

*(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 NINE MONTH PERIOD ENDED 30
SEPTEMBER 2023**

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

LIMITED REVIEW REPORT FOR THE INTERIM FINANCIAL INFORMATION

To the Board of Directors of Denizbank A.Ş.

Introduction

We have reviewed the accompanying consolidated balance sheet of Denizbank A.Ş. ("the Bank") and its consolidated subsidiaries (together "the Group") as at 30 September 2023, and the consolidated statement of income, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulations" including the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements 2410, "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 conducted in accordance with 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 audit opinion.

Basis for Qualified Conclusion

The accompanying consolidated financial statements as at 30 September 2023 includes a free provision amounting to TL 7.700.000 thousand, which TL 4.175.000 thousand has been allocated in previous years and TL 3.525.000 thousand recognized as an expense in the consolidated financial statements in the current period, provided by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision were not provided, the other provisions would decrease by TL 7.700.000 thousand and profit before tax would increase by TL 3.525.000 and equity would increase by TL 7.700.000 thousand for the period ended 30 September 2023.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Denizbank A.Ş. and its consolidated subsidiaries as at 30 September 2023, and of the results of its operations and its cash flows for the nine-months period then ended in accordance with the BRSA Accounting and Reporting Regulations.

Report on Other Legal and Regulatory Requirements

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information provided in the Management's interim report included in section seven of the accompanying consolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed interim financial statements and the explanatory notes.

Additional paragraph for English translation:

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat
Partner

İstanbul, 2 November 2023

DENİZBANK A.Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT FOR
THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

Address of the Bank's Headquarters
Büyükdere Caddesi No:141
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Telephone and Fax Numbers
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Website of the Bank
www.denizbank.com

E-mail address of the Bank
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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 AG, 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
10 Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş.
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 November 2023

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

**HESHAM ABDULLA
QASSIM AL QASSIM**
Chairman of Board of
Directors

BJORN LENZMANN

Member of Board of Directors
and Chairman of Audit and
Risk Committee

**AHMED MOHAMMED AQIL
QASSIM AL QASSIM**

Member of Board of Directors
and Audit and Risk Committee

Contact information for questions on this financial report:

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DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2023

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SECTION ONE
GENERAL INFORMATION

I. History of the Parent Bank including its incorporation date, initial status, amendments to legal status

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 the receipt of its official authorisation. Bank's shares have been quoted on Borsa Istanbul ("BIST") on 1 October 2004.

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 Dexia Participation Belgique SA's partnership share has reached 99,85% with subsequent acquisitions following the share transfer.

On 27 December 2012, 99,85% of the Bank's shares were transferred from Dexia Group to Sberbank of Russia ("Sberbank") with a total purchase price of TL 6,90 billion (Euro 2,98 billion).

On 22 May 2018, Emirates NBD Bank PJSC (Emirates NBD) and Sberbank of Russia (Sberbank) signed a definite contract regarding the sales of 99,85% share of the Bank held by Sberbank and with the "Renewed Contract" signed on 2 April 2019, the parties have reached an agreement to the amount of TL 15,48 billion within the rearranged framework regarding the total amount of the relevant shares based on the consolidated equity of the Bank amounting to TL 15,51 billion. Upon obtaining the approvals of the regulatory authorities of Turkey, Russia, United Arab Emirates and the other countries where the Bank operates, the share transfer was completed on 31 July 2019.

As of 31 July 2019, as a result of ENBD's acquisition of 99,85% of DenizBank's shares, obligations arose for ENBD to make mandatory tender offer (MTO) for the Bank as per the provisions of the Capital Markets Board's (CMB) Communiqué on Takeover Bids (II-26.1); and sell-out right; the Bank's shareholders other than ENBD got the right to sell their shares to ENBD as per the provisions of the CMB's Communiqué on Squeeze Out and Selling Rights (II-27.2).

Within the scope of the Communiqué on Squeeze Out and Selling Rights, the rights to sell were used by other shareholders within the three-month sell-out right-ending period between 1 August 2019 and 31 October 2019. Upon completion of the three-month sell-out right-ending period on 31 October 2019, ENBD applied to the Bank on 3 November 2019, requesting the exclusion of other shareholders, who did not use their right to sell. In this context, in the process of ENBD's exercising its right to squeeze out and removing it from the BIST; regarding the amendment of Article 6 of the Bank's articles of association and the capital decrease by canceling 1.426.214,154 public shares of other shareholders who do not use the Bank's right to sell, and making capital allocation to the ENBD simultaneously with the shares issued against these shares. Necessary regulatory approvals were obtained and were approved at the Extraordinary General Assembly Meeting held on 12 December 2019. The "Issuance Document" approved by the CMB with the decisions of the mentioned General Assembly Meeting was registered in the trade registry on 13 December 2019.

Within the scope of Central Registry Agency application, the shares of the shareholders other than the controlling shareholder were canceled, the newly issued shares were transferred to the controlling shareholder account and TL 21,2, which is the price determined in accordance with the CMB regulations, was paid to the shareholders on 13 December 2019. At the end of this transaction, the share of ENBD in the Bank has reached to 100%. Following the completion of the process, the Bank's shares were removed from the stock market as of 16 December 2019.

At the Board of Directors' meeting dated 9 January 2020, it has been decided to be submitted to the approval of the General Assembly for the increase of the full TL 3.316.100.000 paid-in capital of the Bank by full TL 2.380.000.000 in cash, and amending the Article 6 titled "Capital of the Bank" of the Articles of Association of the Bank. The amendment was approved in the Extraordinary General Assembly Meeting held on 3 February 2020. The total capital increase amounting to full TL 2.380.000.000 was paid in cash by ENBD before the registration of the capital increase.

II. Capital structure of the Parent Bank, shareholders holding directly or indirectly, individually or collectively, the management and supervision of the Parent Bank changes in these matters during the year, if any and the explanation regarding the Group that the Bank is involved

Name of the Shareholder	Current Period (*)		Prior Period (*)	
	Amount (Full TL)	Share (%)	Amount (Full TL)	Share (%)
Emirates NBD Bank PJSC	5.696.099.996	100,00	5.696.099.996	100,00
Other	4	--	4	--
Total	5.696.100.000	100,00	5.696.100.000	100,00

(*) Explanation is given in Section One, note I.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2023

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III. Explanations regarding the chairman and the members of board of directors, members of audit committee, general manager and executive vice presidents, if any, their shareholdings and areas of responsibility in the Parent Bank

Name	Title	Shares owned (%)
Chairman of the Board of Directors		
Hesham Abdulla Qassim Alqassim	Chairman	--
Board of Directors ⁽¹⁾		
Hakan Ateş	Member and CEO	--
Ahmed Mohammed Aqil Qassim Alqassim	Member	0.00000002
Derya Kumru	Member	--
Shayne Keith Nelson	Member	--
Tanju Kaya	Member	--
Burcu Çalıkılı	Member	--
Bjorn Lenzenmann	Member	--
Aazar Ali Khwaja	Member	--
Audit Committee		
Ahmed Mohammed Aqil Qassim Alqassim	Member	--
Bjorn Lenzenmann	Member	--
Executive Vice Presidents⁽²⁾		
Bora Böcügöz	Treasury, Financial Institutions and Investment	--
Ruslan Abil	Financial Affairs	--
Mustafa Özel	Branch and Central Operations	--
Mehmet Aydoğdu	Wholesale Banking	--
Cem Demirağ	Head of Internal Control Unit and Compliance	--
Ali Murat Dizdar	Chief Legal Advisor	--
Ayşenur Hıçkiran	Retail Banking	--
Selim Efe Teoman	Credits	--
Ramazan Işık	Head of Internal Audit	--
Engin Eskiduman	SME Banking, Agricultural Banking and Public Financing	--
Necip Yavuz Elkin	Human Resources and Deniz Academy	--
Oğuzhan Özark	Individual and Private Banking	--
Sinan Yılmaz	Head of Risk Management Group	--
Verda Beril Yüzer Oğuz	Financial Institutions and Sustainability Coordination	--
Umut Özdoğan	Information Systems	--
Savaş Çitak	Project Finance, Financial Restructuring and Credits International Coordination	--
Kishore Swayamberdud Bhat	Credit Allocation	--
Mustafa Okan Çetinkaya	Analytics, Data and Customer Value Management Policies	--
Halit Cihan Tunçbilek	Payment Systems	--
Ali Rıza Aydın	Information Security and Information Technologies Risk Management	--
Okan Aksu	Treasury Group	--
Serkan Boran	Bad Debt Resolution	--
Rasim Orman	Secretariat General and Litigations	--
Hacı Mehmet Ofaz	Corporate and Commercial Banking	--

(1) With the Ordinary General Assembly Resolution held on 23 March 2023, it was decided to accept the appointment of Aazar Ali Khwaja as Member of the Board of Directors on 2 January 2023, replacing the Board Member Jonathan Edward Morris, who resigned on 31 December 2022.

(2) Ümit Recep Uğur, who was serving as the Executive Vice President responsible for the Corporate and Commercial Banking Group, resigned from his position on 4 April 2023.

With the Board of Directors Decision dated 12 April 2023, it was decided to appoint Hacı Mehmet Ofaz as Assistant General Manager responsible for Corporate and Commercial Banking Group.

On 5 July 2023, Edip Kürşad Başer, Executive Vice President responsible for Retail, SME, Agricultural Banking Credits Allocation and IFRS Group, resigned from his position.

With the decision of the Board of Directors dated 18 July 2023 it has been decided;

To change the title of Engin Eskiduman, Assistant General Manager responsible for SME Banking and Public Finance Group, as Assistant General Manager responsible for SME Banking, Agricultural Banking and Public Finance Group due to the resignation of Burak Koçak, Assistant General Manager responsible for Agricultural Banking Group,

To change of the title of Selim Efe Teoman, Assistant General Manager responsible for Corporate and Commercial Loans Group, as Assistant General Manager responsible for Loans Group,

To change the title of Umut Özdoğan, Assistant General Manager responsible for Digital Transformation, Change Management and Non-Branch Channels Group, as Assistant General Manager responsible for Information Systems Group.

DENİZBANK ANONİM ŞİRKETİ
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IV. Explanations regarding the persons and institutions that have qualified shares in the Parent Bank

Commercial Title	Share Amounts	Share Percentages %	Paid-in Capital	Unpaid Capital
Emirates NBD Bank PJSC	5.696.100	100	5.696.100	--

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

As of 30 September 2023 the capital structure of ENBD is as follows:

Shareholders	Share Percentages %
Investment Corporation of Dubai	55,76
Capital Assets LLC	5,33
Publicly traded	38,91
Total	100,00

V. Type of services of the Parent Bank and summary information including the areas of activity

The Parent Bank is a private sector deposit bank which provides banking services to its customers through 643 domestic branches and 2 foreign branch as of 30 September 2023.

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,
- Participating, undertaking the management and performing control activities in domestic and foreign entities and banks, financial institutions and all kinds of investment partnerships by obtaining the permission of the Banking Regulation and Supervision Agency in accordance with the Banking Law, by purchasing its shares or share certificates,
- Conducting all kinds of insurance agency transactions in domestic and abroad and signing insurance agency agreements with insurance companies for this purpose.

Apart from the above-mentioned activities, in case different activities deemed advantageous and necessary for the Parent Bank 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 Parent Bank will be able to implement activities after the relevant decision is made by General Assembly.

VI. A short explanation on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods.

Pursuant to "Communiqué on Preparation of Consolidated Financial Statements of Banks", Banks are obliged to prepare consolidated financial statements with their associates and subsidiaries qualifying as credit institution and financial institution 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 Section Three, note III.

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

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (BALANCE SHEET)
AS OF 30 SEPTEMBER 2023
(Currency: Thousands of TL - Turkish Lira)

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ASSETS	Note	Reviewed CURRENT PERIOD (30/09/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		157.751.936	238.829.372	396.581.308	54.128.080	177.525.552	231.653.632
1.1 Cash and Cash Equivalents		123.904.399	179.100.640	303.005.039	9.896.881	135.144.718	145.041.599
1.1.1 Cash and Balances with Central Bank	(5.1.a)	55.039.822	120.792.759	175.832.581	8.708.259	103.447.563	112.155.822
1.1.2 Banks	(5.1.a)	10.912.937	58.357.397	69.270.334	1.172.266	31.734.915	32.907.181
1.1.3 Due From Money Markets		57.952.240	4	57.952.244	16.415	-	16.415
1.1.4 Expected Credit Loss (-)		600	49.520	50.120	59	37.760	37.819
1.2 Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	2.863.062	4.933.035	7.796.097	1.486.387	1.335.065	2.821.452
1.2.1 Government Debt Securities		47.827	3.077.204	3.125.031	452.368	819.141	1.271.509
1.2.2 Equity Instruments		-	748.563	748.563	-	456.942	456.942
1.2.3 Other Financial Assets		2.815.235	1.107.268	3.922.503	1.034.019	58.982	1.093.001
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.c)	29.596.187	46.232.210	75.828.397	41.116.476	36.142.261	77.258.737
1.3.1 Government Debt Securities		29.595.227	45.172.890	74.768.117	41.115.526	35.108.721	76.224.247
1.3.2 Equity Instruments		960	991	1.951	950	680	1.630
1.3.3 Other Financial Assets		-	1.058.329	1.058.329	-	1.032.860	1.032.860
1.4 Derivative Financial Assets		1.388.288	8.563.487	9.951.775	1.628.336	4.903.508	6.531.844
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss	(5.1.b)	1.388.288	8.563.487	9.951.775	1.628.336	4.903.508	6.531.844
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(5.1.j)	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		299.847.313	241.070.226	540.917.539	203.991.845	157.102.840	361.094.685
2.1 Loans	(5.1.d)	264.240.150	240.581.393	504.821.543	200.398.906	157.156.109	357.555.015
2.2 Lease Receivables	(5.1.i)	4.067.778	7.015.509	11.083.287	2.536.262	6.036.736	8.572.998
2.3 Factoring Receivables		10.324.162	2.063.912	12.388.074	6.471.628	1.590.178	8.061.806
2.4 Other Financial Assets Measured at Amortised Cost	(5.1.e)	39.394.997	7.677.001	47.071.998	11.146.415	7.170.493	18.316.908
2.4.1 Government Debt Securities		39.394.997	7.677.001	47.071.998	11.146.415	7.170.493	18.316.908
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		18.179.774	16.267.589	34.447.363	16.561.368	14.850.676	31.412.042
III. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (NET)	(5.1.m)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		2.718.935	1.016	2.719.951	2.693.629	698	2.694.327
4.1 Investments in Associates (Net)	(5.1.f)	21.855	-	21.855	21.855	-	21.855
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		21.855	-	21.855	21.855	-	21.855
4.2 Subsidiaries (Net)	(5.1.g)	2.694.280	1.016	2.695.296	2.668.974	698	2.669.672
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		2.694.280	1.016	2.695.296	2.668.974	698	2.669.672
4.3 Joint Ventures (Net)	(5.1.h)	2.800	-	2.800	2.800	-	2.800
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		2.800	-	2.800	2.800	-	2.800
V. PROPERTY AND EQUIPMENT (Net)		6.193.766	916.911	7.110.677	3.681.548	676.144	4.357.692
VI. INTANGIBLE ASSETS (Net)		2.859.215	346.775	3.205.990	1.337.505	185.281	1.522.786
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		2.859.215	346.775	3.205.990	1.337.505	185.281	1.522.786
VII. INVESTMENT PROPERTIES (Net)	(5.1.k)	715.555	-	715.555	709.270	-	709.270
VIII. CURRENT TAX ASSET		-	44.158	44.158	18.886	12.301	31.187
IX. DEFERRED TAX ASSET	(5.1.l)	5.449.415	-	5.449.415	4.357.629	-	4.357.629
X. OTHER ASSETS (Net)	(5.1.n)	30.477.093	6.341.258	36.818.351	15.302.415	3.277.491	18.579.906
TOTAL ASSETS		506.013.228	487.549.716	993.562.944	286.220.807	338.780.307	625.001.114

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (BALANCE SHEET)
AS OF 30 SEPTEMBER 2023

(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES	Note	Reviewed CURRENT PERIOD (30/09/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.a)	323.631.246	328.260.548	651.891.794	167.353.570	272.053.441	439.407.011
II. FUNDS BORROWED	(5.II.c)	6.627.811	92.773.464	99.401.275	5.692.037	44.889.467	50.581.504
III. DUE TO MONEY MARKETS		3.308.414	45.173.026	48.481.440	1.152.556	12.329.241	13.481.797
IV. SECURITIES ISSUED (Net)	(5.II.d)	2.046.675	27.278.036	29.324.711	3.616.862	5.181.864	8.798.726
4.1 Bills		2.046.675	2.139.383	4.186.058	3.616.862	494.857	4.111.719
4.2 Assets Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	25.138.653	25.138.653	-	4.687.007	4.687.007
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		607.919	2.985.786	3.593.705	191.400	3.230.133	3.421.533
Derivative Financial Liabilities at Fair Value Through Profit or Loss		607.919	2.985.786	3.593.705	191.400	3.230.133	3.421.533
7.1 Loss	(5.II.b)	607.919	2.985.786	3.593.705	191.400	3.230.133	3.421.533
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5.II.g)	-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES	(5.II.f)	809.207	76.756	885.963	582.746	73.177	655.923
X. PROVISIONS	(5.II.h)	12.748.807	3.180.125	15.928.932	7.930.557	2.359.220	10.289.777
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		1.682.464	162.467	1.844.931	1.545.044	132.230	1.677.274
10.3 Insurance for Technical Provision (Net)		-	-	-	-	-	-
10.4 Other Provisions		11.066.343	3.017.658	14.084.001	6.385.513	2.226.990	8.612.503
XI. CURRENT TAX LIABILITY	(5.II.i)	2.541.673	756.802	3.298.475	3.133.140	44.465	3.177.605
XII. DEFERRED TAX LIABILITIES	(5.II.i)	682.827	544.903	1.227.730	305.780	348.652	654.432
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.j)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	21.301.846	21.301.846	-	14.561.492	14.561.492
14.1 Loans		-	21.301.846	21.301.846	-	14.561.492	14.561.492
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.e)	24.468.227	18.696.645	43.164.872	17.056.022	8.052.316	25.108.338
XVI. SHAREHOLDERS' EQUITY	(5.II.k)	37.765.818	37.296.383	75.062.201	27.779.798	27.083.178	54.862.976
16.1 Paid-in Capital		5.696.100	-	5.696.100	5.696.100	-	5.696.100
16.2 Capital Reserves		(8.485)	-	(8.485)	(8.485)	-	(8.485)
16.2.1 Share Premium		15	-	15	15	-	15
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(8.500)	-	(8.500)	(8.500)	-	(8.500)
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		1.875.607	264.481	2.140.088	2.045.730	181.661	2.227.391
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(20.475.238)	29.921.348	9.446.110	(10.412.753)	21.837.631	11.424.878
16.5 Profit Reserves		30.868.782	1.562.572	32.431.354	13.695.768	1.562.572	15.258.340
16.5.1 Legal Reserves		1.140.226	5.019	1.145.245	789.750	5.019	794.769
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		29.728.556	1.557.553	31.286.109	12.906.018	1.557.553	14.463.571
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Income or (Loss)		19.409.112	5.547.102	24.956.214	16.460.205	3.500.780	19.960.985
16.6.1 Prior Periods' Income or (Loss)		466.577	2.321.394	2.787.971	1.289.842	1.497.118	2.786.960
16.6.2 Current Period Income or (Loss)		18.942.535	3.225.708	22.168.243	15.170.363	2.003.662	17.174.025
16.7 Minority Shares		399.940	880	400.820	303.233	534	303.767
TOTAL LIABILITIES		415.238.624	578.324.320	993.562.944	234.794.468	390.206.646	625.001.114

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF
OFF-BALANCE SHEET ITEMS
AS OF 30 SEPTEMBER 2023

(Currency: Thousands of TL - Turkish Lira)

