Term Loans	2.013.775	896.574	1.662.561	640.022
Loans Under Follow-Up	122.417	--	17.672	--
Premiums Received from Resource Utilization Support Fund	--	--	--	--
Total	3.264.009	1.009.846	2.457.177	690.846

Interest income received from loans also includes fees and commissions from cash loans granted.

2. Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	--	--	21.447	1.737
Domestic Banks	16.618	2.902	31.961	857
Foreign Banks	--	18.572	1.152	5.724
Foreign Head Offices and Branches	--	1.847	--	--
Total	16.618	23.321	54.560	8.318

The interest income from required reserves that maintain in CBRT of Parent Bank amounting to TL 48.514 recognized under "Interest Income Received From Required Reserves" account (1 January - 31 March 2018 TL 36.432).

3. Information on interest income received from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	4.461	82	2.878	115
Financial Assets at Fair Value Through Other Comprehensive Income	202.037	30.204	157.044	11.205
Financial Assets Measured at Amortized Cost	119.069	20.274	98.440	19.301
Total	325.567	50.560	258.362	30.621

As stated in the chapter III footnote numbered VII, the Parent Bank has government securities in the financial assets at fair value through other comprehensive income and financial assets measured at amortized cost portfolios with a maturity of 5 to 10 years and having CPI indexed 3 months real coupon ratio fixed until maturity. As stated in the Undersecretariat of Treasury's securities indexed CPI Investors Guide, the reference indexes used in calculating the actual coupon payment amounts of these assets are based on the CPI of previous two months. The Parent Bank determines the estimated inflation rate accordingly. The estimated inflation rate is updated as needed within the year. The Parent Bank determines the estimated inflation rate in parallel. Estimated inflation rate is updated during the year when deemed necessary.

4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	97	158

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	87.151	275.813	59.515	186.088
Central Bank of the Republic of Turkey	--	12.143	13	6.173
Domestic Banks	86.764	27.585	30.145	16.468
Foreign Banks	387	236.085	29.357	163.447
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	87.151	275.813	59.515	186.088

Interest expense related to funds borrowed also includes fees and commission expenses.

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2. Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	4.643	1.166

3. Information on interest expense paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	185.525	--	111.517	--

4. Maturity structure of the interest expense on deposits

Account Name	Demand Deposits	Time Deposit					Cumulative Deposit	Total
		Up to 1 Month	Up to 3 Month	Up to 6 Month	Up to 1 Year	More than 1 Year		
TL								
Bank Deposits	--	24.943	--	--	--	--	--	24.943
Saving Deposits	200	143.049	1.282.034	69.211	60.206	42.183	248	1.597.131
Public Sector Deposits	--	1.328	2.457	901	59	59	--	4.804
Commercial Deposits	--	151.018	227.944	7.357	7.807	1.652	--	395.778
Other Deposits	368	5.246	64.440	9.401	1.408	2.240	--	83.103
"7 Days' Notice" Deposits	--	--	--	--	--	--	--	--
Total	568	325.584	1.576.875	86.870	69.480	46.134	248	2.105.759
FC								
Foreign Currency Deposits	69.138	134.957	149.774	7.661	7.977	15.637	--	385.144
Bank Deposits	4.347	6.023	--	--	--	--	--	10.370
"7 Days' Notice" Deposits	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	204	1.659	278	163	304	35	2.646
Total	73.488	141.184	151.433	7.939	8.140	15.941	35	398.160
Grand Total	74.056	466.768	1.728.308	94.809	77.620	62.075	283	2.503.919

c. Information on trading income/loss

	Current Period	Prior Period
Income	164.477.542	70.474.870
Capital Market Transactions	40.516	14.022
Derivative Financial Instruments	4.844.545	5.343.342
Foreign Exchange Gains	159.592.481	65.117.506
Loss (-)	164.346.939	70.551.423
Capital Market Transactions	47.288	9.844
Derivative Financial Instruments	4.070.260	5.189.363
Foreign Exchange Losses	160.229.391	65.352.216
Net Trading Income / Loss	130.603	(76.553)

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments is TL (197.573) (1 January - 31 March 2018 TL 190.851).

d. Information on other operating income

Other operating income consists of fees income from customers, fixed asset sales income, operating lease income and real estate appreciation increases for various banking services.