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

	Note	Reviewed CURRENT PERIOD (30/09/2023)			Audited PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		428.036.171	585.798.569	1.011.834.740	280.463.874	431.587.810	712.051.684
I. GUARANTEES	(5.III.a)	59.060.898	73.039.197	132.100.095	38.168.042	52.832.120	91.000.162
1.1. Letters of Guarantee		52.280.273	49.841.290	102.121.563	32.610.102	34.171.233	66.781.335
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		79.021	416.422	495.443	79.021	285.484	364.505
1.1.3. Other Letters of Guarantee		52.201.252	49.424.868	101.626.120	32.531.081	33.885.749	66.416.830
1.2. Bank Acceptances		-	680.694	680.694	149.232	593.707	742.939
1.2.1. Import Letter of Acceptance		-	680.694	680.694	149.232	593.707	742.939
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		2.548	20.510.221	20.512.769	39.625	15.599.066	15.638.691
1.3.1. Documentary Letters of Credit		-	13.791.359	13.791.359	39.625	9.176.192	9.215.817
1.3.2. Other Letters of Credit		2.548	6.718.862	6.721.410	-	6.422.874	6.422.874
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		6.778.069	2.006.992	8.785.061	5.369.075	2.468.114	7.837.189
1.9. Other Sureties		8	-	8	8	-	8
II. COMMITMENTS	(5.III.a)	253.608.226	20.324.069	273.932.295	122.289.970	10.436.910	132.726.880
2.1. Irrevocable Commitments		250.826.939	20.217.784	271.044.723	120.499.257	9.930.700	130.429.957
2.1.1. Asset Purchase and Sale Commitments		2.297.881	12.081.774	14.379.655	1.797.147	5.284.738	7.081.885
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	2.990.235	2.990.235
Share Capital Commitments to Associates and		-	-	-	-	-	-
2.1.3. Subsidiaries		5.938	-	5.938	35.625	-	35.625
2.1.4. Loan Granting Commitments		40.378.330	-	40.378.330	30.474.774	-	30.474.774
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		12.111.781	-	12.111.781	6.613.792	-	6.613.792
2.1.8. Tax and Fund Obligations from Export Commitments		1.614	-	1.614	2.396	-	2.396
2.1.9. Commitments for Credit Card Limits		194.107.384	-	194.107.384	80.333.770	-	80.333.770
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		24.418	-	24.418	14.925	-	14.925
Receivables from "Short" Sale Commitments On		-	-	-	-	-	-
2.1.11. Securities		-	-	-	-	-	-
Payables for "Short" Sale Commitments On		-	-	-	-	-	-
2.1.12. Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		1.899.593	8.136.010	10.035.603	1.226.828	1.655.727	2.882.555
2.2. Revocable Commitments		2.781.287	106.285	2.887.572	1.790.713	506.210	2.296.923
2.2.1. Revocable Loan Granting Commitments		2.780.728	106.285	2.887.013	1.790.154	506.210	2.296.364
2.2.2. Other Revocable Commitments		559	-	559	559	-	559
III. DERIVATIVE FINANCIAL INSTRUMENTS		113.367.047	492.435.303	605.802.350	120.005.862	368.318.780	488.324.642
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		113.367.047	492.435.303	605.802.350	120.005.862	368.318.780	488.324.642
3.2.1. Forward Foreign Currency Purchases/Sales		23.300.810	48.700.221	72.001.031	6.113.314	21.683.876	27.797.190
3.2.1.1. Forward Foreign Currency Purchases		19.332.015	17.906.637	37.238.652	5.709.037	8.579.485	14.288.522
3.2.1.2. Forward Foreign Currency Sales		3.968.795	30.793.584	34.762.379	404.277	13.104.391	13.508.668
3.2.2. Currency and Interest Rate Swaps		81.004.181	361.690.663	442.694.844	51.934.327	259.046.906	310.981.233
3.2.2.1. Currency Swaps-Purchases		10.057	149.621.275	149.631.332	4.328.821	98.810.550	103.139.371
3.2.2.2. Currency Swaps-Sales		75.384.124	88.000.169	163.384.293	42.245.506	69.298.664	111.544.170
3.2.2.3. Interest Rate Swaps-Purchases		2.805.000	62.034.611	64.839.611	2.680.000	45.468.847	48.148.847
3.2.2.4. Interest Rate Swaps-Sales		2.805.000	62.034.608	64.839.608	2.680.000	45.468.845	48.148.845
3.2.3. Currency, Interest Rate and Security Options		8.357.907	57.621.991	65.979.898	61.074.042	69.191.428	130.265.470
3.2.3.1. Currency Options-Purchases		4.620.938	24.067.416	28.688.354	41.117.590	23.187.598	64.305.188
3.2.3.2. Currency Options-Sales		3.736.969	30.277.535	34.014.504	19.956.452	44.428.252	64.384.704
3.2.3.3. Interest Rate Options-Purchases		-	1.638.520	1.638.520	-	787.789	787.789
3.2.3.4. Interest Rate Options-Sales		-	1.638.520	1.638.520	-	787.789	787.789
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		704.149	683.268	1.387.417	884.179	864.404	1.748.583
3.2.4.1. Currency Futures-Purchases		704.149	-	704.149	-	864.404	864.404
3.2.4.2. Currency Futures-Sales		-	683.268	683.268	884.179	-	884.179
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		-	23.739.160	23.739.160	-	17.532.166	17.532.166
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		2.200.111.741	1.495.484.521	3.695.596.262	1.650.727.568	900.096.278	2.550.823.846
IV. ITEMS HELD IN CUSTODY		87.788.071	125.853.975	213.642.046	55.430.483	65.785.451	121.215.934
4.1. Customers' Securities and Portfolios Held		139.984	-	139.984	139.984	-	139.984
4.2. Securities Held in Custody		74.969.095	111.239.623	186.208.718	47.708.203	55.589.317	103.297.520
4.3. Checks Received for Collection		10.312.381	8.561.052	18.873.433	5.844.200	6.169.880	12.014.080
4.4. Commercial Notes Received for Collection		2.365.363	1.563.004	3.928.367	1.736.848	1.113.785	2.850.633
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		1.248	4.490.296	4.491.544	1.248	2.912.469	2.913.717
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		2.110.268.867	1.365.755.602	3.476.024.469	1.593.785.660	831.525.556	2.425.311.216
5.1. Securities		12.732.819	3.822.160	16.554.979	4.191.742	362.796	4.554.538
5.2. Guarantee Notes		1.356.669.215	428.897.342	1.785.566.557	977.706.210	272.272.517	1.249.978.727
5.3. Commodities		44.824.773	60.779.902	105.604.675	34.485.125	46.047.323	80.532.448
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		564.035.431	533.059.181	1.097.094.612	460.511.105	301.007.188	761.518.293
5.6. Other Pledged Items		132.006.629	339.197.017	471.203.646	116.891.478	211.835.732	328.727.210
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		2.054.803	3.874.944	5.929.747	1.511.425	2.785.271	4.296.696
TOTAL OFF BALANCE SHEET ITEMS (A+B)		2.626.147.912	2.081.283.090	4.707.431.002	1.931.191.442	1.331.684.088	3.262.875.530

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency: Thousands of TL - Turkish Lira)

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

		Reviewed CURRENT PERIOD (01/01- 30/09/2023)	Reviewed PRIOR PERIOD (01/01- 30/09/2022)	Reviewed CURRENT PERIOD (01/07- 30/09/2023)	Reviewed PRIOR PERIOD (01/07- 30/09/2022)
INCOME AND EXPENSES	Note				
I. INTEREST INCOME	(5.IV.a)	74.097.149	35.860.998	33.419.248	15.297.336
1.1 Interest on Loans		48.452.066	27.643.060	19.920.774	11.644.316
1.2 Interest on Reserve Requirements		776.745	102.517	325.602	5.603
1.3 Interest on Banks		1.789.095	158.647	1.026.563	104.717
1.4 Interest on Money Market Transactions		5.385.142	164.971	3.396.956	120.945
1.5 Interest on Marketable Securities Portfolio		16.131.108	7.054.879	8.040.082	3.160.710
1.5.1 Fair Value Through Profit or Loss		158.001	105.590	(120.451)	55.177
1.5.2 Fair Value Through Other Comprehensive Income		8.663.335	5.772.419	3.271.255	2.496.142
1.5.3 Measured at Amortized Cost		7.309.772	1.176.870	4.889.278	609.391
1.6 Financial Lease Interest Income		1.025.481	514.376	460.903	182.389
1.7 Other Interest Income		537.512	222.548	248.368	78.656
II. INTEREST EXPENSE (-)	(5.IV.b)	45.571.481	15.945.888	20.714.842	6.970.746
2.1 Interest on Deposits		35.501.978	11.363.701	16.215.327	5.282.221
2.2 Interest on Funds Borrowed		6.739.621	2.994.205	3.052.548	1.198.079
2.3 Interest Expense on Money Market Transactions		1.776.730	599.430	923.436	182.479
2.4 Interest on Securities Issued		1.256.836	797.404	445.765	250.527
2.5 Interest on Leases		160.951	106.096	61.901	35.254
2.6 Other Interest Expenses		135.365	85.052	15.865	22.186
III. NET INTEREST INCOME (I - II)		28.525.668	19.915.110	12.704.406	8.326.590
IV. NET FEES AND COMMISSIONS INCOME		9.236.028	4.538.621	4.185.552	1.837.409
4.1 Fees and Commissions Received		13.345.779	6.870.112	6.015.069	2.760.609
4.1.1 Non-Cash Loans		788.633	516.587	292.803	198.335
4.1.2 Other		12.557.146	6.353.525	5.722.266	2.562.274
4.2 Fees and Commissions Paid (-)		4.109.751	2.331.491	1.829.517	923.200
4.2.1 Non-Cash Loans		45.520	10.048	19.040	4.711
4.2.2 Other		4.064.231	2.321.443	1.810.477	918.489
V. DIVIDEND INCOME		3.602	15.882	2.427	1.058
VI. TRADING INCOME / LOSS (Net)	(5.IV.c)	7.090.625	5.379.052	3.117.212	2.000.669
6.1 Trading Gains / (Losses) on Securities		2.493.240	107.981	590.608	(38.688)
6.2 Gains / (Losses) on Derivate Financial Transactions		9.787.142	13.914.580	3.367.246	4.647.087
6.3 Foreign Exchange Gains / (Losses)		(5.189.757)	(8.643.509)	(840.642)	(2.607.730)
VII. OTHER OPERATING INCOME	(5.IV.d)	4.594.535	1.356.933	1.521.971	383.021
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		49.450.458	31.205.598	21.531.568	12.548.747
IX. EXPECTED CREDIT LOSS (-)	(5.IV.e)	(2.561.081)	3.076.942	463.192	2.724.556
X. OTHER PROVISION EXPENSES (-)		4.509.368	1.722.449	1.349.823	273.058
XI. PERSONNEL EXPENSE (-)	(5.IV.f)	7.300.821	3.353.944	2.883.116	1.385.101
XII. OTHER OPERATING EXPENSES (-)	(5.IV.f)	8.436.810	4.045.780	3.250.177	1.376.591
XIII. NET OPERATING INCOME /LOSS (VIII-IX-X-XI-XII)		31.764.540	19.006.483	13.585.260	6.789.441
XIV. INCOME AFTER MERGER		-	-	-	-
XV. INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVI. INCOME / (LOSS) ON NET MONETARY POSITION PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(5.IV.g)	31.764.540	19.006.483	13.585.260	6.789.441
XVII. TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(5.IV.h)	(9.497.710)	(4.717.249)	(4.848.462)	(1.709.178)
18.1 Current Tax Provision		(4.367.697)	(4.381.230)	(3.230.371)	(2.141.041)
18.2 Deferred Tax Income Effect (+)		(20.676.547)	(6.963.833)	(8.878.345)	(1.736.107)
18.3 Deferred Tax Expense Effect (-)		15.546.534	6.627.814	7.260.254	2.167.970
XIX. CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)		22.266.830	14.289.234	8.736.798	5.080.263
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Non-Current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses for Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
XXIV. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT/(LOSS) (XIX+XXIV)	(5.IV.i)	22.266.830	14.289.234	8.736.798	5.080.263
25.1 Profit / (Loss) of Group		22.168.243	14.223.821	8.711.858	5.045.915
25.2 Profit / (Loss) of Minority Shares (-)		98.587	65.413	24.940	34.348
Profit / (Loss) Per Share (full TRY)		3,91	2,51	1,53	0,89

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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

(Currency: Thousands of TL - Turkish Lira)

	Reviewed CURRENT PERIOD (01/01-30/09/2023)	Reviewed PRIOR PERIOD (01/01-30/09/2022)
I. CURRENT PERIOD INCOME/LOSS	22.266.830	14.289.234
II. OTHER COMPREHENSIVE INCOME	(2.066.071)	4.156.936
2.1 Not Reclassified Through Profit or Loss	(87.303)	29.804
2.1.1 Property and Equipment Revaluation Increase/Decrease	105.406	32.089
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurement Gain/Loss	(272.752)	-
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5 Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	80.043	(2.285)
2.2 Reclassified Through Profit or Loss	(1.978.768)	4.127.132
2.2.1 Foreign Currency Translation Differences	8.537.410	2.135.056
2.2.2 Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(8.297.571)	1.995.036
2.2.3 Cash Flow Hedge Income/Loss	3.831	3.717
2.2.4 Foreign Net Investment Hedge Income/Loss	(7.965.135)	(625.486)
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax on Other Comprehensive Income Items Reclassified Through Profit or Loss	5.742.697	618.809
III. TOTAL COMPREHENSIVE INCOME (I+II)	20.200.759	18.446.170

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(Currency: Thousands of TL - Turkish Lira)

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

Reviewed CHANGES IN ITEMS	SHAREHOLDERS'	EQUITY	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss						Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						Total Equity Expect Minority Shares	Minority Shares	Total Equity	
			Paid In Capital	Share Premiums	Share Cancellation Profits	Other capital reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit reserves	Prior Period Profit or (Loss)				Current Period Profit or (Loss)
PRIOR PERIOD 01/01-30/09/2022																		
I.																		
II.																		
2.1																		
2.2																		
III.																		
IV.																		
V.																		
VI.																		
VII.																		
VIII.																		
IX.																		
X.																		
XI.																		
11.1																		
11.2																		
11.3																		
Period End Balance (III+IV+...+X+XI)			5.696.100	15	--	(8.714)	246.045	(122.185)	1.017.658	22.745.212	358.931	(14.923.013)	15.258.340	2.786.960	14.223.821	47.277.170	217.034	47.494.204
CURRENT PERIOD 01/01-30/09/2023																		
I.																		
II.																		
2.1																		
2.2																		
III.																		
IV.																		
V.																		
VI.																		
VII.																		
VIII.																		
IX.																		
X.																		
XI.																		
11.1																		
11.2																		
11.3																		
Period End Balance (III+IV+...+X+XI)			5.696.100	15	--	(8.500)	434.183	(599.933)	2.305.838	33.355.447	(2.694.445)	(21.214.892)	32.431.354	2.787.971	22.168.243	74.661.381	400.820	75.062.201

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

DENİZBANK ANONİM ŞİRKETİ
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency: Thousands of TL - Turkish Lira)

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

	Reviewed CURRENT PERIOD (01/01-30/09/2023)	Reviewed PRIOR PERIOD (01/01-30/09/2022)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities (+)	24.078.703	8.771.388
1.1.1 Interest received (+)	59.635.478	25.576.765
1.1.2 Interest paid (-)	37.249.246	13.863.148
1.1.3 Dividends received (+)	3.602	15.882
1.1.4 Fees and commissions received (+)	13.345.779	6.870.112
1.1.5 Other income (+)	7.539.125	685.582
1.1.6 Collections from previously written off loans and other receivables (+)	3.552.087	5.708.219
1.1.7 Cash payments to personnel and service suppliers (-)	7.405.916	3.239.472
1.1.8 Taxes paid (-)	5.581.172	2.708.127
1.1.9 Other (+/-)	(9.761.034)	(10.274.425)
1.2 Changes in operating assets and liabilities subject to banking operations	91.816.829	37.602.410
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss (+/-)	(4.879.655)	(1.533.789)
1.2.2 Net (increase) decrease in due from banks (+/-)	(20.160.716)	(3.665.138)
1.2.3 Net (increase) decrease in loans	(127.935.484)	(93.880.339)
1.2.4 Net (increase) decrease in other assets (+/-)	(18.197.743)	(17.723.831)
1.2.5 Net increase (decrease) in bank deposits (+/-)	(14.943.980)	4.732.057
1.2.6 Net increase (decrease) in other deposits (+/-)	173.569.095	139.658.497
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 (+/-)	36.779.068	(8.703.109)
1.2.9 Net increase (decrease) in matured payables (+/-)	-	-
1.2.10 Net increase (decrease) in other liabilities (+/-)	67.586.244	18.718.062
I. Net cash provided from banking operations(+/-)	115.895.532	46.373.798
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from / used in investing activities(+/-)	(11.789.345)	(32.455.371)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)	-	6.082
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 (-)	2.794.669	1.191.074
2.4 Cash obtained from the sale of tangible and intangible asset (+)	2.289.607	932.147
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)	26.766.863	25.999.913
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)	14.989.951	3.180.236
2.7 Cash paid for the purchase of financial assets at amortised cost (-)	1.041.404	10.126.300
2.8 Cash obtained from sale of financial assets at amortised cost (+)	1.534.033	-
2.9 Other (+/-)	-	755.615
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash flows from financing activities (+/-)	10.533.435	(6.885.518)
3.1 Cash obtained from funds borrowed and securities issued (+)	62.271.987	28.856.325
3.2 Cash outflow from funds borrowed and securities issued (-)	51.132.137	35.266.881
3.3 Equity instruments issued (+)	-	-
3.4 Dividends paid (-)	-	-
3.5 Payments for lease liabilities (-)	606.415	474.962
3.6 Other (+/-)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents(+/-)	20.065.760	18.108.540
V. Net increase in cash and cash equivalents	134.705.382	25.141.449
VI. Cash and cash equivalents at the beginning of the period (+)	100.751.067	78.357.335
VII. Cash and Cash Equivalents at the End of the Period	235.456.449	103.498.784

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations on the presentation principles

a. Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks

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 Agency ("BRSA") within the framework of the provisions of the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks 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") (hereinafter collectively referred to as "BRSA Accounting and Financial Reporting Legislation"). The form and contents of the consolidated financial statements which have been prepared and which will be disclosed to public have been prepared in accordance with the "Communiqué on the Financial Statements and Related Explanations and Footnotes to be Announced to Public by the Banks" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By the Banks" as well as the communiqués that introduce amendments and additions to these. Parent Bank keeps its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Code of Commerce and Turkish Tax legislation.

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

The amounts in the consolidated financial statements and explanations and footnotes relating to these statements have been expressed in Thousands of Turkish Lira unless otherwise stated.

In the preparation of consolidated financial statements according to TAS, the management of the Parent Bank should make assumptions and estimations regarding the assets and liabilities in the balance sheet and the contingent issues as of the balance sheet date. These assumptions and estimations include the fair value calculations and impairment of financial assets and are reviewed regularly, necessary corrections are made and the effects of these corrections are reflected in the statement of profit or loss. The assumptions and estimations used are explained in the related footnotes.

The Parent Bank and its consolidated subsidiaries are referred to 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 BRSA, and in cases where a specific regulation is not made, TAS/TFRS (hereinafter collectively referred to as "BRSA Accounting and Financial Reporting Legislation") put into effect by POA shall be valid.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards ("TFRS") for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements dated 30 September 2023 in accordance with TAS 29.

Within the scope of the Benchmark Rate Interest Reform process, which continues on a global basis, the Bank has transactions in loans, securities, borrowing and derivative instruments. Necessary infrastructure developments have been completed and started to be used in our bank for each product. EURIBOR is not subject to transition and will continue to be used. Transformation of transactions indexed to USD LIBOR rates is followed on a transaction basis, and conversions are made by the relevant units on the first repricing date of each transaction after 30 June 2023.

DENİZBANK ANONİM ŞİRKETİ
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2023

(Currency: Thousands of TL - Turkish Lira)

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

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 external borrowings. Funds provided are generally fixed rate and are interested in high yield financial assets. The majority of the funds are allocated to high yield, fixed or floating interest instruments, such as Turkish Lira and foreign currency Government debt securities and eurobonds in order to diversify the assets and support liquidity as well as being allocated to loans with a selective approach. 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 assets at market conditions and adopts a high yield policy in long-term assets.

DFS Group carries risks within pre-determined risk limits in short-term currency, interest and price movements in money and capital markets and due to changes in 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 monitored, 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.

The net foreign currency position of DFS Group in foreign enterprises is evaluated together with the Parent Bank's net foreign currency position and all positions are evaluated within the framework of 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

The DFS Group recognises the transactions denominated in foreign currencies in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates" and the foreign exchange gains and losses arising from transactions that are completed as of the end of the period are converted to TL by using historical foreign currency exchange rates. As at the end of the reporting dates, balances of the foreign currency denominated assets and liabilities are converted 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 used in valuations as of the period ends are as follows:

	30 September 2023	31 December 2022	30 September 2022
US Dollar	TL 27,3767	TL 18,6983	TL 18,5187
Euro	TL 29,0305	TL 19,9349	TL 18,1395

Foreign exchange gains and losses included in the net profit and loss

As of 30 September 2023, net foreign exchange gain included in the statement of profit or loss amounts to TL 5.189.757 (1 January - 30 September 2022: TL 8.643.509 net foreign exchange loss).

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

Parent Bank has translated the assets and liabilities of its FC subsidiaries within the scope of consolidation from the period-end closure exchange rate and has converted the income and expense items to Turkish Lira using annual average Parent Bank rates. Translation difference profit/loss amounts arising from the conversion of statements of profit or loss of the consolidated subsidiaries to Turkish Lira and the Turkish Lira equivalent of their equities as well as the "Subsidiaries" amounts accounted for at the Parent Bank are accounted in the consolidated financial statements under "Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss".

Total of the relevant conversion differences are TL 32.806.607 as of 30 September 2023 (31 December 2022: TL 24.199.291).

The foreign exchange difference of TL 548.840 (31 December 2022: TL 618.747) arising from the translation of the financial statements of Bahrain branch of the Parent Bank to Turkish Lira in accordance with TAS 21 has been recorded under "Other Accumulated Comprehensive Income That Will Be Reclassified in Profit or Loss".

In order to hedge the foreign exchange rate risk arising from the foreign currency subsidiaries of the DFS Group, a net investment hedging strategy is applied. The same amounts of foreign currency deposits are designated as hedging instruments and the effective portion of the change caused by the change in exchange rate of these financial liabilities is recognised in hedge funds account under equity.

III. Information regarding the consolidated subsidiaries

Consolidated financial statements have been prepared in accordance with TFRS 10, the "Turkish Accounting Standard for Consolidated Financial Statements".

Deniz Yatırım Menkul Değerler 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) CR Erdberg Eins GmbH & Co KG (CR Erdberg) and Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş. ("Fastpay") shares of which are owned directly or indirectly by the Parent Bank are the subsidiaries included to the full scope consolidation.

DFS Funding Co. is the structured entity established for the Parent Bank's securitization transactions, and consolidated in the accompanying consolidated financial statements. The Parent Bank or any of its subsidiaries do not have any shareholding interests in this company.

Among the subsidiaries of the Parent Bank, Intertech Bilgi İşlem ve Pazarlama Ticaret A.Ş. ("Intertech") and Deniz Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş. ("Deniz Kültür") and its affiliate controlled together, Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş"); Intertech's subsidiary Açık Deniz Radyo ve Televizyon İletişim Yayıncılık Ticaret ve Sanayi A.Ş. and Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.; Deniz Yatırım's subsidiary Ekspres Bilgi İşlem ve Ticaret Anonim Şirketi ("Ekspres Bilgi İşlem"); Denizbank AG's subsidiary Deniz Immobilien Service GmbH ("Deniz Immobilien") have not been included to the consolidation since they are non-financial subsidiaries.

Important changes in consolidated subsidiaries during the period

None.

Consolidation principles of the subsidiaries

Subsidiaries are the entities whose capital or management is controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated through the full consolidation method.

Control is considered as possessing power of the Bank over an investment in a legal entity, being exposed to variable returns due to its relationship with the legal entity invested, or having the right to use in these returns, and having the ability to use its power over the investee to influence the amount of returns.

This method aims to combine hundred percent of the assets, liabilities, income, expenses and off-balance sheet items of the subsidiaries included in the consolidated financial statements with the assets, liabilities, income, expenses and off-balance sheet items of the Parent Bank and to present minority rights as separate items in the balance sheet and the statement of profit or loss.

The carrying amount of the Parent Bank's investment in each subsidiary has been settled with the portion of the Parent Bank in the equity of the subsidiaries.

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

Financial statements used in the consolidation are prepared as of 30 September 2023 and in order to ensure the application of the identical accounting policies for similar transactions and events in similar circumstances, necessary adjustments were made on these financial statements of the subsidiaries considering the materiality level.

IV. Explanations on forward and option contracts and derivative instruments

DFS Group's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and foreign currency forward 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 notional amounts of liabilities and assets arising from the derivative transactions are recorded in off-balance sheet items at their contractual amounts.

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 consolidated balance sheet depending on the positive or negative fair value amounts. Gains and losses arising from the change in the fair value are recognised in the statement of profit or loss. Fair value of derivatives are calculated either by marking the fair values in the market or by using the discounted cash flow model.

V. Explanations on interest income and expenses

Interest income and expenses are recognised by applying the effective interest method. DFH Group tracks the accruals and rediscounts of non-performing receivable balances until the moment they are transferred to the follow-up accounts in the loan accrual/rediscount accounts in accordance with the Uniform Chart of Accounts ("UCA"). After loans are classified as non-performing loans, no rediscount calculation is made.

VI. Explanations on fee and commission income and expenses

Fee and commission income and expenses are recognised on an accrual basis or via effective interest method and in accordance with TFRS 15 "Revenue from Customer Contracts Standard" and with their nature, other than the fee and commission incomes in respect of certain banking transactions which are recognized as income as they are collected. Incomes gained through contracts or through services related to transactions such as the purchase or sale of assets for a third real or legal person are recognised as income at the time of collection.

VII. Explanations on financial assets

DFS Group classifies and recognises its financial assets as "Financial Assets at Fair Value through Profit / Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Financial Assets measured at amortised cost". These financial assets are recognised or derecognised in accordance with the "Recognition and Derecognition from Financial Statements" under the third section of TFRS 9 regarding the classification and measurement of financial instruments, published in the Official Gazette dated 19 January 2017 and numbered 29953 by POA. Financial assets are measured at their fair values at initial recognition in the financial statements. In the initial measurement of financial assets other than "Financial Assets at Fair Value through Profit / Loss", transaction costs are added to the fair value or deducted from the fair value.

DFS Group includes a financial asset in the statement of financial position only when it becomes a party to the contractual terms of the financial instrument. During the initial recognition of a financial asset the business model determined by the Parent Bank management and the nature of the contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Parent Bank management is changed, all affected financial assets are reclassified and reclassification is applied prospectively. In such cases, no adjustments are made to the gain, loss or interest previously recognised 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 those 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 the fair value through profit or loss are initially recognised at fair value and remeasured at their fair value after initial recognition. All gain and loss arising from these valuations are reflected in the statement of profit or loss.

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 those are solely payments of principal and interest at certain dates are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognised 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 statement of profit or loss. "Unrealised gains and losses" arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss 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 "Other Accumulated Comprehensive Income or Expense to be Reclassified through Profit or Loss" under shareholders' equity. When these securities are collected or disposed, the accumulated fair value differences reflected in the equity are reflected to the statement of profit or loss.

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, the entity may make an irrevocable decision to present subsequent changes in the fair value of the investment in an equity instrument that is not held for trading purposes under the other comprehensive income. If this decision is made, dividends received from such investment are recognised under profit or loss in the financial statements.

c. Financial assets measured at amortised cost

When the financial assets are held under business model aimed to collect contractual cash flows and contractual terms of the financial assets include solely payments of principal and interest in certain dates, the financial asset is classified as financial assets measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognised at amortised cost by using "effective interest rate (internal rate of return) method" following their recognition. Interest income obtained from financial assets measured at amortised cost is accounted in the statement of profit or loss.

Parent Bank's portfolio of financial assets at fair value through other comprehensive income and the financial assets measured at amortised cost includes CPI indexed government bonds with a maturity of 5 - 10 years and which the real coupon rates of 6 months are fixed throughout the maturity. As stated by the undersecretariat of Treasury in CPI indexed investor guide, the reference indexes used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI indexes of two months prior to the coupon payment date. The Parent Bank predicts the estimated inflation rate in parallel to those. The estimated inflation rate used is updated when necessary during the year. In this context, as of 30 September 2023, the valuation of these securities was made according to the annual forecast of 62% inflation.

Due to the change in the business model in May 2023, the Parent Bank removed the bond with a nominal value of TL 13.936.542 from the category of "Financial assets at fair value through other comprehensive income" and classified them into the category of "Financial assets measured at amortized cost". The negative valuation difference amounting to TL 2.554.587, which was accounted for under shareholders' equity after the classification made with the business model change, has been cancelled.

VIII. Explanations on expected credit loss

As of 1 January 2018, the Bank allocates provision for expected credit loss on financial assets measured at amortised 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 provision for expected credit loss is weighted according to the probabilities determined by taking into consideration possible results and reflects the time value of money as an 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, it is evaluated whether there is a significant increase in credit risk at each reporting date after the initial recognition of each financial instrument for which impairment is required to be evaluated.

The provision for expected credit loss calculation is performed to estimate the loss that the financial instrument will incur in the case of default.

Financial instruments are allocated to one of the following stages due to the deterioration in loan quality at initial recognition:

Stage 1: Financial instruments for which a 12-month provision for expected credit loss is calculated and no significant increase in credit risk is detected;

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

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

Significant increase in credit risk

Qualitative and quantitative evaluations are made in determining the significant increase in credit risk.

Qualitative evaluation:

If any of the following conditions are met as a result of qualitative evaluation, the relevant financial asset is classified as Stage 2 (significant increase in credit risk).

As of the reporting date,

- Lifetime expected credit losses are applied on an account basis for customers whose delay reaches 30 days. The Bank does not enforce this estimate only when it has positive, reasonable and supportable information about the customer repayment.
- In case a loan is restructured, it is monitored in Stage 2 during the monitoring period specified in the relevant regulations starting from the date of structuring. At the end of the monitoring period, if there is no significant deterioration in the loan, the transaction can be moved back to Stage 1.
- Existence of indemnified non-cash loans are considered as a significant risk increase.

Quantitative evaluation:

The significant increase in credit risk is quantitatively based on comparing the probability of default calculated at the opening of the loan with the probability of default on the same reporting date.

As of the reporting period ended on 30 September 2023, the effects of COVID-19 on financial results and asset quality have been evaluated and reflected to the calculation of the expected loan loss provisions in the light of the information and developments with maximum effort. In this process, the Parent Bank reviewed the cash flow expectations and scenario weights for its commercial and corporate loans, that evaluated individually, and reflected the related effects to the expected credit loss with the best estimation approach.

The financial instruments in Stage 1 are financial instruments that has been recognised 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 provision for expected credit loss for 12-month default risk from the reporting date.

After the initial recognition, if 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 provision for expected credit loss over the default risk through the remaining life from the reporting date.

Financial instruments in Stage 3 are assumed to be defaulted and therefore impaired. For such financial instruments, provision is calculated based on the expected lifetime credit loss.

Loans belonging to customers included in the scope of the “Financial Restructuring Framework Agreement” are classified regardless of the past due days criterion.

The provision for expected credit loss is calculated either as collectively or individually.

Financial instruments bearing common credit risk characteristics are grouped for provision for expected credit loss calculated collectively.

In the Parent Bank, grouping of credit risks according to common characteristics was made according to their ‘risk segments’. The standards for the classification 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 are made based on all risks of the counterparty and the loan products requested by the counterparty, at the counterparty level and it is ensured that a counterparty is classified in a single risk segment;
- Segment classification for retail loans is based on both product level and counterparty characteristics. This means that counterparty's credit risks can be classified into different risk segments.

The main groupings on the basis of risk segment for the calculation of provision for expected credit loss are as follows:

- Corporate / Commercial loans
- Medium enterprises (ME) loans
- Small enterprises (SE) loans
- Agricultural loans
- Consumer loans
- Mortgage loans
- Vehicle loans
- Overdraft
- Credit cards
- Loans granted to local governments
- Project financing loans
- Central administrations
- Banks

The provision for expected credit loss assessed collectively are calculated by using the components such as exposure at default (EAD), probability of default (PD), loss given default (LGD) and effective interest rate of the loan.

Exposure at default

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

In order to calculate the provision for expected credit loss, the EAD 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 EAD value.

Probability of default

Probability of default indicates the probability of default of the borrower within a certain period of time.

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

- 12-month PD: Estimation of the probability of default within 12 months after the reporting date of the financial instrument.
- Lifetime default probability: Estimation of the probability of default over the remaining life of the financial instrument.

The credit ratings, which are the outputs of the internal rating systems used by the Parent Bank in the loan allocation processes are used to classify customers in the calculation of provision for expected credit loss.

Internal rating systems used for non-retail customers are mainly divided into Corporate/Commercial, ME, SE and Agriculture model groups. Internal ratings in the Corporate/Commercial and ME model groups take into account the qualitative evaluation elements along with the quantitative characteristics of the customer such as indebtedness, liquidity and size. Internal ratings in the SE and Agriculture model groups reflect behavioural information, such as the trend of the customer's total limit utilisation rate within the banking sector, overdraft product life at the Parent Bank, or the recent frequency of delays in loan payments.

Internal rating systems for individual customers also differ at the level of Consumer, Mortgage, Vehicle Loans, Overdraft and Credit Card product groups. In order to generate these scores, behavioural data such as customer's trend in limit utilisation rate in the Bank and sector, frequency of current delays, cross-product ownership and payment routine of other products are used.

In the first step, the outputs of internal rating systems for PD calculations in accordance with TFRS 9 are grouped on the basis of risk segments according to common characteristics of credit risks. Retrospective historical default data of these groups have been prepared.

In order to generate reasonable and valid accumulated default rates, a bucket generation analysis has been performed for the default data obtained from the model.

PD curves have been generated by regression method using the suitable statistical distribution from the data obtained for the buckets generated. The resulting PD values have been converted into 'point-in-time' PD values in accordance with TFRS 9 since they represent PD values 'throughout the life cycle'. In the last step, prospective macroeconomic expectations have been reflected in the PD.

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

Internal validation of the process described above is carried out at the end of each year.

Loss given default

Loss given default define the economic loss to be incurred by the debtor in case of default, proportionally.

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

LGD ratio for unsecured credit risk is calculated by using the Parent Bank's collection data in the previous periods and is grouped on the basis of risk segments according to the common characteristics of credit risks.

The following TFRS 9 requirements have been taken into consideration for the LGD ratio calculation for unsecured credit risk:

- Long-term LGD is used (excluding regression effect is excluded)
- Conservative approach is excluded, if any
- Indirect costs are excluded, if any
- The figures obtained are discounted by the effective interest rate

The LGD ratio for secured loan risk is calculated by considering the collateral structure for each loan. To calculate this ratio, the consideration rates and liquidation periods for each type of collateral and effective interest rates of the loan to which the collateral belongs are used are determined by the Parent Bank for each type of collateral. Historical data have been used to determine the relevant consideration rates and liquidation periods; if these data are not available, the best estimates are used.

For unsecured credit risk groups that do not have sufficient historical collection data, the standard rate in Basel documentation is used.

Internal validation of the process described above is carried out at the end of each year.

Effective interest rate

The effective interest rate is the discount rate that equals the future expected cash payments and collections those 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 amortised cost of the financial liability.

Discrete (individual) assessment

In addition to the provision for expected credit loss collectively calculated, a provision for expected credit loss based on the individual evaluation of the financial instruments exceeding a certain risk or within the scope determined by the Bank management are calculated. The calculation has been performed using at least two scenarios for each financial instrument in accordance with the discounted cash flow method in accordance with the "Guidelines on the Calculation of Provision for Expected Credit Loss under TFRS 9" announced by BRSA to banks on 26 February 2018 and the internal policies. The final provision for expected credit loss of the financial instrument is calculated by weighing the provision for expected credit loss calculated for the related scenarios with the probability of occurrence of these scenarios.

Apart from the expected loan loss provisions, the affected portfolios are determined and additional expected loan loss provisions are calculated in order not to ignore the extraordinary situations that did not occur during the consideration periods of the Bank's model.

Low credit risk

In accordance with TFRS 9, the financial instrument's credit risk is considered to be low given the fact that the default risk 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 borrower's ability to fulfil the contractual cash flow obligations, but this is not considered to be happening in a large context.

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 low because of the value of the collateral and if the credit risk of the related financial instrument is not considered low without this collateral.

Furthermore, it is not considered that the financial instruments have low credit risk just because the establishment has less risk than other financial instruments or the credit risk of the region in which it operates.

In the case of low risk determination of any financial instrument and also assuming that the loan risk does not increase significantly after the first recognition in the financial statements, the relevant financial instrument is evaluated in Stage 1.

Financial instruments considered as having low credit risk under TFRS 9 are as below:

- Receivables from CBRT.
- Risks where the counterparty is the Republic of Turkey's Treasury
- Loans granted to subsidiaries of the main shareholder
- Transactions with banks with AAA rating

Forward macroeconomic information

The Parent Bank uses models to reflect macroeconomic expectations in the assessment of significant increase in credit risk and expected credit loss calculation. These models differ according to risk segments and products. In forward-looking expectations, three different scenarios as base, pessimistic and optimistic are taken into account in proportion to their assigned realization probabilities. For periods beyond the macroeconomic forecast length, the long-term average of default is included in the calculation.

Macroeconomic variables considered in the models used; Gross Domestic Product (GDP) growth rate, unemployment rate, 3-month Treasury bill yield rate, 5-year CDS Premium, USDTRY and EURTRY parities. Models are reviewed annually, renewed for segments deemed necessary and subjected to validation process.

The Parent Bank has reflected its future expectations to the expected credit loss calculation in the financial statements, with the current economic conditions taking into account possible different scenarios and management evaluation. The work carried out will be reviewed periodically in the future and updated according to expectations.

Participation of senior management in TFRS 9 processes

Within the scope of the internal systems, risk management, corporate governance and regulations on the classification of loans and reliable loan risk applications issued in accordance with Banking Law No. 5411 and pursuant to the Article 20 of the "Regulation on Procedures and Principles Regarding Classification of Loans and Provisions to be Reserved" published in the Official Gazette dated 22 June 2016 and No. 29750, 'TFRS 9 Management Committee' has been established in accordance with the "Guidelines on the Calculation of Provision for Expected Credit Loss under TFRS 9" ('Good Practice Guide') prepared by 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 the control of an adequate calculation of the provision for expected credit loss. Committee is also responsible for controlling the establishment and maintenance of the Parent Bank's current policies and processes in accordance with TFRS 9 and related good practice guidelines.

The Committee is responsible for ensuring that the provision for expected credit loss are based on reliable and robust methods, that these methods are documented, developed, timely updated and are properly accounted.

The members of the Committee are Executive Board Member responsible for Loans, Assistant General Manager responsible for Financial Affairs, Assistant General Managers responsible for the duties of the Board Member responsible for loans and Assistant General Manager responsible for Risk.

IX. Explanations on offsetting financial instruments

Financial assets and liabilities are presented on a net basis on the balance sheet when the Group has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realise 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 under “Financial Assets at Fair Value through Profit or Loss”, “Financial Assets at Fair Value through Other Comprehensive Income” and “Financial Assets Measured at Amortised Cost” according to the purpose of retaining the asset in the accompanying consolidated balance sheet and are subjected to valuation as per the valuation principles of the relevant portfolio. Funds obtained from repurchase agreements are presented in the liabilities of the consolidated balance sheet in “Receivables from money market” line. The accrual amounts corresponding to the period is calculated for the part of the difference between the sales and repurchase prices determined by the relevant repo 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 purchased 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 non-current assets held for sale and from discontinued operations and liabilities related to these assets

Non-current asset held-for-sale consist of tangible assets acquired with respect to non-performing loans, and are recognised in the financial statements in accordance with “TFRS 5 Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations”.

A discontinued operation is a part of a bank that is either disposed of or classified as held for sale. It refers to a separate main line of business or geographical region of activities. It is part of the sale of a separate main line of business or geographical area of activities under a coordinated plan alone or a subsidiary acquired exclusively with a view to resale.

As of 30 September 2023, 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 at fair values of tangible assets (credit card brand value, 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 amortised, instead it is annually tested for impairment or more frequently when changes in circumstances indicate impairment according to “Turkish Accounting Standard 36 (TAS 36) - Impairment of Assets”.

b. Other intangible assets

Intangible assets are initially recognised in accordance with TAS 38 “Intangible Fixed Assets” at the cost value including acquisition costs and other direct expenses necessary to make the asset usable. Intangible assets are valued at amounts remaining after deducting accumulated depreciation and any accumulated impairment losses from the cost value in the period following their recognition.

Intangible fixed assets consist of software programs, license rights, data/telephone lines and the customer portfolio values of credit cards and individual loans.

Intangible fixed assets acquired before 1 January 2003 and after 31 December 2006 are amortised according to straight-line method, whereas those received between these dates are amortised according to declining balance method. The useful life of the assets is determined by assessing the expected useful life of the asset, technical, technological or other types of obsolescence and maintenance costs necessary to obtain the expected economic benefit from the asset.

Maintenance costs related to the computer software currently in use are expensed in the period in which they occur.

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 statement of profit or loss.

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

Maintenance and repair costs incurred for a tangible asset are recognised as expense. The capital expenditures which expand the capacity of the tangible asset or increase the future benefit of the asset are capitalized on the cost of the tangible asset.

There are no pledges, mortgages and other measures or commitments given for the purchase of tangible fixed assets.

XIV. Explanations on investment property

Property, and land and buildings held for the purpose of earning rent or appreciation or for both, rather than being used in the production of goods and services or sold for administrative purposes or during the normal course of business are classified as "investment property" and they are valued with fair value method. Any gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they are incurred.

Investment property is derecognised 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 recognised in profit or loss in the period in which they occur.

XV. Explanations on leasing transactions

Fixed assets acquired through financial leasing are classified as tangible assets and depreciated in line with the related fixed assets group. The obligations arising from the lease contracts are presented under "Lease Liabilities" under liabilities. Interest expenses and foreign exchange differences related to leasing activities are reflected to the statement of profit or loss.

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 recognised over the term of the lease using the net investment method which reflects a constant periodic rate of return and the unrecognised portion is followed under unearned interest income account.

With the "TFRS 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".

On 5 June 2020, Public Oversight Accounting and Auditing Standards Authority ("POA") has changed to TFRS 16 "Leases" standard by publishing Privileges Granted in Lease Payments - "Amendments to TFRS 16 Leases" concerning Covid-19. With this change, tenants are exempted from whether there has been a change in the rental privileges in lease payments due to Covid19. This change did not have a significant impact on the financial status or performance of the DFS Group.