e. Expected provision of credit loss

	Current Period	Prior Period
Provision for expected credit loss	1.112.813	396.247
<i>Stage 1 - 12 months expected credit loss(*)</i>	<i>(50.244)</i>	<i>49.385</i>
<i>Stage 2 - Substantial increase in credit risk</i>	<i>683.561</i>	<i>175.662</i>
<i>Stage 3 - Default</i>	<i>479.496</i>	<i>171.200</i>
Provisions for securities impairment	--	--
<i>Financial assets at fair value through profit or loss</i>	--	--
<i>Financial assets at fair value through other comprehensive income</i>	--	--
Associates, subsidiaries and provisions for financial assets measured at amortized cost impairment	--	--
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint ventures</i>	--	--
Others	(141)	50.297
Total	1.112.672	446.544

(*) Since 2018, DFS Group has reflected the expected credit loss provisions for loans and cancellations and collections made from loan provisions in its financial statements.

f. Information related to other operational expenses

	Current Period	Prior Period
Personnel Expenses (*)	431.098	370.927
Reserve for Employee Termination Benefits (*)	13.355	3.687
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets (**)	88.993	34.851
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortization Charges of Intangible Assets	31.383	28.440
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	598	371
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	295.818	301.264
<i>Operational Lease Expenses (**)</i>	<i>19.893</i>	<i>83.454</i>
<i>Repair and Maintenance Expenses</i>	<i>26.926</i>	<i>18.310</i>
<i>Advertisement Expenses</i>	<i>25.256</i>	<i>25.192</i>
<i>Other Expenses (***)</i>	<i>223.743</i>	<i>174.308</i>
Losses on Sale of Assets	297	270
Other	163.183	112.838
Total	1.024.725	852.648

(*) Personnel expenses and reserve for employee termination benefits are presented in "personnel expenses" in the consolidated statement of income.

(**) Includes the effect of TFRS 16.

(***) Other expenses in other operational expenses comprise; communication expenses, IT repair and maintenance and software fees, stationary, representation, heating and lighting, credit card service fee and others amounting to TL 20.347, TL 40.767, TL 8.967, TL 1.794, TL 13.864, TL 54.152 and TL 83.852 respectively (1 January - 31 March 2018: TL 17.586, TL 30.160, TL 6.335, TL 1.752, TL 8.139, TL 52.407 and TL 57.929 respectively).

g. Information on profit / loss before tax from continued operations

As 1 January - 31 March 2019, DFS Group has a profit before tax from continuing operations amounting to TL 642.629 (1 January-31 March 2018: TL 784.286).

h. Information on tax provision for continued and discontinued operations

1. Current period taxation benefit or charge and deferred tax benefit or charge

As 1 January - 31 March 2019, the current period taxation charge on continuing operations is TL 103.764 (1 January - 31 March 2018: TL 88.589) while deferred tax charge is TL 620.150 (1 January - 31 March 2018: TL 382.289 and deferred tax benefit is TL 598.036 (1 January - 31 March 2018: TL 292.271).

There are not current period taxation charge on discontinuing operations.

i. Information on net profit and loss

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

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

2. Profit or loss attributable to minority interests

	Current Period	Prior Period
Profit/(loss) attributable to minority interests	67	447

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

j. If "other" lines of the income statement exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

Other Fees and Commissions Received	Current Period	Prior Period
Credit card clearing and other commissions	487.092	228.358
Contracted merchant / POS commissions	127.984	79.963
Filing fees	114.774	51.555
Insurance services	99.660	71.959
Intermediary services	32.920	36.922
Remittance commissions	20.585	17.092
Account management fees	19.409	15.290
Expertise fees	3.168	3.822
Other	48.351	40.756
Total	953.943	545.717

Other Fees and Commissions Paid	Current Period	Prior Period
Credit card / POS commissions	182.253	113.506
EFT fees and commissions	3.916	3.408
Other	76.966	35.905
Total	263.135	152.819

V. Explanations and disclosures related to DFS Group's risk group

a. Information on loans and other receivables to DFS Group's risk group

Current Period

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	13.631	30.404	11.790	1.677	34	--
Balance at the End of the Period	35.994	6.485	5.597	1.351	54	--
Interest and Commission Income Received	93	22	131	--	--	--

(*) As described in the Article 49 of Banking Law no.5411.