XVI. Explanations on provisions and contingent liabilities

Specific and general provisions for loans and other receivables as well as the provisions and contingent liabilities other than the provisions for possible risks are recognised in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” standard; provisions are recognised immediately when they arise as a result of past events and DFS Group estimates the amount of the liability and reflects this amount in the consolidated financial statements. It is considered “Contingent” in cases where the amount of the obligation cannot be estimated. For contingent liabilities; if the probability of the realisation of the condition is higher than the probability of non-realisation and can be measured reliably, a provision is recognised; and where they are not able to be measured reliably or there is no probability of realisation of the condition or less than the probability of non-realisation, such liabilities are disclosed in the footnotes.

XVII. Explanations on obligations for employee benefits

The Parent Bank recognises employee benefits in accordance with TAS 19 “Employee Benefits” standard.

The Parent Bank in accordance with existing legislation in Turkey, is liable to pay retirement and notice payments to each employee whose employment is terminated due to reasons other than resignation or misconduct. Except to this extents, the Parent Bank is liable to pay 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 pursuant to Article 14 of the Labour Law.

In accordance with TAS 19, DFS Group recognises provision by estimating the present value of the probable future obligation of severance pay. Actuarial gains and losses arising after 1 January 2013 are accounted for under equity in accordance with revised TAS 19.

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

XVIII. Explanations on tax applications

a. Current tax

In accordance with the "Law No. 7456 on the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amending Certain Laws and the Decree Law No. 375" published in the Official Gazette dated 15 July 2023; the 25% corporate tax rate applicable to banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies is 30%. The 20% corporate tax rate applicable to other companies has been increased to 25%. The tax rate change in question will be valid for the profits of companies in 2023 and subsequent taxation periods, starting from the returns that must be submitted as of 01/10/2023.

By amending the first paragraph of Article 32 of the Corporate Tax Law numbered 5520 with the 25th article of the Law numbered 7394 published in the Official Gazette dated 15 April 2022 and numbered 31810, the corporate tax rate has been determined as 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

With Tax Procedure Law Circular/115, the deadlines for some tax returns to be submitted as of 1 April 2019 have been extended until a new determination is made. With the said circular, the corporation tax declaration can be declared from the first day of the fourth month to the evening of the last day following the month in which the relevant accounting period is closed.

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

In accordance with the Corporate Tax Law, carry forward tax losses shown on the declaration can be deducted from the corporate tax base for up to five years. The tax authorities can inspect tax returns and the related accounting records for a retrospective 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. 4936 of the Presidential Decision published in the Official Gazette no. 31697 dated 22 December 2021, article 94 of the Income Tax Law No. 193 and 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 applied to the dividend payments made to non-resident companies, tax-exempt narrow and full taxpayer institutions/real persons, limited and full taxpayer real persons, excluding non-residents who earn income through a workplace or their permanent representative in Turkey is 10%.

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.

Current tax effects related to transactions recognised directly in equity are also recognised in equity.

Within the scope of the temporary article 32 added to the Tax Procedure Law No. 213 with Article 52 of the Law No. 7338, the fixed assets in the Bank's balance sheet have been revalued in terms of tax legislation. A tax of 2% has been paid on the capital gains resulting from the mentioned valuation.

b. Deferred tax

The Group calculates and recognises deferred tax in accordance with TAS 12 "Income Taxes" for the temporary differences between the accounting policies and valuation principles applied and the tax basis determined in accordance with the tax legislation.

The deferred tax assets and liabilities of the entities included in the consolidation have been netted within themselves and have not been netted in the consolidated balance sheet. As a result of this, deferred tax asset amounting to TL 5.449.415 as of 30 September 2023 (31 December 2022: TL 4.357.629) and deferred tax liabilities amounting to TL 1.227.730 (31 December 2022: TL 654.432) have been recognised in the accompanying financial statements.

The deferred tax liability is calculated for all taxable temporary differences whereas deferred tax assets arising from deductible temporary differences are calculated provided that it is highly likely to benefit from these differences in the future by generating taxable profit.

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

In deferred tax calculations, 30% rate is used for corporations in Turkey (31 December 2022: 25%).

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 and the Communiqué on the Amendment of the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" no. 1, which became effective after being published in the Official Gazette dated 01 September 2020 and numbered 31231, 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.

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.

The organizational structure of corporate taxpayers, who are affiliated to the multinational business group and whose asset size in the balance sheet and net sales amount in the income statement are both TL 500 million and above, which are attached to the corporate tax declaration for the previous accounting period, the definition of the business activities, the intangible rights they have, it is obligatory to prepare the general report containing the financial transactions of the group and the financial and tax status of the group for the previous year until the end of the current year and submit it to the Administration or those authorized to conduct tax inspections, if requested. According to the consolidated financial statements of the previous accounting period from the reported accounting period, total consolidated group income of EUR 750 million and over multinational enterprises resident group in Turkey ultimate parent company or proxy business, the reported accounting period's income until the end of twelfth month, before tax it prepares a country-based report including profit / loss, accrued and paid corporate tax, capital, previous year profits, number of employees and tangible assets other than cash and cash equivalents, and submits it to the Administration electronically.

XIX. Additional explanations on borrowings

Borrowings are initially recognised at cost representing their fair value and remeasured at amortised 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 recognised 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 2023 and 2022, the Parent Bank does not have issuance of share certificates.

XXI. Explanations on bill of guarantee and acceptances

Bill of guarantee and acceptances are followed-up as off-balance sheet liabilities as possible debts and commitments. Cash transactions regarding guarantee and acceptances are realised simultaneously with the customer payments.

As of the balance sheet date, there are no bill of guarantee and acceptances shown as liability against assets.

XXII. Explanations on government incentives

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

XXIII. Explanations on segment reporting

Segment reporting is presented in Section Four, note IX.

XXIV. Explanations on other matters

None.

XXV. Classifications

None.

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE 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".

As of 30 September 2023 the equity of the Group amounts to TL 100.927.073 (31 December 2022: TL 74.428.156) while its capital adequacy standard ratio is 16,54% (31 December 2022: 17,57%).

As a result of the volatility in the financial markets arising from COVID-19 pandemic, the BRSA issued a press release on 23 March 2020, announcing measures, which will remain in effect until 31 December 2020. With the regulation numbered 9312 dated 8 December 2020, and extended until 30 September 2021 were extended until a contrary Board Decision is taken with the regulation numbered 9795 dated 19 September 2021. Accordingly;

-In the calculation of the amount subject to credit risk, in accordance with the "Regulation on Measurement and Evaluation of Capital Adequacy"; while determining the values of monetary assets and non-monetary assets, other than the items in foreign currency measured in historical cost, in accordance with Turkish Accounting Standards and the relevant special provision amounts, with the regulation dated 28.04.2022 and numbered 10188, until a Board Decision to the contrary is taken, the practice of using the Central Bank's foreign exchange buying rate was changed with the regulation dated 31.01.2023 and numbered 10496, and it was decided to use the Central Bank's foreign exchange buying rate of 31.12.2022 until a Board Decision to the contrary is taken.

With the regulation numbered 9624 dated 17 June 2021 as of 23 March 2020, if the net valuation differences of the securities in the portfolio of "Financial Assets at Fair Value Through Other Comprehensive Income" are negative, these differences will not be taken into account in the amount of equity to be used for capital adequacy ratio, which will be calculated in accordance with the "Regulation on Equities of Banks". With the regulation dated 21 December 2021 and numbered 9996, in case the net valuation differences of the securities acquired before 21 December 2021 in the portfolio of "Financial Assets at Fair Value Through Other Comprehensive Income" are negative, these differences may not be taken into account in the equity amount.

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a. Components of consolidated equity items

	Current Period 30 September 2023	Prior Period 31 December 2022
COMMON EQUITY TIER I CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.696.100	5.696.100
Share issue premiums	15	15
Reserves	32.431.354	15.258.340
Gains recognised in equity as per TAS	17.496.083	16.406.352
Profit	24.956.214	19.960.985
Current Period Profit	22.168.243	17.174.025
Prior Period Profit	2.787.971	2.786.960
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	1.002	992
Minorities' Share	400.820	303.767
Common Equity Tier I Capital Before Deductions	80.981.588	57.626.551
Deductions from Common Equity Tier I 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	3.659.489	791.583
Improvement costs for operating leasing	160.378	102.568
Goodwill (net of related tax liability)	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	3.205.990	1.522.786
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	--	--
Differences are not recognised 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	--	--
Unrealised 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	1.014.078	--
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 I Capital	8.039.935	2.416.937
Total Common Equity Tier I Capital	72.941.653	55.209.614
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 I 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 I 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)	72.941.653	55.209.614

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TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	21.133.363	14.446.409
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)	6.889.307	4.821.377
Tier II Capital Before Deduction	28.022.670	19.267.786
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 II 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	28.022.670	19.267.786
Total Capital (The sum of Tier I Capital and Tier II Capital)	100.964.323	74.477.400
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	37.250	49.244
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 I capital, Additional Tier I of the issued common share capital of the entity which will not be deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II 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 I capital and Tier II 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 I capital, Additional Tier I capital, Tier II 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 I 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)	100.927.073	74.428.156
Total risk weighted amounts	610.385.152	423.588.063
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	11,95	13,03
Tier I Capital Adequacy Ratio (%)	11,95	13,03
Capital Adequacy Ratio (%)	16,54	17,57
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,639	2,583
Bank specific total common equity tier I capital ratio (%)	2,500	2,500
Capital conservation buffer requirement (%)	0,139	0,083
Systemic significant bank buffer ratio (%)	--	--
The ratio of Additional Common Equity Tier I 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 (%)	1,497	1,949
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)	21.957.018	18.495.636
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	6.889.307	4.821.377
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 1 January 2018 and 1 January 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 ⁽¹⁾	--	--
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	--	--

(1) There are no loans included in Tier II capital related to "Temporary Article 4".

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

Issuer	ENBD PJSC	ENBD PJSC	ENBD PJSC	ENBD PJSC
Unique identifier (eg CUSIP, ISIN)	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.
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	Not Deducted	Not Deducted	Not Deducted	Not Deducted
Eligible at solo/group/group&solo	Eligible	Eligible	Eligible	Eligible
Instrument type	Loan	Loan	Loan	Loan
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	3338	4107	8213	5475
Par value of instrument (Currency in mil)	3338	4107	8213	5475
Accounting classification	3470102	3470102	3470102	3470102
Original date of issuance	30.09.2014	30.04.2014	31.01.2014	30.09.2013
Perpetual or dated	Dated	Dated	Dated	Dated
Original maturity date	15 years	15 years	15 years	15 years
Issuer call subject to prior supervisory approval	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.
Subsequent call dates, if applicable	None.	None.	None.	None.
Coupons/Dividends				
Fixed or floating dividend/coupon	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%
Existence of a dividend stopper	None.	None.	None.	None.
Fully discretionary, partially discretionary or mandatory	--	--	--	--
Existence of step up or other incentive to redeem	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 derecognised 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 derecognised 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.
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.
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.
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.
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 stage 1 and stage 2 loss provisions. The portion of main amount to credit risk of stage 1 and stage 2 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 and certain other accounts determined by the Board are taken into consideration in the calculation as assets deducted from capital.

II. Explanations related to the consolidated foreign currency 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 risk arises from the DFS Group's net foreign exchange position arising from foreign currency in balance sheet and off-balance sheet assets and liabilities. Against foreign currency risk, the Bank performs foreign currency transactions, as well as foreign currency transactions. Foreign currency indexed transactions are also accepted in foreign currency in the management of exchange rate risk.

The management and follow-up of currency risk has been handled through separate processes for trading and banking accounts. In the management of the position arising from trading accounts, risk-based value-at-risk limit, position limits, option sensitivity limits and stop loss limits are defined and monitored daily. The limit system was formed in two levels by the Board of Directors and the Asset-Liability Committee.

The ultimate responsibility for the management of currency risk arising from banking accounts lies in the Asset-Liability Committee ("ALCO"). Positions are constantly monitored and transactions are carried out in line with the strategy determined by ALCO. In addition to the legal limits, the limits determined by the Board of Directors on the basis of total and foreign currency are taken into account in managing the exchange rate risk.

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 translation 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 Section Four, note VIII-a.

c. Foreign currency risk management policy

The procedures and principles regarding the management of currency risk have been written down in the Currency Risk Policy. The limit system, which is the most important element of the Bank's risk management policy, is reviewed once a year and approved by the Board of Directors, considering the general economic situation and developments in the markets.

d. The Parent Bank's current foreign exchange buying rates announced to the public as of the financial statement date and for the last five working days before that date

US Dollar purchase rate at the balance sheet date	TL 27,3767
Euro purchase rate at the balance sheet date	TL 29,0305

<u>Date</u>	<u>US Dollar</u>	<u>Euro</u>
25 September 2023	27,1751	28,9027
26 September 2023	27,2108	28,8183
27 September 2023	27,2640	28,7853
28 September 2023	27,3752	28,8083
29 September 2023	27,3767	29,0305

e. The simple arithmetic average of the Parent Bank's current foreign exchange buying rate for the last thirty days from the date of the financial statements

The arithmetical average US Dollar and Euro purchase rates for September 2023 are TL 26,9630 and TL 28,8224 respectively.

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f. Information on currency risk

Current Period	EURO	USD	Other FC ⁽⁵⁾	Total
Assets				
Cash Equivalents and Central Bank	60.117.059	52.086.917	8.588.783	120.792.759
Banks	34.925.535	21.710.356	1.671.986	58.307.877
Financial Assets at Fair Value through Profit or Loss (Net) ⁽¹⁾	910.769	7.841.652	21.185	8.773.606
Due from Money Markets	4	--	--	4
Financial Assets at Fair Value through Other Comprehensive				
Income	5.692.520	40.305.348	234.342	46.232.210
Loans ⁽²⁾	155.763.808	73.319.332	4.816.633	233.899.773
Investments in Associates, Subsidiaries and Joint Ventures	1.016	1.947.563	(1.947.563)	1.016
Financial Assets Measured at Amortised Cost	--	7.676.089	--	7.676.089
Hedging Derivative Financial Assets	--	--	--	--
Tangible Fixed Assets	883.907	277	32.727	916.911
Intangible Fixed Assets ⁽³⁾	--	--	--	--
Other Assets ⁽⁴⁾	761.819	4.839.780	339.109	5.940.708
Total Assets	259.056.437	209.727.314	13.757.202	482.540.953
Liabilities				
Bank Deposits	2.749.985	1.095.037	2.513.552	6.358.574
Foreign Currency Deposits	153.517.350	137.522.946	30.861.678	321.901.974
Due to Money Markets	4.709.288	40.463.738	--	45.173.026
Funds Borrowed	51.269.878	60.629.207	2.176.225	114.075.310
Securities Issued	1.598.480	22.498.159	3.181.397	27.278.036
Miscellaneous Payables	--	--	--	--
Hedging Derivative Financial Liabilities	--	--	--	--
Other Liabilities ⁽⁶⁾	10.115.017	14.396.431	147.362	24.658.810
Total Liabilities	223.959.998	276.605.518	38.880.214	539.445.730
Net on Balance Sheet Position	35.096.439	(66.878.204)	(25.123.012)	(56.904.777)
Net off-Balance Sheet Position ⁽⁷⁾	(34.533.114)	69.088.087	25.189.826	59.744.799
Financial Derivative Assets	23.913.423	142.113.382	31.565.464	197.592.269
Financial Derivative Liabilities	(58.446.537)	(73.025.295)	(6.375.638)	(137.847.470)
Net Positions	563.325	2.209.883	66.814	2.840.022
Non Cash Loans	31.682.553	37.025.595	4.331.049	73.039.197
Prior Period				
Total Assets	186.076.713	146.243.383	16.101.234	348.421.330
Total Liabilities	151.993.160	174.724.242	33.657.902	360.375.304
Net on Balance Sheet Position	34.083.553	(28.480.859)	(17.556.668)	(11.953.974)
Net off-Balance Sheet Position	(33.694.243)	27.532.650	18.510.895	12.349.302
Financial Derivative Assets	17.989.662	104.439.447	22.929.025	145.358.134
Financial Derivative Liabilities	(51.683.905)	(76.906.797)	(4.418.130)	(133.008.832)
Net Positions	389.310	(948.209)	954.227	395.328
Non Cash Loans	22.492.274	27.923.945	2.415.901	52.832.120

(1) : Foreign currency differences of derivative financial assets amounting to TL 4.722.916 are excluded.

(2) : Foreign currency indexed loans amounting to TL 505.636 are included.

(3) : Intangible assets amounting to TL 346.775 are not included.

(4) : Prepaid expenses amounting to TL 444.708 are not included.

(5) : There are gold balances amounting to TL 8.784.913 under total assets and TL 16.364.662 in total liabilities.

(6) : FX equity amounting to TL 37.296.383 and foreign exchange rate differences related to derivative financial liabilities amounting to TL 1.582.207 are not included.

(7) : Net amount of receivables and liabilities from financial derivatives is shown on the table. Spot foreign exchange buy/sale transactions that are reported under the "Asset Purchase Commitments" are 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 mismatch 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 mismatch 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 (In terms of time remaining for repricing):

End of The Current Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Year	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank Banks ⁽¹⁾	5.562.739	899.600	--	--	--	169.370.242	175.832.581
Financial Assets at Fair Value through Profit or Loss	26.058.409	21.854.908	6.235.874	--	--	15.071.023	69.220.214
Due from Money Markets	269.585	385.574	34.835	581.345	3.160.967	13.315.566	17.747.872
Financial Assets at Fair Value through Other Comprehensive Income	57.871.822	80.422	--	--	--	--	57.952.244
Loans	15.823.043	11.101.077	8.446.689	17.446.728	23.008.909	1.951	75.828.397
Financial Assets Measured at Amortised Cost ⁽²⁾	301.735.796	18.371.162	67.342.788	70.193.004	31.881.389	4.327.584	493.851.723
Other Assets ⁽³⁾	7.688.790	22.987.666	17.869	12.282.874	4.088.617	--	47.065.816
	--	--	--	789.779	--	55.274.318	56.064.097
Total Assets	415.010.184	75.680.409	82.078.055	101.293.730	62.139.882	257.360.684	993.562.944
Liabilities							
Bank Deposits	5.447.854	803.191	200.932	--	--	1.015.801	7.467.778
Other Deposits	191.181.055	144.771.336	83.027.599	23.515.012	528.404	201.400.610	644.424.016
Due to Money Markets	24.555.748	1.889.656	22.036.036	--	--	--	48.481.440
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	313.387	22.538.620	6.472.704	--	--	--	29.324.711
Funds Borrowed	12.554.815	56.798.827	29.771.145	276.488	21.301.846	--	120.703.121
Other Liabilities ⁽⁴⁾	56.171	410.650	7.684.343	885.962	--	134.124.752	143.161.878
Total Liabilities	234.109.030	227.212.280	149.192.759	24.677.462	21.830.250	336.541.163	993.562.944
Balance Sheet Long Position	180.901.154	--	--	76.616.268	40.309.632	--	297.827.054
Balance Sheet Short Position	--	(151.531.871)	(67.114.704)	--	--	(79.180.479)	(297.827.054)
Off-balance Sheet Long Position	--	--	14.618.918	--	743.535	--	15.362.453
Off-balance Sheet Short Position	(2.886.913)	(530.655)	--	(21.964.479)	--	--	(25.382.047)
Total Position	178.014.241	(152.062.526)	(52.495.786)	54.651.789	41.053.167	(79.180.479)	(10.019.594)

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (50.120).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.182).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of TL 6.320.898, TL 3.205.990, TL 715.555, TL 2.719.951, TL 5.493.573, TL 12.566.912, TL (67.144) and TL 24.318.583, respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to TL 75.062.201, TL 3.298.475, TL 1.227.730, TL 15.928.932, TL 3.593.705 and TL 35.013.709, respectively.

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End of The Prior Period	Up to 1 Month	1 - 3 Month	3 - 12 Month	1 - 5 Year	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash Equivalents and Central Bank	122.754	957.183	--	--	--	111.075.885	112.155.822
Banks ⁽¹⁾	5.727.674	13.818.308	2.169.727	2.202.801	--	8.950.852	32.869.362
Financial Assets at Fair Value through Profit or Loss (Net)	958.268	98.460	167.620	461.217	678.945	6.988.786	9.353.296
Due from Money Markets	16.415	--	--	--	--	--	16.415
Financial Assets at Fair Value through Other Comprehensive Income	6.045.097	21.640.307	15.269.035	18.430.340	15.872.328	1.630	77.258.737
Loans	163.831.132	17.788.915	49.553.536	79.679.802	28.181.280	3.746.184	342.780.849
Financial Assets Measured at Amortised Cost ⁽²⁾	1.289.497	7.454.135	3.268.047	5.432.157	870.000	--	18.313.836
Other Assets ⁽³⁾	999	493	1.729	544.130	1.822	31.703.624	32.252.797
Total Assets	177.991.836	61.757.801	70.429.694	106.750.447	45.604.375	162.466.961	625.001.114
Liabilities							
Bank Deposits	7.944.275	12.175.843	234.358	943.780	--	1.139.864	22.438.120
Other Deposits	142.492.454	72.318.494	35.498.114	15.959.478	882.778	149.817.573	416.968.891
Due to Money Markets	3.218.736	3.013.873	7.249.188	--	--	--	13.481.797
Miscellaneous Payables	--	--	--	--	--	--	--
Securities Issued	581.642	5.074.804	3.142.280	--	--	--	8.798.726
Funds Borrowed	7.811.604	23.358.138	19.125.686	285.718	14.561.850	--	65.142.996
Other Liabilities ⁽⁴⁾	56.266	388.502	1.264.016	655.923	--	95.805.877	98.170.584
Total Liabilities	162.104.977	116.329.654	66.513.642	17.844.899	15.444.628	246.763.314	625.001.114
Balance Sheet Long Position	15.886.859	--	3.916.052	88.905.548	30.159.747	--	138.868.206
Balance Sheet Short Position	--	(54.571.853)	--	--	--	(84.296.353)	(138.868.206)
Off-balance Sheet Long Position	--	931.705	8.869.450	--	--	--	9.801.155
Off-balance Sheet Short Position	(1.280.478)	--	--	(11.526.066)	(2.440.910)	--	(15.247.454)
Total Position	14.606.381	(53.640.148)	12.785.502	77.379.482	27.718.837	(84.296.353)	(5.446.299)

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (37.819)

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (3.072).

(3) Other assets / non-interest bearing column includes; tangible assets, intangible assets, investment properties, investments in associates, subsidiaries and joint ventures, tax assets, assets to be disposed, the provisions for expected credit loss of other assets and other assets with balances of TL 3.813.562, TL 1.522.786, TL 709.270, TL 2.964.327, TL 4.388.816, TL 6.643.540, TL (22.188) and TL 11.953.511, respectively.

(4) Other liabilities / non-interest bearing column includes; shareholders' equity, current tax liabilities, deferred tax liabilities, provisions, derivative financial liabilities and other liabilities amounting to TL 54.862.976, TL 3.177.605, TL 654.432, TL 10.289.777, TL 3.421.533 and TL 23.399.554, respectively.

b. Average interest rates applied to monetary financial instruments

Current Period - 30 September 2023	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	4,50	5,50	--	--
Banks	3,90	6,12	--	33,44
Financial Assets at Fair Value through Profit or Loss	5,18	8,57	--	42,82
Due from Money Markets	--	--	--	31,45
Financial Assets at Fair Value through Other Comprehensive Income				
Income	2,78	6,78	--	35,53
Loans	6,98	7,72	6,10	33,52
Financial Assets Measured at Amortised Cost	--	5,05	--	39,87
Liabilities				
Bank Deposits	2,28	5,77	--	32,57
Other Deposits	1,57	3,24	0,01	22,54
Due to Money Markets	4,15	8,80	--	29,74
Miscellaneous Payables	--	--	--	--
Securities Issued	3,75	3,70	--	32,79
Funds Borrowed	6,18	8,41	--	32,30
Prior Period - 31 December 2022	EURO %	USD %	Yen %	TL %
Assets				
Cash Equivalents and Central Bank	--	--	--	--
Banks	2,17	4,44	--	12,56
Financial Assets at Fair Value through Profit or Loss	6,14	8,74	--	22,18
Due from Money Markets	--	--	--	12,49
Financial Assets at Fair Value through Other Comprehensive Income				
Income	2,60	7,02	--	45,74
Loans	5,71	6,69	6,00	23,00
Financial Assets Measured at Amortised Cost	0,57	4,74	--	58,47
Liabilities				
Bank Deposits	2,59	4,14	--	23,87
Other Deposits	0,69	2,42	0,01	16,76
Due to Money Markets	2,45	4,67	--	11,69
Miscellaneous Payables	--	--	--	--
Securities Issued	1,63	--	--	22,47
Funds Borrowed	4,53	6,36	--	14,26

IV. Position risk of equity shares arising from banking accounts

a. Comparison of book value, fair value and market value of equity shares

The Group does not have unconsolidated associates and subsidiaries traded at BIST markets as of 30 September 2023 and 31 December 2022.

b. Information on realised gains/losses, revaluation surpluses and unrealised gains/losses on equity shares and their amounts included in the Tier I and Tier II capitals

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

The procedures and principles regarding the liquidity risk management within the Parent Bank are determined by the "Liquidity Risk Management Policy" approved by the Board of Directors. This policy includes the main duties and principles of liquidity risk management within the Parent Bank, including related methods, procedures, controls and reporting framework. Within the Liquidity Risk Management Policy, "Liquidity Emergency Action Plan" has been established and measures that can be taken against unexpected liquidity shortages have been included.

"Risk Appetite Statement" approved by the Board of Directors is reviewed annually in order to manage the risks in accordance with the Bank's strategy and financial strength. Risk Appetite Statement includes limits for liquidity risk as well as other risk limits. Risk appetite limits are reported to the senior management on a monthly basis within the scope of risk management activities. In the risk appetite statement (RAS), limits are determined based on criteria such as loan / deposit ratio, liquidity coverage ratio, life expectancy under stress conditions and deposit concentration. Other indicators followed by these metrics are; liquidity buffer, large deposits, core deposits. The effects of the volatility in the markets on bank liquidity, created by the COVID-19 pandemic started in 2020, are closely monitored. It is observed that the effect of the pandemic on bank liquidity is at a negligible level.

The short-term liquidity management of the Parent Bank is the responsibility of the Treasury Group. The Treasury Group reports to the ALCO on a weekly basis regarding the liquidity structure. ALCO possesses the ultimate responsibility for structural liquidity and funding management. ALCO plays an active role in monitoring and decision-making processes as well as establishing systems related to liquidity and funding management. Monitoring the current liquidity status and legal and internal liquidity indicators, taking decisions regarding liquidity management by taking into consideration the Parent Bank's strategy and risk appetite framework are under the authority and responsibility of ALCO. 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 degree of centralization of liquidity management and funding strategy and the functioning of the Parent Bank and the functioning between Parent Bank and its subsidiaries

Liquidity risk management is performed on unconsolidated and consolidated basis. In this context, although the liquidity monitoring and management of the affiliate is carried out by the related affiliate, they are closely monitored by the Parent Bank. Limits are allocated by the Parent Bank in order to meet the liquidity needs of affiliates in the event of emergencies.

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

Liquidity risk management arising from funding forms the basis of the Bank's liquidity management activities. The source of deposits is the Bank's main funding source due to the more stable funding and diversification effect compared to the loans provided by the Banks and other sources. In addition, securities issuance and credit utilisation activities are carried out to extend the maturity of funding.

On the other hand, the securities portfolio of the Parent Bank carried for liquidity risk management arising from the market is structured in a way to consist of securities issued by Republic of Turkey Treasury in order to reduce liquidity risk sourcing from market to minimum level since they allow repurchase transactions carried out under CBRT/BIST. The criteria and principles regarding the securities investments to be included in this portfolio have been written and approved by the relevant committee.

Information on liquidity management in terms of currencies which constitute at least five percent of the total liabilities of the Parent Bank

Majority of the Parent Bank's liabilities consist of Turkish Lira, US Dollar, Euro and gold. The main foreign currency funding source of the Parent Bank consists of deposits and loans obtained from credit institutions. The foreign currency liquidity risk of the Parent Bank is low due to the fact that the foreign currency sources of the Parent Bank are higher level than FX loans. For this reason, Turkish Lira is generated through swap transactions by 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

In order to mitigate the liquidity risk, a liquidity buffer is created and closely monitored to meet possible fund outflows. Securities required for repurchase used to manage short-term risks are kept at a certain level within the balance sheet. On the other hand, diversification of funding sources and extension of the maturity structure are aimed to reduce the structural liquidity risk. The strategy of wide spread deposit base is another important element.

Explanations related to using the stress test

In order to measure the liquidity level under stress conditions, scenario analyses are performed in which special conditions that are not experienced and likely to be experienced and which are important in terms of liquidity are included. Within the scope of the scenario analyses, the measures that can be taken are also evaluated and a sufficient level of liquidity is targeted to meet all liabilities even under stress conditions. Assumptions regarding liquidity stress tests are reviewed on an annual basis at minimum. Within the scenarios determined, the Risk Management Department regularly performs stress tests and monitors the liquidity situation, calculates the time the Bank can survive, compares the limits with the determined results and presents them to the relevant committees.

General information on the liquidity emergency and contingency plan

In order to be prepared for the liquidity crises that may be experienced and to be able to manage them in a healthy and planned way, the "Liquidity Unexpected Situation Plan Regulation" was prepared to guide the 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.

a. Liquidity coverage ratio

Liquidity coverage ratios calculated in accordance with the Regulation on Calculation of Liquidity Coverage Ratio of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948 are as follows. The lowest monthly consolidated foreign currency ratio for the last three months was 222,03 in September, the highest 270,51 in July, and the total lowest liquidity coverage ratio has been calculated as 248,47 in August and 272,13 in September as the highest.

The liquidity coverage ratio calculation table is reported to the BRSA on a monthly basis and monitored on a daily basis within the Bank.

High quality liquid assets included in the ratio calculation consist of cash assets, reserves held in CBRT and free securities. Cash outflows consist of deposits, bank borrowings, non-cash loans, derivatives and other payables with no maturity date. However, some bank borrowings are presented as cash outflows regardless of their maturities due to the provision of conditional early payment. In addition, cash outflows include additional collateral requirements that may arise from changes in the fair value of derivative transactions. Cash inflows consist of loans with maturities less than 30 days with definite due dates and receivables from banks and derivative products.

LCR is considered as an important liquidity management measure for the Bank. The Bank carried out to manage its liquidity within the framework of minimum LCR limits of 80% for foreign currency and 100% in total. In the Risk Appetite Statement, internal limits above the legal minimum limits have been determined for LCR and the related ratio is reported and monitored at ALCO, senior management and the Board of Directors level.

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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			191.199.265	118.705.791
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	438.494.749	224.605.347	41.199.765	22.460.535
3 Stable deposits	52.994.197	--	2.649.710	--
4 Less stable deposits	385.500.552	224.605.347	38.550.055	22.460.535
5 Unsecured wholesale funding, of which	153.846.913	95.110.451	89.179.089	49.740.853
6 Operational deposits	5.116.057	2.432.240	1.253.917	605.095
7 Non-operational deposits	109.201.633	74.735.777	48.395.949	31.193.324
8 Unsecured debt	39.529.223	17.942.434	39.529.223	17.942.434
9 Secured wholesale funding			118.115	118.115
10 Other cash outflows	6.805.266	14.100.379	5.053.549	12.711.871
11 Outflows related to derivative exposures and other collateral requirements	3.885.737	11.786.199	3.885.737	11.786.199
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.919.529	2.314.180	1.167.812	925.672
14 Other contractual funding obligations	14.460.888	14.460.334	14.460.362	14.460.334
15 Other contingent funding obligations	352.622.944	76.697.856	24.700.925	7.506.224
16 TOTAL CASH OUTFLOWS			174.711.805	106.997.932
CASH INFLOWS				
17 Secured lending	18.927.045	2.568	--	--
18 Unsecured lending	114.487.355	37.169.872	95.461.788	32.994.182
19 Other cash inflows	4.583.389	24.016.403	4.583.389	24.016.403
20 TOTAL CASH INFLOWS	137.997.789	61.188.843	100.045.177	57.010.585
			Total Adjusted Value	
21 TOTAL HQLA			191.199.265	118.705.791
22 TOTAL NET CASH OUTFLOWS			74.666.628	49.987.347
23 LIQUIDITY COVERAGE RATIO (%)			261,1	249,4

(*) Simple arithmetic average values of the the last three months by taking the weekly simple arithmetic average.

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			145.138.394	107.855.306
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which	283.710.235	178.616.538	27.048.203	17.861.654
3 Stable deposits	26.456.404	--	1.322.820	--
4 Less stable deposits	257.253.831	178.616.538	25.725.383	17.861.654
5 Unsecured wholesale funding, of which	123.404.190	81.949.185	67.874.826	39.803.951
6 Operational deposits	32.884.504	25.682.983	8.221.126	6.420.746
7 Non-operational deposits	65.419.037	45.781.600	34.567.608	22.908.506
8 Unsecured debt	25.100.649	10.484.602	25.086.092	10.474.699
9 Secured wholesale funding			--	--
10 Other cash outflows	4.760.342	13.558.850	3.466.425	12.572.778
11 Outflows related to derivative exposures and other collateral requirements	2.603.814	11.915.397	2.603.814	11.915.397
12 Outflows related to loss of funding on debt products	--	--	--	--
13 Credit and liquidity facilities	2.156.528	1.643.453	862.611	657.381
14 Other contractual funding obligations	4.924.313	4.923.753	4.923.781	4.923.753
15 Other contingent funding obligations	210.600.349	55.565.066	15.731.889	5.524.720
16 TOTAL CASH OUTFLOWS			119.045.124	80.686.856
CASH INFLOWS				
17 Secured lending	592.817	--	--	--
18 Unsecured lending	50.476.915	37.967.944	41.813.334	35.040.150
19 Other cash inflows	1.077.192	46.091.528	1.077.192	46.091.528
20 TOTAL CASH INFLOWS	52.146.924	84.059.472	42.890.526	81.131.678
			Total adjusted value	
21 TOTAL HQLA			145.138.394	107.855.306
22 TOTAL NET CASH OUTFLOWS			76.154.598	20.171.714
23 LIQUIDITY COVERAGE RATIO (%)			192,3	538,8

(*) Simple arithmetic average values of the the last three months by taking the weekly simple arithmetic average.

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b. Presentation of assets and liabilities according to their remaining 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 Banks ⁽¹⁾	169.867.573	5.965.008	--	--	--	--	--	175.832.581
Financial Assets at Fair Value through Profit or Loss (Net)	15.071.023	21.836.454	21.016.825	7.200.413	4.095.499	--	--	69.220.214
Due from Money Markets	2.557.232	1.458.773	2.082.300	2.386.407	5.014.571	4.248.589	--	17.747.872
Financial Assets at Fair Value through Other Comprehensive Income	--	57.871.822	80.422	--	--	--	--	57.952.244
Loans	1.951	1.273.930	8.763.663	5.405.101	33.683.263	26.700.489	--	75.828.397
Financial Assets Measured at Amortised Cost ⁽²⁾	--	163.511.789	34.543.285	127.654.030	104.831.617	58.983.418	4.327.584	493.851.723
Other Assets	39.721.727	--	1.500.107	17.869	13.509.437	32.038.403	--	47.065.816
Total Assets	227.219.506	251.917.776	68.011.692	142.792.543	161.853.915	121.970.899	19.796.613	993.562.944
Liabilities								
Bank Deposits	1.015.801	5.447.854	803.191	200.932	--	--	--	7.467.778
Other Deposits	201.400.610	191.180.746	144.768.155	82.860.002	23.674.808	539.695	--	644.424.016
Fund Borrowed	--	9.654.339	26.364.201	58.523.679	7.854.026	18.306.876	--	120.703.121
Due to Money Markets	--	24.555.748	1.889.656	22.036.036	--	--	--	48.481.440
Securities Issued	--	313.387	2.611.595	6.472.704	14.430.915	5.496.110	--	29.324.711
Miscellaneous Payables	--	--	--	--	--	--	--	--
Other Liabilities	32.455.792	2.403.469	1.050.282	8.363.904	1.299.806	1.176.687	96.411.938	143.161.878
Total Liabilities	234.872.203	233.555.543	177.487.080	178.457.257	47.259.555	25.519.368	96.411.938	993.562.944
Net Liquidity Excess/ (Gap)	(7.652.697)	18.362.233	(109.475.388)	(35.664.714)	114.594.360	96.451.531	(76.615.325)	--
Net Off-balance sheet								
Position	--	(1.787.922)	(3.709.558)	1.148.131	63.578	(129.291)	--	(4.415.062)
Financial Derivative Assets	--	85.828.091	114.536.373	31.857.526	38.168.159	30.303.495	--	300.693.644
Financial Derivative Liabilities	--	(87.616.013)	(118.245.931)	(30.709.395)	(38.104.581)	(30.432.786)	--	(305.108.706)
Non Cash Loans	--	19.535.728	9.807.296	44.573.663	54.833.940	3.349.468	--	132.100.095
End of The Prior Period								
Total Assets	100.842.582	110.221.034	44.598.111	98.294.841	161.306.835	93.703.895	16.033.816	625.001.114
Total Liabilities	172.911.946	161.471.301	96.946.959	83.343.510	25.131.834	15.548.858	69.646.706	625.001.114
Net Liquidity Excess/ (Gap)	(72.069.364)	(51.250.267)	(52.348.848)	14.951.331	136.175.001	78.155.037	(53.612.890)	--
Net Off-balance sheet	--	(55.002)	(444.740)	303.951	174.079	--	--	(21.712)
Financial Derivative Assets	--	100.201.745	69.046.963	26.504.850	25.015.706	23.382.201	--	244.151.465
Financial Derivative Liabilities	--	(100.256.747)	(69.491.703)	(26.200.899)	(24.841.627)	(23.382.201)	--	(244.173.177)
Non Cash Loans	--	14.269.098	9.888.342	27.961.193	36.565.489	2.316.040	--	91.000.162

(1) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (50.120).

(2) Includes stage 1 and stage 2 provisions for expected credit loss amounting of TL (6.182).

(*) 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 fixed assets, investments in associates, joint ventures and subsidiaries, stationary supplies, non- performing loans (net) and prepaid expenses are included in this column.

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VI. Explanations related to leverage ratio

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

As of 30 September 2023, the leverage ratio of the DFS Group is calculated as 5,15% (31 December 2022: 6,23%). This rate is above the minimum rate. The main reason for the difference between the current period and the prior period leverage ratio is the increase in the balance sheet assets.

Summary comparison table of total asset amount and total risk amount 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 (*)	968.668.563	616.340.392
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	(13.525.250)	(6.538.536)
3 Differences between the balances of derivative financial instruments and the loan 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	8.280.712	1.090.284
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	396.263.355	227.619.260
7 Total Risk	1.359.686.877	838.510.897

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

(**) Quarterly average amounts.

Leverage ratio public disclosure template:

	Current Period (*)	Prior Period (*)
On-balance sheet exposures		
1 On-balance sheet items (exclude derivatives and SFTs; include collateral)	955.143.313	609.801.856
2 (Assets deducted in determining Basel III Tier I capital)	(3.278.014)	(1.401.634)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	951.865.299	608.400.222
Derivative exposures		
4 Replacement cost	14.316.184	6.796.388
5 Add-on amount	8.280.712	1.090.284
6 Total derivative exposures (sum of lines 4 and 5)	22.596.896	7.886.672
Securities or commodity collateral financing transaction exposures		
7 Gross SFT assets (with no recognition of accounting netting)	19.283.965	7.353.636
8 Agent transaction exposures		
9 Total securities financing transaction exposures (sum of lines 7 and 8)	19.283.965	7.353.636
Other off-balance sheet exposures		
10 Off-balance sheet exposures with gross nominal amount	365.941.220	214.870.870
11 (Adjustment amount off-balance sheet exposures with credit conversion factor)	(503)	(503)
12 Total off-balance sheet exposures (sum of lines 10 and 11)	365.940.717	214.870.367
Capital and total exposures		
13 Tier I Capital	69.955.630	52.229.260
14 Total exposures (sum of lines 3,6,9 and 12)	1.359.686.877	838.510.897
Leverage ratio		
15 Leverage ratio	5,15	6,23

(*) Quarterly average amounts.

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VII. Explanations related to risk management

The footnotes and explanations prepared in accordance with the “Communiqué On Disclosures About Risk Management To Be Announced To Public By the Banks” published in the Official Gazette dated 23 October 2015 and numbered 29511 and entered into force as of 31 March 2016 are given in this section. Since standard approach is used in the capital adequacy calculation of the Parent Bank, the tables to be prepared within the scope of Internal Rating Based Approach (IR) are not presented as of 30 September 2023.

Risk management explanations are prepared in accordance with the internal control process adopted by the Board of Directors.

a. Risk management approach and risk weighted assets

1. Overview of risk weighted amounts

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	539.794.975	378.218.874	43.183.598
2 Standardized approach (SA)	539.794.975	378.218.874	43.183.598
3 Internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk (*)	10.752.636	7.281.466	860.211
5 Standardized approach for counterparty credit risk (SA-CCR)	10.752.636	7.281.466	860.211
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	596.876	209.848	47.750
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	10.656.665	9.891.212	852.533
17 Standardized approach (SA)	10.656.665	9.891.212	852.533
18 Internal model approaches (IMM)	--	--	--
19 Operational Risk	48.583.935	27.986.645	3.886.715
20 Basic Indicator Approach	48.583.935	27.986.645	3.886.715
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)	610.385.087	423.588.045	48.830.807

(*) The amounts given in the table do not include TL 65, which is the amount subject to the Risk of CCP-Guarantee Fund Amounts.

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 1.231 million and US Dollar 7 million of subsidiaries Denizbank AG and Eurodeniz. A part consisting of the same amounts of its foreign currency deposit of the Group has been defined as “hedging instrument”. The effective part of the change in value of the foreign currency deposit arising from change in exchange rate has been recognised 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 (58.164).

Total abroad net investment hedging funds recognised under equity is amounting to TL (21.214.892) as of 30 September 2023 (31 December 2022: TL (16.728.902)).

b. Cash flow risk

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

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In the cash flow hedge accounting initiated by Deniz Leasing; receivables from current operating leases and their fair values as a hedged item have determined the estimated future used vehicle sales that are followed up in Euro and the loans received in Euro has been determined as hedging instrument.