Prior Period

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans						
Balance at the Beginning of the Period	13.587	130.539	9.439	4.655	19.046	--
Balance at the End of the Period	13.631	30.404	11.790	1.677	34	--
Interest and Commission Income Received	160	68	118	--	335	--

(*) As described in the Article 49 of Banking Law no.5411.

b. Information on deposits held by and funds borrowed from DFS Group's risk group

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder (**)		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Balance at the Beginning of the Period	137.535	60.929	11.965.213	8.811.959	16.720	18.991
Balance at the End of the Period	130.270	137.535	12.845.149	11.965.213	35.285	16.720
Interest and Commission Income Received	4.643	1.178	154.215	117.549	--	674

(*) As described in the Article 49 of Banking Law no.5411.

(**) Includes the subordinated loan of US Dollar 1.050 million and Euro 115 million received from Sberbank.

c. Information on forward and option agreements and similar agreements made with DFS Group's risk group

DFS Group's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes:						
Balance at the Beginning of the Period	--	--	--	51.000	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/(Loss)	--	--	(1.177)	3.336	--	--
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/(Loss)	--	--	--	--	--	--

(*) As described in the Article 49 of Banking Law no.5411.

d. Information on benefit provided to top management

DFS Group made payment amounting to TL 10.949 (31 March 2018: TL 12.058) to its top management as of 31 March 2019.

e. Information on transactions with DFS Group's risk group

As of 31 March 2019, cash loans and other receivables of the risk group represent 0,03% of DFS Group's total cash loans and bank deposits granted the deposits and borrowings represent 7,5% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,02% of the total balance.

The risk group, which DFS Group belongs to, has finance and operation lease contracts with Deniz Leasing. The Parent Bank gives brokerage services through its branches for Deniz Yatırım. As part of the consolidation adjustments, these balances and transactions have been eliminated from the accompanying financial statements.

VI. Subsequent Events

On 22 May 2018, Emirates NBD Bank PJSC (Emirates NBD) and Sberbank of Russia (Sberbank) announced that they have entered into a definitive agreement whereby Sberbank will sell its entire 99,85% stake in Denizbank to Emirates NBD. On 2 April 2019, Emirates NBD and Sberbank signed "Restated SPA" (the SPA with revised terms) and on the total consideration of 99,85% of the shares in Denizbank, agreed at TL 15,48 billion based on the consolidated equity capital of Denizbank amounting to TL 15,51 billion as at 31 December 2018.

The transaction is expected to complete by the end of second quarter of 2019, subject to obtaining the required regulatory approvals. Upon closing of the transaction, Sberbank will cease to be a shareholder in Denizbank. As part of the transfer process, with the closing of the sales transaction, Emirates NBD will also own the ownership of subordinated loans granted to Denizbank by Sberbank in the past.

The completion of the transaction, Turkey, Russia and the United Arab Emirates and is subject to approval by the regulatory authorities of other countries in which it operates Denizbank, expected to be completed by the end of the second quarter of 2019.

SECTION SIX

INDEPENDENT AUDITOR’S REVIEW REPORT

I. Matters to be disclosed related to Independent Auditor’s Review Report

Consolidated financial statements and notes of the Bank are subject to independent review by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member Firm of Ernst & Young Global Limited) and audit report dated 2 May 2019 is presented preceding the consolidated financial statements.

II. Explanations and notes prepared by Independent Auditor

There exist no explanations or notes, deemed to be required, and no significant issues which are not mentioned above and related to activities of the Bank.

SECTION SEVEN

INTERIM ACTIVITY REPORT

(*) Amounts are expressed in TL in Section Seven.

Message From the Chairman

In the first quarter of 2019, Turkish banking sector displayed a growth above the the previous year. In the first three months of the year, while the sector generated TL 12,4 billion net profit, the capital adequacy ratio was realized at 16,35%. The top fifth private bank of Turkey, Denizbank boosted the contribution it makes to the economy, increasing its consolidated and non-consolidated loans to TL 143,8 billion and TL 92,2 billion, respectively.

Expanding its customer base due to continuous development efforts for customer experience and facilities provided by banking solutions, Denizbank sustained the contributions it makes to Turkish economy by playing a role in mitigating the effect of systemic risks by providing financing for niche sectors including education, healthcare, maritime, energy, infrastructure and tourism.