Profit/ (loss) after tax is none which is accounted under shareholders' equity as cash flow hedge accounting as of 30 September 2023 (31 December 2022: TL (3.131)).

IX. Explanations related to the consolidated segment reporting

DFS Group operates in four main areas; wholesale banking, SME and agricultural banking, retail banking, and treasury.

Wholesale banking provides financial solutions and banking services to large-scale national and international corporate and commercial customers. Short and long term business loans, investment loans, financial and operational leasing services and factoring loan products, non-cash loans, foreign exchange purchase-sales, foreign trade financing, project financing, structured financing, corporate finance, deposits and cash management services are provided in order to meet the needs of customers for investment, working capital and projects.

Within the scope of retail banking, loan products (consumer, mortgage, vehicle, workplace, tractor, agricultural equipment and investment loans), credit cards with different features, producer cards, investment products (mutual funds, stocks, treasury bills/government bonds, repurchase), deposit products (demand, term, protected), insurance products as well as financial and operational leasing services and factoring loan products are provided to SME and agricultural customers. 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, chequebooks and rental safes.

Treasury covers the Group's short, medium and long-term price strategies and maturity nonconformities, as well as spot and forward TL and foreign exchange trading, treasury bills, bonds and other domestic and international securities trading and derivative products. Bank also performs activities to provide medium and long-term funding, diversification of funding sources and establishment of an international investor base in this field.

Information on business segments has been prepared in accordance with the data provided from the Parent Bank's Management Reporting System.

Information on business segments are presented in the following tables:

Current Period (01/01/2023-30/09/2023)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	7.171.449	4.540.842	6.733.471	10.079.088	818	28.525.668
Net fees and commission income	1.362.708	3.536.459	4.156.989	(118.936)	298.808	9.236.028
Other income/loss, net	5.646.869	2.700.463	4.549.559	(12.199.052)	10.990.923	11.688.762
Total segment income	14.181.026	10.777.764	15.440.019	(2.238.900)	11.290.549	49.450.458
Other operational expenses (*)	(3.289.025)	(5.554.475)	(5.747.618)	(518.838)	(627.675)	(15.737.631)
Provisions for expected credit loss and other provisions	5.770.374	(128.408)	(3.048.873)	(4.501.349)	(40.031)	(1.948.287)
Taxation						(9.497.710)
Net profit from continuing operations	16.662.375	5.094.881	6.643.528	(7.259.087)	10.622.843	22.266.830
Net profit from discontinued operations						--
Net profit for the period	16.662.375	5.094.881	6.643.528	(7.259.087)	10.622.843	22.266.830
Current Period (30/09/2023)						
Segment assets	249.498.010	126.215.943	118.070.002	443.714.892	--	937.498.847
Subsidiaries and associates						2.719.951
Undistributed assets						53.344.146
Total assets						993.562.944
Segment liabilities	181.339.602	153.644.266	232.155.686	303.670.112	--	870.809.666
Undistributed liabilities						47.691.077
Equity						75.062.201
Total liabilities						993.562.944

(*) It also includes personnel expenses.

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Prior Period (01/01/2022-30/09/2022)	Wholesale Banking	SME & Agricultural Banking	Retail Banking	Treasury	Other	Total
Net interest income	5.620.949	3.749.945	4.701.880	5.843.531	(1.195)	19.915.110
Net fees and commission income	607.516	1.504.904	2.373.973	(10.777)	63.005	4.538.621
Other income/loss, net	2.036.844	775.497	596.300	5.487.979	(2.144.753)	6.751.867
Total segment income	8.265.309	6.030.346	7.672.153	11.320.733	(2.082.943)	31.205.598
Other operational expenses (*)	(1.402.770)	(2.345.379)	(3.186.231)	(425.027)	(40.317)	(7.399.724)
Provisions for expected credit loss and other provisions	(1.574.514)	656.947	(2.125.826)	(1.737.555)	(18.443)	(4.799.391)
Taxation						(4.717.249)
Net profit from continuing operations	5.288.025	4.341.914	2.360.096	9.158.151	(2.141.703)	14.289.234
Net profit from discontinued operations						—
Net profit for the period	5.288.025	4.341.914	2.360.096	9.158.151	(2.141.703)	14.289.234
Prior Period (31/12/2022)						
Segment assets	170.545.219	96.667.895	75.536.168	249.999.035	--	592.748.317
Subsidiaries and associates						2.694.327
Undistributed assets						29.558.470
Total assets						625.001.114
Segment liabilities	112.307.288	89.528.100	159.173.757	180.188.618	--	541.197.763
Undistributed liabilities						28.940.375
Equity						54.862.976
Total liabilities						625.001.114

(*) It also includes personnel expenses.

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SECTION FIVE
DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to consolidated assets

a. Cash and cash equivalents

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	1.885.843	7.462.583	1.224.349	4.223.175
Central Bank of the Republic of Turkey	53.141.699	82.689.713	7.483.910	73.426.179
Other (*)	12.280	30.640.463	--	25.798.209
Total	55.039.822	120.792.759	8.708.259	103.447.563

(*) This includes the balances of foreign subsidiaries in foreign central 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	53.138.088	34.377.517	7.483.910	20.133.448
Unrestricted Time Deposits	--	5.053.203	--	14.013.933
Restricted Time Deposits	3.611	43.258.993	--	39.278.798
Total	53.141.699	82.689.713	7.483.910	73.426.179

3. Explanations on reserve requirements

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

As of 30 September 2023, all banks operating in Turkey should provide a reserve in a range of 0% to 8% (31 December 2022: between 3% and 8%) depending on the terms of the deposits for their liabilities in Turkish Lira and in a range of 5% to 26% (31 December 2022: between 5% and 26%) in US Dollars or standard gold for their liabilities in foreign currencies.

The interest income received from reserve requirements of the Bank with the CBRT is amounting to TL 192.469 (1 January - 30 September 2022: TL 96.849). The related interest income recognised under "Interest on Reserve Requirements".

With the press release of the CBRT dated 23 April 2022, commercial cash loans of banks and financing companies in Turkish lira are subject to reserve requirements starting from the establishment date of 10 June 2022.

Within the scope of the CBRT's Communiqué numbered 2021/14, additional required reserve and commission application according to the conversion rate into Turkish lira time deposit accounts for foreign currency deposit accounts effective as of 2 September 2022, it has been terminated with the Communiqué numbered 2022/30 published in the Official Gazette dated 31 December 2022 and numbered 32060 with the 5th repetitive number, effective from the obligation period of 23 December 2022.

As of 23.12.2022, the commission rate to be calculated over the required reserve amount required for foreign currency deposit liabilities has been determined as 8% per annum for banks with a Turkish lira deposit share below 50% and for banks between 50% and 60%, as 3% per annum in both real and legal person deposits.

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4. Information on Banks

Information on Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	10.775.587	1.138.100	1.172.183	201.130
Foreign	137.350	57.085.983	83	31.533.785
Foreign head offices and branches	--	133.314	--	--
Total	10.912.937	58.357.397	1.172.266	31.734.915

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 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	70	--	73	--
Other	--	--	--	--
Total	70	--	73	--

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

None.

3. Other financial assets

As of 30 September 2023, other financial assets include securities other than government debt securities and equity instruments.

4. Positive differences related to derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	268.669	701.820	173.670	131.596
Swap Transactions	1.117.641	7.420.001	1.403.003	3.483.524
Futures Transactions	--	--	8.836	--
Options	1.978	441.666	42.827	1.288.388
Other	--	--	--	--
Total	1.388.288	8.563.487	1.628.336	4.903.508

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, Government Debt Securities, Eurobonds and foreign currency bonds issued by the Turkish Treasury and foreign private sector debt securities.

2. Characteristics and book value of financial assets at fair value through other comprehensive income pledged as collateral

Financial assets at fair value through other comprehensive income which are given as collateral consist of securities issued to various financial institutions, primarily the Central Bank of the Republic of Turkey and İstanbul Takas ve Saklama Bankası A.Ş. (Settlement and Custody Bank), for interbank money market, foreign exchange market and other transactions. These financial assets include government bonds and Eurobonds, and their total book value amounts to TL 22.551.981 (31 December 2022: TL 22.237.324).

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3. Information on financial assets at fair value through other comprehensive income given as collateral/blocked

<i>Given as collateral or blocked</i>	Current Period		Prior Period	
<i>Financial assets at fair value through other comprehensive income</i>	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bills, Bonds and Similar Securities	20.689.479	1.862.502	19.543.206	2.694.118
Other	--	--	--	--
Total	20.689.479	1.862.502	19.543.206	2.694.118

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

<i>Subject to repurchase agreements</i>	Current Period		Prior Period	
<i>Financial assets at fair value through other comprehensive income</i>	TL	FC	TL	FC
Government Bonds	4.784.886	33.278.941	87.568	14.610.285
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bank Bills and Bank Guaranteed Bills	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	4.784.886	33.278.941	87.568	14.610.285

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 Securities	75.826.446	77.257.107
Quoted on Stock Exchange (*)	75.826.446	77.257.107
Unquoted on Stock Exchange	--	--
Share Certificates	1.951	1.630
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	1.951	1.630
Impairment Provisions (-)	--	--
Total	75.828.397	77.258.737

(*) It includes bank and corporate bills.

d. Explanations on loans

1. Information on the balance of any kind of loan or advance granted to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	108.918	--	93.168
Corporate Shareholders	--	108.918	--	93.168
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	--	--	--	--
Loans Granted to Employees	578.574	95	347.083	155
Total	578.574	109.013	347.083	93.323

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2. Information on standard loans and loans under close monitoring and loans under restructuring

Cash loans (*)	Standard Loans	Loans Under Close Monitoring		
		Not included in restructured loans	Restructured Loans	
			Changes in conditions of contract	Refinancing
Non-specialized loans	415.689.500	17.644.216	9.616.507	13.591.632
Corporate loans	64.662.262	3.131.698	3.831.224	2.292.631
Export loans	39.246.486	1.994.810	--	201.517
Import loans	--	--	--	--
Financial sector loans	3.755.258	--	--	--
Consumer loans	53.600.891	3.615.875	1.960.999	27.333
Credit cards	73.984.311	2.152.731	1.239.553	4.389
Others	180.440.292	6.749.102	2.584.731	11.065.762
Specialized loans	21.716.421	652.365	651.250	684.859
Other receivables	26.495.585	2.815.675	566.674	138
Total	463.901.506	21.112.256	10.834.431	14.276.629

(*) It includes loans measured at amortised cost.

Stage 1 and Stage 2 Provisions for Expected Credit Loss	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-Month provision for expected credit loss	7.360.281	--	4.920.254	--
Significant increase in credit risk	--	13.240.402	--	12.484.365
Total	7.360.281	13.240.402	4.920.254	12.484.365

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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	10.970.053	41.754.377	52.724.430
Real estate Loans	4.922	823.991	828.913
Vehicle Loans	15.098	33.779	48.877
General Purpose Loans	10.950.033	40.896.607	51.846.640
Other	--	--	--
Consumer Loans-Indexed to FC	--	12.198	12.198
Real estate Loans	--	10.888	10.888
Vehicle Loans	--	--	--
General Purpose Loans	--	1.310	1.310
Other	--	--	--
Consumer Loans-FC	28.876	49.501	78.377
Real estate Loans	--	7.201	7.201
Vehicle Loans	--	--	--
General Purpose Loans	28.876	--	28.876
Other	--	42.300	42.300
Individual Credit Cards-TL	63.914.911	2.042.506	65.957.417
Installment	25.751.539	2.042.506	27.794.045
Non installment	38.163.372	--	38.163.372
Individual Credit Cards-FC	48.986	--	48.986
Installment	--	--	--
Non installment	48.986	--	48.986
Loans Given to Employees-TL	111.172	247.923	359.095
Real estate Loans	--	33	33
Vehicle Loans	--	--	--
General Purpose Loans	111.172	247.890	359.062
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	784	784
Real estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	784	784
Personnel Credit Cards - TL	208.127	723	208.850
Installment	84.216	723	84.939
Non installment	123.911	--	123.911
Personnel Credit Cards - FC	1.609	--	1.609
Installment	--	--	--
Non installment	1.609	--	1.609
Overdraft Loans-TL (Real Persons) (*)	6.010.589	--	6.010.589
Overdraft Loans-FC (Real Persons)	19.625	--	19.625
Total	81.313.948	44.108.012	125.421.960

(*) The overdraft account used by the personnel of the Parent Bank amounts to TL 8.236 (31 December 2022: TL 4.042).

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4. Information on commercial installment loans and corporate credit cards

	Short Term	Medium or Long Term	Total
Installment Commercial Loans - TL	3.447.955	17.064.355	20.512.310
Real estate Loans	8	90.468	90.476
Vehicle Loans	27.220	150.734	177.954
General Purpose Loans	3.420.727	14.878.795	18.299.522
Other	--	1.944.358	1.944.358
Installment Commercial Loans - Indexed to FC	--	329.085	329.085
Real estate Loans	--	1.714	1.714
Vehicle Loans	--	--	--
General Purpose Loans	--	327.371	327.371
Other	--	--	--
Installment Commercial Loans - FC	4.991.748	97.638.836	102.630.584
Real estate Loans	--	--	--
Vehicle Loans	--	11.945	11.945
General Purpose Loans	87.037	24.136.532	24.223.569
Other	4.904.711	73.490.359	78.395.070
Corporate Credit Cards - TL	10.939.943	222.756	11.162.699
Installment	1.905.387	222.756	2.128.143
Non installment	9.034.556	--	9.034.556
Corporate Credit Cards - FC	1.423	--	1.423
Installment	--	--	--
Non installment	1.423	--	1.423
Overdraft Loans-TL (Legal Entities)	5.190.005	--	5.190.005
Overdraft Loans-FC (Legal Entities)	16.596	--	16.596
Total	24.587.670	115.255.032	139.842.702

5. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	464.408.577	319.162.232
Foreign Loans	45.716.245	37.277.052
Total	510.124.822	356.439.284

6. Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	741.410	--
Indirect loans granted to subsidiaries and associates	--	--
Total	741.410	--

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

	Current Period	Prior Period
Provisions related to loans or credit impaired losses (stage 3)		
Loans with Limited Collectability	1.114.204	2.967.990
Loans with Doubtful Collectability	4.141.685	2.014.523
Uncollectible Loans	8.584.609	9.021.838
Total	13.840.498	14.004.351

8. Information on non-performing loans (Net)

(i) Information on non-performing loans and restructured loans by the Group

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period	354.843	3.166.410	6.567.410
(Gross amounts before the provisions)			
Restructured loans	354.843	3.166.410	6.567.410
Prior Period	2.267.706	161.190	5.987.003
(Gross amounts before the provisions)			
Restructured loans	2.267.706	161.190	5.987.003

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(ii) Information on movement of total non-performing loans

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Balances at Beginning of the Period	4.079.499	2.888.776	10.782.260
Additions (+)	2.327.016	2.308.035	3.350.675
Transfers from Other Categories of Non-Performing Loans (+)	--	3.063.553	1.892.049
Transfers from Other Categories of Non-Performing Loans (-)	3.063.553	1.892.049	--
Collections (-)	1.474.070	1.736.426	4.597.499
Write-offs (-)	--	--	217.166
Sales (-)	--	--	1.200.714
Corporate and Commercial Loans	--	--	11.249
Retail Loans	--	--	677.189
Credit Cards	--	--	381.646
Other	--	--	130.630
FX difference	244.618	500.227	912.851
Balances at End of the Period	2.113.510	5.132.116	10.922.456
Specific Provisions (-)	1.114.204	4.141.685	8.584.609
Net Balance on Balance Sheet	999.306	990.431	2.337.847

(iii) Information on non-performing loans utilised in foreign currencies

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period: 30 September 2023			
Balance as of the Period End	5.117	1.547.387	2.965.810
Provisions (-)	1.933	1.546.789	1.919.656
Net Balance on Balance Sheet	3.184	598	1.046.154
Prior Period: 31 December 2022			
Balance as of the Period End	722.263	585.951	2.962.447
Provisions (-)	704.489	296.577	2.195.209
Net Balance on Balance Sheet	17.774	289.374	767.238

(iv) Information on gross and net amounts of non-performing loans according to beneficiary group

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period (Net): 30 September 2023	999.306	990.431	2.337.847
Loans Granted to Real Persons and Legal Entities (Gross)	2.113.510	5.132.116	10.922.456
Provisions (-)	1.114.204	4.141.685	8.584.609
Loans Granted to Real Persons and Legal Entities (Net)	999.306	990.431	2.337.847
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan (Net)	--	--	--
Prior Period (Net): 31 December 2022	1.111.509	890.535	1.744.140
Loans Granted to Real Persons and Legal Entities (Gross)	4.079.499	2.888.776	10.782.260
Provisions (-)	2.967.990	1.998.241	9.038.120
Loans Granted to Real Persons and Legal Entities (Net)	1.111.509	890.535	1.744.140
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loans (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loans (Net)	--	--	--

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- (v) Information on interest accruals, rediscount and valuation differences for non-performing loans and their provisions

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period (Net)	85.923	71.591	90.274
Interest accruals and rediscount and valuation differences	166.916	340.413	951.691
Amount of provision (-)	80.993	268.822	861.417
Prior Period (Net)	106.302	218.093	124.651
Interest accruals and rediscount and valuation differences	395.456	398.348	1.160.649
Amount of provision (-)	289.154	180.255	1.035.998

e. Information on financial assets measured at amortised 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 amortised cost subject to repurchase agreement amounts to TL 30.207.190 (31 December 2022: TL 5.169.389).

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

Collateralized financial assets measured at amortised cost are government bonds, book value of which amounts to TL 16.847.838 (31 December 2022: TL 3.903.075).

2. Information on government debt securities measured at amortised cost

<i>Government debt securities measured at amortised cost</i>	Current Period	Prior Period
Government Bonds	47.071.998	18.316.908
Treasury Bills	--	--
Other Government Debt Securities	--	--
Total	47.071.998	18.316.908

3. Information on financial assets measured at amortised cost

<i>Financial assets measured at amortised cost</i>	Current Period	Prior Period
Debt Securities	47.071.998	18.316.908
Quoted on Stock Exchange	47.071.998	18.316.908
Unquoted on Stock Exchange	--	--
Impairment provisions (-)	--	--
Total	47.071.998	18.316.908

4. The movements of financial assets measured at amortised cost during the period

	Current Period	Prior Period
Balance at the beginning of the period	18.316.908	7.124.821
Foreign exchange differences in monetary assets (*)	13.556.401	1.837.199
Purchases during the year	16.732.722	10.242.395
Disposals by sale and redemption	(1.534.033)	(887.507)
Impairment provisions (-)	--	--
Total	47.071.998	18.316.908

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

(**) Due to the change in the business model in May 2023, the Bank reclassified the bonds with a cost of TL 15.691.318 from the "Financial assets at fair value through other comprehensive income" category to the "Financial assets measured at amortized cost" category.

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f. Information on investments in associates

1. Investments in unconsolidated associates

Title	Address (City/Country)	Share percentage of the Parent Bank(%)	Risk Group Share Percentage of the Parent Bank(%)
1-Kredi Kayıt Bürosu A.Ş. ⁽¹⁾	Istanbul/Turkey	9,00	--
2-Kredi Garanti Fonu A.Ş. ⁽²⁾	Ankara/Turkey	2,00	--
3-Ege Tarım Ürünleri Lisanslı Dep. A.Ş. ⁽³⁾	İzmir/Turkey	9,00	--
4-İhracatı Geliştirme A.Ş. ⁽²⁾	Istanbul/Turkey	0,16	--

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	1.062.916	217.362	303.293	84.359	--	102.761	19.581	--
2	1.814.872	1.093.002	30.886	6.009	--	326.627	211.158	--
3	71.622	32.370	46.631	246	--	11.268	1.089	--
4	4.563.113	4.532.905	1.208	429.893	--	1.154.146	22.740	--

⁽¹⁾ Information on the financial statements is presented as of the period ended 30 June 2023.

⁽²⁾ Information on the financial statements is presented as of the period ended 31 December 2022.

⁽³⁾ Information on the financial statements is presented as of the period ended 30 September 2023.

2. Investments in consolidated associates

There are no investments in consolidated associates.

g. Information on investments in subsidiaries

1. Information on shareholders' equity of major subsidiaries

The Parent Bank do not not have any capital requirement arising from its subsidiaries included in the consolidated capital adequacy standard ratio.

The amounts below are obtained from the financial data of 30 September 2023 prepared in accordance with the legislation to which Denizbank AG is subject to.

	Denizbank AG
Paid-in capital	6.526.970
Share premium	9.589.984
Reserves	16.552.206
Deductions from capital	63.767
Total Common Equity	32.605.393
Total additional Tier I capital	--
Deductions from capital	255.068
Total Core Capital	32.350.325
Total supplementary capital	--
Capital	32.350.325
Deductions from capital	--
SHAREHOLDERS' EQUITY	32.350.325

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2. Information on unconsolidated subsidiaries

Title	Address (City/Country)	Share percentage of the Parent Bank (%)	Share percentage of other shareholders (%)
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-Açık Deniz Radyo ve Televizyon İletişim Yayıncılık ve Sanayi A.Ş.	Istanbul/ Turkey	--	100
4-Deniz Immobilien Service GmbH	Vienna/Austria	--	100
5-Ekspres Bilgi İşlem ve Ticaret A.Ş.	Istanbul/ Turkey	--	100
6-Neohub Teknoloji Yazılım Pazarlama ve Danışmanlık A.Ş.	Istanbul/ Turkey	--	100
7- Neo Elektronik Ticaret Bilişim Teknolojileri Yazılım ve Danışmanlık A.Ş.	Istanbul/ Turkey	--	100

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/(Loss)	Prior Period Profit/(Loss)	Fair Value
1	2.226.675	1.659.203	1.075.690	8.464	--	611.720	199.938	--
2	954	835	--	--	--	(36)	-3	--
3	588	567	--	--	--	13	13	--
4	566	26	--	--	--	(122)	71	--
5	90.495	19.711	4.384	271	--	5.269	290	--
6	67.878	50.859	2.056	5.916	--	13.756	5.980	--
7	8.751	8.042	889	568	--	(983)	--	--

The financial statements of the above subsidiaries for the period ended on 30 September 2023 are not included in the consolidation since they are non-financial subsidiaries.

3. Information on consolidated subsidiaries

Title	Address (City/Country)	Share percentage of the Parent Bank (%)	Share percentage of other shareholders (%) (*)	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	100	--	Full consolidation
5 Deniz Portföy Yönetimi A.Ş.	Istanbul/Turkey	--	100	Full consolidation
6 Deniz Finansal Kiralama A.Ş.	Istanbul/Turkey	100	--	Full consolidation
7 Deniz Faktoring A.Ş.	Istanbul/Turkey	100	--	Full consolidation
8 Deniz Gayrimenkul Yatırım Ortaklığı A.Ş.	Istanbul/Turkey	--	75	Full consolidation
9 CR Erdberg Eins GmbH & Co KG	Vienna/Austria	--	100	Full consolidation
10 Fast Pay Elektronik Para ve Ödeme Hizmetleri A.Ş.	Istanbul/Turkey	100	--	Full consolidation

(*) Represents risk group share percentage of the Bank.

	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	166.798.922	38.942.786	468.536	4.648.332	238.918	2.738.122	857.850	--	--
2	210.648	210.476	23	55.763	--	305	(1.150)	--	--
3	9.587.386	3.204.131	19.230	1.103.673	339	939.236	161.515	--	--
4	11.562.053	1.784.140	49.431	319.500	14.814	486.721	324.472	--	--
5	219.387	187.633	3.577	(48)	(53)	104.850	11.052	--	--
6	18.166.846	5.044.662	4.434.663	1.064.814	--	1.407.704	278.574	--	--
7	13.120.148	3.329.363	32.504	2.210.232	--	782.761	85.342	--	--
8	1.979.167	1.717.663	752.899	40.096	405	392.196	123.667	--	--
9	1.014.957	885.696	744.166	324	--	578	4.687	--	--
10	171.231	95.015	49.620	--	--	(3.861)	(2.432)	--	--

Includes financial statement details subject to 30 September 2023 consolidation.

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(i) Movement of consolidated subsidiaries during the period

	Current Period	Prior Period
Balance at the Beginning of the Period	4.768.535	4.179.527
Movements During the Period	6.052.703	589.008
Purchases (*)	4.073.000	25.000
Bonus Shares Received	1.485.170	--
Dividends from Current Year Profit	--	--
Sales	--	--
Revaluation Increase, Effect of Inflation and F/X Difference	494.533	564.008
Other	--	--
Provision for Impairment	--	--
Balance at the End of the Period	10.821.238	4.768.535
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) As of 31 December 2020, the capital commitment of TL 4.000 to "Fastpay Elektronik Para ve Dağıtım Hizmetleri A.Ş.", a 100% subsidiary of the Bank, was paid in cash as of 31 March 2021, and the capital increase was completed. With the decision of the Board of Directors of the Bank dated 31 March 2022, it has been decided to increase the capital by TL 25.000 in order to comply with the minimum equity requirement, and to participate in the entire amount increased by the Bank. The capital commitment debt was paid on 31 March 2022 before the capital increase decision was registered. As of 31 March 2023, a capital increase amounting to TL 73.000 was made.

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

	Current Period	Prior Period
Banks	2.321.148	2.321.148
Insurance Companies	--	--
Factoring Companies	2.490.277	138.107
Leasing Companies	3.934.217	801.217
Finance Companies	--	--
Other Subsidiaries	2.075.596	1.508.063
Total	10.821.238	4.768.535

The balances of the consolidated subsidiaries mentioned in the above have been eliminated in the accompanying financial statements.

(iii) Quoted subsidiaries within the consolidation scope

	Current Period	Prior Period
Quoted on domestic markets	1.555.357	1.204.727
Quoted on foreign markets	--	--

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

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

h. Information on jointly controlled entities (joint ventures)

1. Information on jointly controlled entities (joint ventures)

Title	Share percentage of the Parent Bank (%)	Share percentage of the Group (%)	Current Assets	Non-Current Assets	Non-Current Liabilities	Income	Expenses
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.	33	33	208.714	162.050	100.999	721.358	(707.392)

Information on the unaudited financial statements is presented as of the period ended 30 September 2023.

2. Reasons of being unconsolidated for unconsolidated jointly controlled entities (joint ventures) and method used in the accounting of jointly controlled entities (joint ventures) in the Parent Bank's unconsolidated financial statements

Although the Parent Bank represents Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. ("Bantaş") with %33 of ownership rate as jointly controlled affiliate in its financial statements, it was not consolidated since it is a non-financial entity. This investment is carried at cost.

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i. Information on receivables from leasing transactions

1. Representation of investments in leasing transactions by remaining maturity

	Current Period (*)		Prior Period (*)	
	Gross	Net	Gross	Net
Less than 1 year	2.033.823	1.488.118	1.918.344	1.804.362
Between 1-4 years	6.548.409	5.610.968	4.021.142	3.276.322
Over 4 years	4.929.683	3.729.125	4.075.630	3.116.017
Total	13.511.915	10.828.211	10.015.116	8.196.701

(*) Non-performing lease receivables of TL 255.076 are not included (31 December 2022: TL 376.297).

2. Information on net investments in lease transactions

	Current Period (*)	Prior Period (*)
Gross finance lease investment	13.511.915	10.015.116
Unearned finance income from finance lease (-)	2.683.704	1.818.415
Cancelled leasing amounts (-)	--	--
Net investment on finance leases	10.828.211	8.196.701

(*) Non-performing lease receivables of TL 255.076 are not included (31 December 2022: TL 376.297).

3. Information on operating leased

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

Long-term receivables arising from leased assets are not recognised in the DFS Group's balance sheet. Receivables arising from the invoiced rents amounts within the period are recognised in the Group's balance sheet.

As of 30 September 2023, the DFS 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	77.679	19.783
Between 1-5 years	--	--
5 years and over	--	--
Total	77.679	19.783

j. Explanation on derivative financial instruments for hedging purpose

None.

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k. Explanation on investment properties

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

As of 30 September 2023, the DFS Group's investment properties amount to TL 715.555 (31 December 2022: TL 709.270) which are carried at fair value in the consolidated financial statements.

l. Information on deferred tax asset

Deferred tax asset calculated within the scope of applicable regulation amounts to TL 5.449.415 (31 December 2022: TL 4.357.629) and deferred tax liability amounts to TL 1.227.730 (31 December 2022: TL 654.432). The mentioned value has been calculated by netting off the deductible and taxable temporary differences as of the balance sheet date.

The following table summarizes the distribution of deferred tax in terms of sources:

	Current Period	Prior Period
Miscellaneous Provisions	5.477.847	3.908.989
Valuation Differences of Financial Assets	531.996	283.918
Provision for Employee Benefits	484.626	372.613
Unearned Revenue	76.688	130.638
Deferred Tax Assets	6.571.157	4.696.158
Valuation Differences of Derivatives	(1.443.576)	(334.138)
Valuation Differences of Tangible Assets	(597.107)	(403.812)
Other	(308.789)	(255.011)
Deferred Tax Liabilities	(2.349.472)	(992.961)
Net Deferred Tax Assets	4.221.685	3.703.197

m. Explanation on non-current assets or disposal groups held for sale and from 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 6.856.041 (31 December 2022: TL 2.192.347).

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

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II. Explanations and disclosures related to consolidated liabilities

a. Information on deposits

Foreign currency protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the year of 2021 accounting period reported. TL deposits include TL 202.341.729 deposits within this scope as of 30 September 2023 (31 December 2022: TL 73.171.134).

1. Information on maturity structure of deposits

Current Period: 30 September 2023	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	17.659.555	--	9.199.451	37.572.271	116.484.963	18.063.707	18.405.972	3.363	217.389.282
Foreign Currency Deposits (*)	143.586.486	--	19.366.803	38.478.993	30.664.810	32.021.526	36.592.225	11.287	300.722.130
Residents in Turkey	80.071.942	--	12.929.214	28.390.066	11.901.488	4.981.354	3.427.747	8.860	141.710.671
Residents Abroad	63.514.544	--	6.437.589	10.088.927	18.763.322	27.040.172	33.164.478	2.427	159.011.459
Public Sector Deposits	1.878.686	--	62.556	299.641	2.278	307	2.347	--	2.245.815
Commercial Deposits	20.899.890	--	7.372.658	8.664.569	44.995.126	12.820.989	5.455.404	--	100.208.636
Other Ins. Deposits	443.629	--	295.129	808.627	991.033	138.075	1.816	--	2.678.309
Precious Metal Deposits	16.932.364	--	219.021	2.643.674	675.870	539.793	164.640	4.482	21.179.844
Bank Deposits	1.015.800	--	1.719.391	3.902.396	243.853	339.941	246.397	--	7.467.778
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	31.225	--	--	172.678	298.301	--	--	--	502.204
Foreign Banks	982.768	--	1.719.391	3.729.718	(54.448)	339.941	246.397	--	6.963.767
Special Finan. Inst.	1.807	--	--	--	--	--	--	--	1.807
Other	--	--	--	--	--	--	--	--	--
Total	202.416.410	--	38.235.009	92.370.171	194.057.933	63.924.338	60.868.801	19.132	651.891.794

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 192.793.100 and Commercial Deposit customers at the amount of TL 107.929.030.

Prior Period: 31 December 2022	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	11.756.270	--	7.316.517	27.311.244	44.764.424	2.987.232	3.768.833	3.282	97.907.802
Foreign Currency Deposits (*)	110.070.189	--	26.283.703	44.521.318	15.312.330	15.079.648	21.623.713	4.679	232.895.580
Residents in Turkey	49.717.116	--	18.697.583	32.674.523	9.905.614	4.174.855	3.369.303	4.540	118.543.534
Residents Abroad	60.353.073	--	7.586.120	11.846.795	5.406.716	10.904.793	18.254.410	139	114.352.046
Public Sector Deposits	1.117.565	--	541.338	362.896	193	--	--	--	2.021.992
Commercial Deposits	14.085.372	--	11.192.746	12.161.839	18.777.920	4.243.606	3.923.452	--	64.384.935
Other Ins. Deposits	338.732	--	222.975	643.035	430.336	89.147	18.504	--	1.742.729
Precious Metal Deposits	12.449.445	--	216.469	3.137.409	711.610	782.637	712.289	5.994	18.015.853
Bank Deposits	1.139.864	--	259.621	17.665.898	1.614.163	656.125	1.102.449	--	22.438.120
Central Bank	413.798	--	--	--	--	--	--	--	413.798
Domestic Banks	40.297	--	1.064	201.872	190.740	--	--	--	433.973
Foreign Banks	684.508	--	258.557	17.464.026	1.423.423	656.125	1.102.449	--	21.589.088
Special Finan. Inst.	1.261	--	--	--	--	--	--	--	1.261
Other	--	--	--	--	--	--	--	--	--
Total	150.957.437	--	46.033.369	105.803.639	81.610.976	23.838.395	31.149.240	13.955	439.407.011

(*) Foreign Currency Deposit Account consists of Saving Deposit customers at the amount of TL 156.843.158 and Commercial Deposit customers at the amount of TL 76.052.422.

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2. Information on deposit insurance

(i) Information on saving deposits under the guarantee of insurance and exceeding the limit of insurance

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	60.473.874	35.687.504	155.920.372	62.212.788
Foreign Currency Saving Deposits	38.915.783	23.063.342	84.621.396	83.124.491
Other Deposits in the form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits under Foreign Authorities' Insurance	--	--	--	--
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	--	--	--	--
Total	99.389.657	58.750.846	240.541.768	145.337.279

In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, official institutions in the presence of credit institutions, credit institutions and all deposits and participation funds, except those belonging to financial institutions, have started to be insured. In this context, commercial deposits covered by the insurance amount to TL 14.864.677 and the relevant amount is not included in the footnote.

(ii) Saving deposits of real persons which are not under the guarantee of insurance

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	53.206	112.304
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	233.300	187.849
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 which are established in Turkey	55	28.190
Total	286.561	328.343

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

b. Information on derivative financial liabilities held for trading

1. Negative differences table for derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	577.216	216.243	11.023	177.594
Swap Transactions	29.634	2.516.340	177.469	1.993.976
Futures Transactions	1.069	--	2.908	--
Options	--	253.203	--	1.058.563
Other	--	--	--	--
Total	607.919	2.985.786	191.400	3.230.133

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	6.110.027	2.217.007	5.692.037	416.454
Foreign Banks, Institutions and Funds	517.784	90.556.457	--	44.473.013
Total	6.627.811	92.773.464	5.692.037	44.889.467

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2. Maturity information of funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	6.627.618	28.075.538	5.649.469	7.630.802
Medium and Long-Term	193	64.697.926	42.568	37.258.665
Total	6.627.811	92.773.464	5.692.037	44.889.467

d. Information on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds ^(*)	--	25.138.653	--	4.687.007
Bills	2.046.675	2.139.383	3.616.862	494.857
Asset Backed Securities	--	--	--	--
Total	2.046.675	27.278.036	3.616.862	5.181.864

(*) DFSG provides funds through securitization transactions based on foreign remittance flows through DFS Funding Corporation, a special purpose institution established abroad within the framework of its foreign borrowing program.

As of 30 September 2023, the Parent Bank has no repurchased the securities it has issued and netted them in its financial statements (31 December 2022: TL 22.611).

e. If other liabilities line of the balance sheet exceeds 10% of the total balance sheet excluding the off balance sheet commitments, the names and amounts of the sub-accounts constituting at least 20% of the other liabilities

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

f. Information on lease liabilities

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	198.661	141.688	498.631	341.994
Between 1-4 years	932.060	696.215	408.251	267.052
Over 4 years	67.988	48.060	64.306	46.877
Total	1.198.709	885.963	971.188	655.923

g. Information on derivative financial liabilities for hedging purpose

None.

h. Explanation on provisions

1. Provision for foreign exchange differences on foreign currency indexed loans

As of 30 September 2023, there is no provisions for foreign exchange differences on foreign currency indexed loans (31 December 2022: None). The amount of the provision for foreign exchange differences on foreign currency indexed loans are netted against loans and receivables under assets in the financial statements.

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2. Liabilities of provision for employee benefits

TAS 19 requires using the actuarial valuation method for calculation of liabilities.

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

	Current Period	Prior Period
Discount rate	%5,08	%1,91
Interest rate	%24,00	%21,83
Estimated rate of increase in salary/severance pay limit	%18,00	%19,55

As of 30 September 2023, TL 982.346 of provision for employee termination benefits (31 December 2022: TL 978.935) and TL 862.585 of unused vacation provisions and other rights (31 December 2022: TL 698.339) were reflected to the consolidated financial statements.

Movement of the provision for employee termination benefits during the period is as follows:

	Current Period	Prior Period
Balance at the Beginning of the Period	978.935	320.924
Changes in the period	259.257	304.137
Actuarial loss/(gain)	273.842	420.567
Paid in the period	(538.173)	(70.113)
FX difference	8.485	3.420
Balance at the End of the Period	982.346	978.935

3. Information on other provisions

Information on the items and amounts causing the excess if other provisions exceed 10% of total provisions:

Current period:

TL 1.232.888 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 2.635.993 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 585.143 is the provisions for the litigations against the Bank, TL 7.700.000 includes free provision and TL 1.929.977 includes other provisions.

Prior period:

TL 1.027.938 of other provisions represents stage 1 and stage 2 provisions for expected credit loss for non-cash loans, TL 1.961.333 is related to stage 3 provision for expected credit loss for non-cash loans that are unindemnified and not converted into cash, TL 311.508 is the provisions for the litigations against the Bank, TL 4.175.000 includes free provision and TL 1.136.724 includes other provisions.

i. Explanations on tax liability

1. Information on current tax liability

(i) Information on tax provision

As of 30 September 2023, the corporate tax provision of DFS Group amounts to TL 4.559.807 (31 December 2022: TL 6.907.352), and it has been offset with advance taxes amounting to TL 2.759.950 (31 December 2022: TL 4.653.485).

(ii) Information on tax liabilities

	Current Period	Prior Period
Corporate tax payables	1.789.855	2.253.867
Taxation on securities	342.348	107.059
Taxes on real estate capital gain	6.161	4.585
Banking Insurance Transaction Tax (BITT)	714.875	547.568
Taxes on foreign exchange transactions	14.603	17.069
Value added tax payables	66.169	28.401
Other	200.597	132.488
Total	3.134.608	3.091.037

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(iii) Information on premiums

	Current Period	Prior Period
Social security premiums- employee share	64.526	32.231
Social security premiums- employer share	80.893	37.704
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	10.723	12.202
Unemployment insurance- employer share	7.725	4.431
Other	--	--
Total	163.867	86.568

2. Information on deferred tax liability

Deferred tax liability calculated within the scope of the applicable regulations amounts to TL 1.227.730 (31 December 2022: TL 654.432). The detail of deferred tax is disclosed in Note "I" of explanations and disclosures related to consolidated assets.

j. Information on liabilities related to non-current assets held for sale and discontinued operations

None.

k. Information on shareholders' equity

1. Presentation of paid-in capital

	Current Period	Prior Period
Share	5.696.100	5.696.100
Preferred Share	--	--

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 upper limit of registered share capital

The registered share capital system is not applied.

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

None.

4. Information on share capital increases from revaluation funds during the current period

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. Summary information on the privileges given to stocks representing the capital

The Parent Bank does not have any preferred stocks.

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8. Share premiums, shares and equity instruments

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

(*) Related to the Parent Bank's capital increase on 27 September 2004. The Parent Bank's capital was increased from TL 202.000 to TL 290.000; and TL 50.369 of the increased TL 88.000 was received in cash through shares issued to the public on 27 September 2004.

(**) In the related period, the number of shares with nominal value of "one thousand" Turkish Lira was sold for "two thousand eight hundred seventy-five" Turkish Lira and TL 94.441 share premium was obtained. Inflation valuation difference until December 2004 amounts to TL 3.910 and is followed under the related account in accordance with the regulation. Share premium of TL 60 through obtained from the paid-in capital increase of 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 Parent Bank at the date of 14 October 2015.

Through the capital increase of TL 1.500.000 realised on 28 June 2016, an emission premium of TL 15 was generated.

9. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and JVs	2.305.838	--	2.305.678	--
Valuation Difference	185.351	(2.879.796)	5.700.552	(2.361.679)
FX Gain or Loss	--	--	--	--
Total	2.491.189	(2.879.796)	8.006.230	(2.361.679)

10. Information on hedging funds

Explanations about hedging funds are in Section Four, note VIII.

11. Explanations on minority shares

	Current Period	Prior Period
Balance at the Beginning of the Period	303.767	151.621
Minority shares in net income of consolidated subsidiaries	98.587	152.146
Increase/(decrease) in minority shares due to disposals	--	--
Other	(1.534)	--
Balance at the End of the Period	400.820	303.767

12. Explanations on revaluation differences of tangible fixed assets

As of 31 December 2016, in the valuation of the properties in use that are recognised under tangible fixed assets, the cost model has been changed as revaluation model in accordance with TAS 16 "Tangible Fixed Assets". As a result of the revaluation made, the net revaluation difference after tax amounting to TL 434.183 has been accounted for in "Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit or Loss" under equities (31 December 2022: TL 359.307).

13. Explanations on profit distribution

At the Ordinary General Assembly Meeting held on 23 March 2023, according to the proposal of the Parent Bank's Board of Directors for profit distribution, TL 350.475 of the net profit for the period of 2022 amounting to TL 17.173.014 was allocated as legal reserves until it reaches 20% of the paid-in capital in accordance with Article 519/1 of the Turkish Commercial Code and the remaining TL 16.822.539 was allocated as extraordinary reserves.

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

a. Explanation on liabilities in off-balance sheet accounts

1. Type and amount of irrevocable loan commitments

All of DFS Group's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 30 September 2023, loan granting commitments, commitments for credit card expenditure limits and commitments for cheque payments are TL 40.378.330, TL 194.107.384 and TL 12.111.781 respectively (31 December 2022: TL 30.474.774, TL 80.333.770 and TL 6.613.792 respectively). The details of these items are followed in the off-balance sheet accounts.