Continuing the support with “Nefes project” it has been providing for two years to SMEs which are the arteries of the economy with SME Değer Project in 2019, Denizbank carried on developing products and services for which it integrated its innovative perspective with its strong technology infrastructure to meet the customer needs. These include Deniz’den Toprağa application serving as the smart consultant of the producer in the field which has reached over 140 thousand farmers.

We have no doubt that Denizbank will spread the sustainable growth of Turkish banking sector across long term with its strong capital structure, prudent risk management principles, advanced technology and top quality human power.

I have a full belief that the achievements for 7 years under Sberbank’s roof will increasingly continue following the change of shareholder to be completed after the required approvals are secured and it will continue to generate value for its nation and country.

Message From The President and CEO

During the first three months of 2019, Denizbank outperformed the sector in asset, loan and deposit growth as in previous quarters.

Our consolidated assets reached TL 209,9 billion and unconsolidated assets TL 146,9 billion in the first three months of 2019.

Our customer deposits reached TL 144,9 billion and TL 84,1 billion on a consolidated and unconsolidated basis, respectively. In addition to a branch network of 753 branches in 81 provinces of Turkey including 43 subsidiary branches abroad, the customer base, which expanded increasing by 9% over the last year, became the driving force of our growth.

In the first three months of 2019, continuing to channel the deposits it collected to the economy, Denizbank increased its consolidated cash loan volume to TL 143,8 billion, its unconsolidated cash loan volume to TL 92,2 billion and reached its total cash and non-cash loans to TL 177,8 billion on a consolidated basis.

Within the framework of serving for the future of Turkey, considering supporting the real sector as social responsibility, to this end, Denizbank launched a strong cooperation which let SME accounting for over 30 million population including their families breath as the project name suggests in 2017 with the cooperation of real sector and finance sector. As the only private bank involved in Nefes-2 project once more in 2018, Denizbank provided uninterrupted support to SMEs, arteries of the economy. It stood by SMEs which kept our Economy on its feet and shouldered the burden of employment, production and export in SME Değer Project having transformed into a partnership where 12 banks got together in the past two years.

Continuing its leading position with 44% market share and TL 13 billion financing it provides for over 1,2 million farmers in agriculture which it considers a national matter, our bank continued supporting agriculture with a service model taking into account the need map of the sector; met the needs as the smart consultant of more than 140 thousand farmers with Deniz’den Toprağa application it has implemented to boost the technology-based efficiency.

On the other hand, our Bank remained the leading private bank in pensioner banking with its 1,2 million pensioner customers served with a customer-focused approach and high quality of service.

Our equity reached TL 16,0 billion on a consolidated and TL 15,9 billion on unconsolidated basis while our consolidated and unconsolidated equity including subordinated loans realized as TL 22,7 billion and TL 22,6 billion, respectively.

DenizBank's consolidated net profit reached TL 517 million in the first three months of 2019 while unconsolidated net profit realized as TL 492 million. With a consolidated RoE of 13,1%, our Bank outperformed the sector.

As DenizBank, we aim at creating some social value by supporting education, culture, art and sports in addition to our financial operations. Aiming to carry cultural legacy to future generations by bringing together the society with arts, our Bank continued to support the Istanbul State Symphonic Orchestra DenizBank concerts in 2018 - 2019 season.

Changes in DFSG Companies

The changes in Denizbank Financial Services Group Companies are as follows:

On 22 May 2018, Emirates NBD Bank PJSC (Emirates NBD) and Sberbank of Russia (Sberbank) announced that they have entered into a definitive agreement whereby Sberbank will sell its entire 99,85% stake in Denizbank to Emirates NBD. On 2 April 2019, Emirates NBD and Sberbank signed "Restated SPA" (the SPA with revised terms) and on the total consideration of 99.85% of the shares in Denizbank, agreed at TL 15,48 billion based on the consolidated equity capital of Denizbank amounting to TL 15,51 billion as at 31 December 2018. The transaction is expected to complete by the end of Q2 2019, subject to obtaining the required regulatory approvals. Upon closing of the transaction, Sberbank will cease to be a shareholder in Denizbank.

With the decision of the Board of Directors dated 29 January 2019, 100% shares of Deniz Kartlı Ödeme Sistemleri A.Ş., which a subsidiary of DenizBank Financial Services Group and owned by İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş., was purchased by DenizBank with a nominal value of TL 300.000 and the share transfer has been realized on 29 January 2019.

Amendments to Articles of Association

There is no amendment to Articles of Association.

Amendments to Rating Notes

The amendments to Ratings of Denizbank assigned by Fitch Ratings and Moody's in 2019 are below.

On 28 February 2019, International Rating Agency Fitch Ratings has affirmed long-term foreign and local currency IDR of DenizBank at "BB" with outlook as "Negative". Fitch has affirmed DenizBank's viability rating at "b+", short-term local and foreign currency IDRs at "B", support rating at "3" and National Long-Term rating at "AA (tur)" with a "Stable" outlook.

Ratings are as follows:

Moody's*		Fitch Ratings**	
Outlook	Negative	Outlook	Negative
Long Term Foreign Currency Deposits	B2	Long Term Foreign Currency	BB-
Short Term Foreign Currency Deposits	Not Prime	Short Term Foreign Currency	B
Long Term Local Currency Deposits	B2	Long Term Local Currency	BB
Short Term Local Currency Deposits	Not Prime	Short Term Local Currency	B
Baseline Credit Assessment (BCA)	b3	Viability	b+
		Support	3
		National	AA (tur) (Stable)
*As of 28.06.2018		**As of 28.02.2019	

Financial Information

a. General Outlook of the Banking Sector

Evaluation of the banking sector according to the March 2019 data*:

-Loan volume (excluding financial sector loans)	TL 2.514 billion
TL Loan volume (excluding financial sector loans)	TL 1.507 billion
FX Loan volume (excluding financial sector loans)	USD 180 billion
-Deposit Volume (excluding interbank deposits)	TL 2.142 billion
TL Deposit Volume (excluding interbank deposits)	TL 1.021 billion
FX Deposit Volume (excluding interbank deposits)	USD 212 billion

In the first three months of 2019, the total loan volume of the banking sector reached TL 2.514 billion. SME, corporate and commercial loans became the segments with priority impact on total loan increase. Total

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consumer loans reached TL 403 billion, while total credit card loans was TL 133 billion. While SME became the most effective segment on the loan growth. SME loans reached TL 636 billion in the first three months. While completing the year of 2018 at level of 3,8, the total NPL ratio realized as 4,1% as at March 2019.

Total deposits reached TL 2.205 billion as at March 2019. The sector's total equity rose TL 433 billion at the end of the first three months.

The net profit of the banking sector in the first three months was realized as TL 12,4 billion.

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

b. Summary Financial Highlights

Summary Consolidated Financial Highlights (TL millions)

	31/03/2019	31/12/2018
Balance Sheet		
Securities ⁽¹⁾	18.016	14.342
Net Loans	143.774	139.057
Cash and cash equivalents	37.362	34.760
Total Assets	209.942	197.311
Customer Deposits ⁽²⁾	144.872	137.264
Time	111.884	107.075
Demand	32.988	30.188
Borrowings ⁽³⁾	17.462	16.362
Securities Issued ⁽³⁾	4.746	3.988
Sub-ordinated Loans	6.671	6.274
Shareholders' Equity	16.032	15.505
Paid-in Capital	3.316	3.316
Non-cash Loans	34.011	33.678
Income Statements	31/03/2019	31/03/2018
Interest Income	4.873	3.620
Interest Expense	(3.132)	(1.997)
Net Interest Income after Provisions	628	1.177
Non-interest Income	1.304	614
Non-interest Expense	(1.290)	(1.007)
Tax Expense	(126)	(179)
Net Income	517	606
Other Highlights	31/03/2019	31/12/2018
Number of Branches ⁽⁴⁾	753	754
Number of Employees	14.125	13.822
Number of ATMs	6.602	6.370
Number of POS Terminals	123.112	126.063
Number of Credit Cards	4.479.022	4.431.557

⁽¹⁾ It is the sum of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

⁽²⁾ Excludes bank deposits

⁽³⁾ Securities issued by Special Purpose Entity DFS Funding Corp. are reported under Securities Issued

⁽⁴⁾ Includes subsidiaries' branches

c. Assessment of Financial Position and Risk Management

	Consolidated	
(TL millions)	31/03/2019	31/12/2018
Capital Adequacy Ratio (%)	14,32	14,93
Shareholders' Equity	16.032	15.505
Return on Average Equity (%)	13,11	15,41
Non-performing Loans/ Total Cash Loans Ratio (%)	4,65	4,55