2. Structure and amount of probable losses and commitments arising from off-balance sheet items

- (i) Non-cash loans including guarantees, bill of guarantee and acceptances of bank and other letters of credit and commitments which can be considered as financial collateral

As of 30 September 2023, DFS Group has letters of guarantee amounting to TL 102.121.563, bill of guarantee and acceptances amounting to TL 680.694, and guarantees and warranties on letters of credit amounting to TL 20.512.769 and other guarantees and warranties amounting to TL 8.785.069.

As of 31 December 2022, DFS Group has letters of guarantee amounting to TL 66.781.335, bill of guarantee and acceptances amounting to TL 742.939, and guarantees and warranties on letters of credit amounting to TL 15.638.691 and other guarantees and warranties amounting to TL 7.837.197.

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

	Current Period	Prior Period
Provisional Letters of Guarantee	2.159.279	1.771.272
Final Letters of Guarantee	60.043.325	40.203.783
Letters of Guarantee for Advances	12.936.440	6.411.154
Letters of Guarantee given to Customs Offices	495.443	370.592
Other Letters of Guarantee	26.487.076	18.024.534
Total	102.121.563	66.781.335

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	35.497.109	26.032.382
With Original Maturity of 1 Year or Less	35.497.109	26.032.382
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	96.602.986	64.967.780
Total	132.100.095	91.000.162

b. Explanations on contingent assets and liabilities

In accordance with the precautionary principle regarding the lawsuits filed against the Group, TL 585.143 (31 December 2022: TL 311.508) provision has been set aside and these provisions are classified under "Other provisions" on the balance sheet. Except for those provisioned, other ongoing lawsuits are unlikely to result in a negative conclusion and cash outflow is not foreseen for them.

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IV. Explanations and disclosures related to consolidated statement of profit or loss

a. Interest income

1. Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term Loans(*)	20.539.579	3.099.747	9.976.530	1.661.263
Medium and Long Term Loans(*)	15.769.012	8.099.695	11.016.159	4.245.581
Loans Under Close Monitoring	882.226	61.807	728.546	14.981
Premiums Received from Resource Utilisation Support Fund	--	--	--	--
Total	37.190.817	11.261.249	21.721.235	5.921.825

(*) Interest income received from loans also include fees and commissions from cash loans.

2. Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey(*)	--	--	--	--
Domestic Banks	858.199	460.476	27.847	59.829
Foreign Banks	854	469.566	150	70.821
Foreign Head Offices and Branches	--	--	--	--
Total	859.053	930.042	27.997	130.650

(*)The interest income received from required reserves of the Parent Bank with the CBRT is TL 192.469 (1 January - 30 September 2022: TL 96.849).

3. Information on interest income received from securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	36.400	121.601	45.758	59.832
Financial Assets at Fair Value Through Other Comprehensive Income	6.463.209	2.200.126	4.453.754	1.318.665
Financial Assets Measured at Amortised Cost	7.009.885	299.887	1.074.980	101.890
Total	13.509.494	2.621.614	5.574.492	1.480.387

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 amortised cost portfolios with a maturity of 5 to 10 years and having CPI indexed 6 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 predicts the estimated inflation rate in parallel to those. The estimated inflation rate used is updated when necessary during the year. In this context, as of 30 September 2023, the valuation of these securities was made according to the annual forecast of 62% inflation. If the valuation for these securities indexed to the CPI was made according to the reference index valid for 30 September 2023, the securities valuation differences under the equity would increase by TL 424.605 and net profit for the period would decrease by TL 1.531.577 to TL 20.735.253.

4. Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	888	22

b. Interest expense

1. Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.371.435	5.368.186	566.258	2.427.947
Central Bank of the Republic of Turkey	--	146.710	--	382.682
Domestic Banks	1.302.681	143.006	521.304	71.165
Foreign Banks	68.754	5.078.470	44.954	1.974.100
Foreign Head Offices and Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	1.371.435	5.368.186	566.258	2.427.947

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

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2. Information on interest paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	14.625	17.661

3. Information on interest paid to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Securities Issued	410.357	846.479	563.636	233.768

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	--	135.787	--	--	--	--	--	135.787
Saving Deposits	41	1.249.342	6.300.929	12.446.323	989.474	1.321.487	929	22.308.525
Public Sector Deposits	--	26.178	81.989	1.884	141	365	--	110.557
Commercial Deposits	16	1.640.584	1.648.911	5.208.553	1.181.247	602.799	--	10.282.110
Other Deposits	--	72.691	156.100	104.999	24.119	348	--	358.257
7 Days Call Account	--	--	--	--	--	--	--	--
Total	57	3.124.582	8.187.929	17.761.759	2.194.981	1.924.999	929	33.195.236
FC								
Deposits	267.516	67.345	390.730	310.457	430.567	241.636	158.029	1.866.280
Bank Deposits	144.893	280.479	--	--	--	--	--	425.372
7 Days Call Account	--	--	--	--	--	--	--	--
Precious Metal Deposits	3	318	2.971	1.312	2.787	7.664	35	15.090
Total	412.412	348.142	393.701	311.769	433.354	249.300	158.064	2.306.742
Grand Total	412.469	3.472.724	8.581.630	18.073.528	2.628.335	2.174.299	158.993	35.501.978

c. Explanations on trading income/loss

	Current Period	Prior Period
Income	1.410.476.980	1.237.624.937
Capital Market Transactions	3.680.158	417.444
Derivative Financial Instruments	33.302.873	27.460.344
Foreign Exchange Gains	1.373.493.949	1.209.747.149
Loss (-)	1.403.386.355	1.232.245.885
Capital Market Transactions	1.186.918	309.463
Derivative Financial Instruments	23.515.731	13.545.764
Foreign Exchange Losses	1.378.683.706	1.218.390.658
Net Trading Income / Loss	7.090.625	5.379.052

Net gain/(loss) from foreign exchange translation differences related to derivative financial instruments amounts to TL 16.096.257 (1 January - 30 September 2022: TL 13.741.953).

d. Information on other operating income

Other operating income consist of fee income from customers for various banking services, income from fixed asset sales and operating lease income increases.

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e. Provisions for expected credit loss

	Current Period	Prior Period
Expected credit loss (*)	(2.561.081)	3.076.942
12 months provision for expected credit loss (Stage 1)	1.762.256	594.127
Significant increase in credit risk (Stage 2)	(3.160.939)	436.885
NPL (Stage 3)	(1.162.398)	2.045.930
Provisions for securities impairment	--	--
Financial assets at fair value through profit or loss	--	--
Financial assets at fair value through other comprehensive income	--	--
Associates, subsidiaries and provisions for financial assets measured at amortised cost impairment	--	--
Associates	--	--
Subsidiaries	--	--
Joint ventures	--	--
Others	4.509.368	1.722.449
Total	1.948.287	4.799.391

(*) DFS Group has reported the provision for expected credit loss for loans in its financial statements, by netting off the reversals and collections made from loan provisions.

f. Information on other operating expenses

	Current Period	Prior Period
Personnel Expenses (*)	7.892.952	3.316.134
Reserve for Employee Termination Benefits (*)	(592.131)	37.810
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	616.978	382.324
Impairment Losses on Intangible Assets	--	--
Goodwill for impairment loss	--	--
Amortisation Charges of Intangible Assets	698.668	282.134
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	49.840	26.916
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	4.548.543	2.048.531
Operational Lease Expenses (**)	135.346	82.575
Repair and Maintenance Expenses	952.578	452.351
Advertisement Expenses	297.901	151.107
Other Expenses (***)	3.162.718	1.362.498
Losses on Sale of Assets	6.653	3.342
Other (****)	2.516.128	1.302.533
Total	15.737.631	7.399.724

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

(**) Includes the rent expenses outside the scope 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 251.037, TL 123.004, TL 150.776, TL 10.035, TL , 180.882, TL 1.479.233 and TL 967.751 respectively (1 January - 30 September 2022: TL : 139.401, TL 65.878, TL 74.547, TL 4.589, TL , 130.339, TL 665.782 and TL : 281.962 respectively).

(****) Other expenses comprise; BITT expenses, SDIF expenses, financial operating fees, earthquake support packages and others amounting to TL 723.266, TL 769.188, 341.433, 350.729 and TL 331.512 respectively (1 January - 30 September 2022: TL 481.679, TL 477.655, TL 158.153, TL 0 and TL 134.236 respectively).

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

As 1 January - 30 September 2023, DFS Group has a profit before tax from continued operations amounting to TL 31.764.540 (1 January - 30 September 2022: TL 19.006.483).

There is no profit before tax from discontinued operations for the period 1 January - 30 September 2023 (1 January - 30 September 2022: None).

h. Information on tax provision for continued and discontinued operations

1. Calculated current tax income or expense and deferred tax income or expense

As of 1 January - 30 September 2023, the current tax charge on continued operations amounts to TL 4.367.697 (1 January - 30 September 2022: TL 4.381.230) while deferred tax charge amounts to TL 20.676.547 (1 January - 30 September 2022: TL 6.963.833) and deferred tax benefit amounts to TL 15.546.534 (1 January - 30 September 2022: TL 6.627.814).

There are no current tax expenses on discontinued operations.

i. Explanations on net profit and loss for the period

1. If the disclosure of the characteristic, dimension and repetition rate of the income and expense items arising from ordinary banking transactions is necessary for the understanding of the Bank's performance during the period, the characteristic and amount of these items

DFS Group's income from ordinary banking transactions related to the current and previous period are interest income from loans and securities and other banking service income. The main sources of expenditure are interest expenses on deposits and similar borrowing items, which are the funding sources of loans and securities.

2. Profit/(loss) attributable to minority shares

	Current Period	Prior Period
Profit/(loss) attributable to minority shares	98.587	65.413

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 the other lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of other items

DFS Group has accounted for fees and commissions, transfer commissions, account operation fees and insurance brokerage commissions received from credit cards under the "Other" line under the "Fees and Commissions Received" account. Fees and commissions given to credit cards are accounted under the "Other" line under the "Fees and Commissions Given" account.

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

a. Information on loans and other receivables of 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	34.435	109.314	241.587	93.168	3.484	--
Balance at the End of the Period	741.410	186.823	227.517	108.918	70.309	--
Interest and Commission Income	2.051	9	3.353	--	19	--

(*) 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	6.164	51.527	272.606	6.144	539.646	--
Balance at the End of the Period	34.435	109.314	241.587	93.168	3.484	--
Interest and Commission Income	677	--	2.020	--	3	--

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

b. Information on deposits 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	409.442	281.218	33.675.803	29.596.720	104.612	51.594
Balance at the End of the Period	789.363	409.442	55.390.135	33.675.803	57.248	104.612
Interest and Commission Expense Paid	14.625	17.661	1.922.931	847.812	4.425	1.648

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

(**) Includes the subordinated loans of US Dollar 650 million and Euro 115 million received from ENBD.

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 Financial Assets at Fair Value through Profit or Loss Purposes:						
Balance at the Beginning of the Period	--	--	161.515	100.000	68.852	--
Balance at the End of the Period	--	--	703.985	161.515	--	68.852
Total Income/(Loss)	--	--	(4.792)	7.295	8.216	1.415
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 benefits provided to top management

As of 30 September 2023, a payment of TL 335.087 (30 September 2022: TL 171.931) has been accrued to the key management of the DFS Group.

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

As of 30 September 2023, cash loans and other receivables of the risk group represent 0,2% of DFS Group's total cash loans and banks; deposits and borrowings represent 7,28% of DFS Group's total deposits and borrowings. Non-cash loans granted to risk group companies represent 0,22% of the total non-cash loans balance.

The risk group that the DFS Group is involved in, conducts financial and operational leasing transactions with Deniz Leasing. The Parent Bank provides agency services for Deniz Yatırım through its branches. Amounts related to these transactions have been eliminated from the accompanying financial statements enclosed within the scope of consolidation adjustments.

VI. Subsequent events

None.

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 DFS Group are subject to independent auditor's review by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu Limited) and independent audit review report dated 2 November 2023 is presented in front of the consolidated financial statements.

II. Explanations and notes prepared by Independent Auditor

There are no explanations or notes, deemed to be required, and no significant issues which are not mentioned in the prior sections above related to the activities of the DFS Group.

SECTION SEVEN

INTERIM ACTIVITY REPORT

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

Message From the Chairman

Denizbank continues to offer an uninterrupted service and support to its customers, and the national economy, with the strong support of its shareholder.

The World Bank revised up Türkiye's economic growth forecast to 4,2% for 2023 as investment growth in Türkiye rose to 5,1% in the second quarter of 2023, due to strong activity in services & construction, and reconstruction efforts following the February earthquakes. Denizbank has continued its strong support for key sectors, in particular Small & Medium Enterprises, Agriculture, and Tourism which are important drivers of economic growth.

Denizbank is playing a lead role in offering Sustainable Finance solutions to customers which will benefit the environment and the community. Denizbank is successfully raising international funding through a range of channels, which is helping customers expand and deliver economic growth. Denizbank has also grown its loans and profitability successfully in the third quarter of 2023 despite the challenging macroeconomic conditions.

Denizbank will continue to shape the future of the banking in the Middle East, North Africa and Türkiye with its strong capital base, customer-focused approach, expertise in the technology and innovation.

Message from the President and CEO

The second half of 2023 has been a period where the effects of the globally ongoing inflation and the tight monetary policies implemented in parallel on the growth have become obvious. While on one hand, the practices which are sustained within the scope of the fight against the inflation keep the inflation under control, it has also highlighted the risks which may occur on the financial stability by feeding the fragility in the world economy.

In Türkiye, while the expansionary economic policy set which was started in 2022 was sustained until the second quarter, the high increase trend which was experienced in the inflation and current account deficit made an update in the policy set necessary; the Central Bank initiated a rate hike process in June after a long time. Within the monetary policy which started tightening, the rate hike was continued throughout the third quarter whereas steps for simplification were taken in macro prudential policies.

As Denizbank, we have also continued our strong support to our priority niche sectors, contributing both to the elimination of the negative effects of the 6 February Kahramanmaraş earthquake and economic development with the maximum compliance with the policies in place.

We continue our growth with sustainable banking approach

In this process, we continued our prudent growth in asset, loan and deposit from a financial perspective. Our assets were realized as TL 993,6 billion on a consolidated basis and as TL 852,6 billion on an unconsolidated basis in the first nine months of 2023.

The TL time deposit which increased as the savings shifted towards TL played a role in our total customer deposit reaching TL 644,4 billion on a consolidated basis and TL 515,8 billion on an unconsolidated basis. Our network of 659 branches in total including our Bahrain and Kyrenia branches as well as 14 subsidiary branches abroad in addition to those operating in 81 provinces of Turkey and our customer base which grew by 9% in the last one year were the other determining factors in these increases.

Continuing to transfer the resources it collected in the first nine months of 2023 to the economy, our Bank increased its consolidated cash loan volume to TL 493,9 billion, its unconsolidated cash loan volume to TL 401,4 billion, and its consolidated cash and non-cash loan volume to TL 626,0 billion. While our equity increased to TL 75,1 billion on a consolidated basis and to TL 74,6 billion on an unconsolidated basis; our equity including subordinated loans realized as TL 96,4 billion on a consolidated basis and TL 95,9 billion on an unconsolidated basis. In the first nine months of 2023, our consolidated net profit realized as TL 22,3 million and our unconsolidated net profit realized as TL 22,2 million.

We provided over USD 1,8 billion fresh funding for the economy

In the first half of the year, we worked hard to obtain foreign funding in line with our sustainability targets. Within the scope of our DPR programme, we obtained 610 million USD funding with a maturity of up to 7 years abroad with the target of funding female entrepreneurs who have a limited access to financing and financing the agriculture sector which we have attributed strategic importance to as well as supporting the individuals and businesses affected by the 6 February Kahramanmaraş earthquakes. On the other hand, with an additional fund increase, we renewed our DPR loan which include sustainability performance targets at 117 percent and thus obtained USD 530 million foreign funding.

In the third quarter, in addition to other qualified borrowing instruments, to support the development process in regions affected by the 6 February Kahramanmaraş earthquake and cover their financing need, we obtained USD 109 million fresh funding from the European Bank of Reconstruction and Development (EBRD) in addition to other qualified borrowing instruments. With this loan provided within the scope of the Türkiye Disaster Response Framework created by EBRD, our Bank put forward a strong commitment to meet the primary needs of the region population, restructure the current loans and protect the human capital which is crucial. Thus, the sustainability financing which Denizbank has provided for the economy under the Emirates NBD ownership has reached USD 2,1 billion. Our bank also signed the first usury club agreement as a conventional Turkish commercial bank for USD 285 million equivalent and 1 year of maturity.

We are supporting eco-friendly start-ups

Denizbank also supports start-ups that are sensitive to climate-related risks while working to develop the entrepreneurship environment in Türkiye. Within the scope of strategic partnerships in entrepreneurship, our mutual fund Deniz Ventures which have launched for this purpose and Emirates NBD Group made an investment in the climate and finance technologies start-up Erguvan based on USD 7,3 million valuation for its platform aiming to provide digital infrastructure where the financial institutions and corporate companies can manage the impacts and risks of the climate change.

We opened our Kyrenia branch

Another major development in the third quarter was that our Bank which has long been generating resources in different fields to contribute to the development of the Cyprus Turkish economy expanded its international network by opening the TRNC Country Directorate and a branch in Kyrenia to offer an uninterrupted and accessible banking service in the Turkish Republic of the Northern Cyprus.

We are driven by the love for our country

As Denizbank we believe that the actual inheritance we will leave for the young generations which will own our institution and carry what we have achieved to higher levels is the sense of responsibility we will assume for the future of both our country and our world. With this approach in mind, in 2023 we have taken a step to contribute to the mitigation of the adverse effects of the earthquake on children and we have offered scholarship support covering the entire education lives of 100 children who have lost one parent or both of their parents in the earthquake and are at primary school and high school age in addition to 100 students to whom we have granted scholarship support in cooperation with Turkish Education Association which we have been supporting as a donor for 19 consecutive years,

As thousands of Sailors who have turned it into a reflect to survive the crises stronger than before and feeling indebted to work not only for the profit of their bank but also for the future of their country, we are ready to fulfill our responsibilities in the upcoming period as in we have done until today.

Changes in DFSG Companies

In accordance with the decision of the Board of Directors of the Bank dated 12 May 2022, it has been decided to sign a transfer agreement for the transfer of fastPay Application, including the existing fastPay users and other elements, present in the Bank's inventory, to Fastpay Elektronik Para ve Ödeme Hizmetleri A.Ş. as capital in kind for a consideration of 32.785.798,90.-TL, which is determined with the "Securities Valuation Report" conducted with the File numbered 2021/480 of 8th Commercial Court of First Instance of Istanbul and within the relevant decision, the Transfer Agreement for the fastPay Application has been signed on 12 May 2022. The transfer of fastPay Application to Fastpay Elektronik Para ve Dağıtım Hizmetleri A.Ş. was carried out as of 12 January 2023.

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The Bank received approval from Banking Regulation and Supervision Agency on 28 June 2022 for the establishment of a branch bank in the Turkish Republic of Northern Cyprus and; with the decision of the Board of Directors of the Bank dated 30 June 2022, it was decided to open a branch to operate as a Branch Bank under the TRNC Banking Law. Within the scope of the relevant decision, an official application was made to the Central Bank of the TRNC on 5 August 2022 regarding the opening a branch. The Central Bank of the TRNC decided to give the Bank permission to open a branch in the TRNC and the decision was published in the TRNC Official Gazette dated 17 February 2023. Following the permission to open a branch in the TRNC, within the scope of the Bank's application dated 12 May 2023, the Central Bank of the TRNC decided to grant the Bank an operating license in the TRNC, and the decision was published in the TRNC Official Gazette dated 27 July 2023. The opening of the Kyrenia Branch and Denizbank TRNC Country Directorate, which started their operations as of 11 August 2023, was held on 22 September 2023.

With the decision of the Bank's Board of Directors dated 23 May 2023, it has been decided to be paid the entire TL 2.000.000.000 of the capital to be increased in cash by Bank, within the framework of increasing the capital of Bank's subsidiary Deniz Faktoring A.Ş. from TL 137.600.000 to TL 2.490.000.000, and the capital payment has been made. With the same decision, it has been decided to be paid the entire TL 2.000.000.000 of the capital to be increased in cash, within the framework of increasing the capital of Bank's subsidiary Deniz Finansal Kiralama A.Ş. from TL 317.000.000 to TL 3.450.000.000, and the capital payment has been made.

Within the decision of the Bank's Board of Directors dated 14 September 2023, it has been decided to transfer the 70,58% shares of Bank's subsidiary Ekspres Gayrimenkul Turizm Yatırım İşletme ve Ticaret A.Ş. amounting a total of 5.647.260 shares -3.901.000 Group A units and 1.746.260 Group B units- of which are owned by the Bank, to the subsidiary Deniz Finansal Kiralama A.Ş.. Following the decision, the Share Transfer Agreement has been signed on 15 September 2023 and the share transfer has been completed.

Within the decision of the Bank's Board of Directors dated 19 September 2023, it has been decided to purchase 5.000 A Group shares and 299.678.558,49 B Group shares amounting to a total of 299.683.558,49 shares of "Deniz Gayrimenkul Yatırım Ortaklığı A.Ş." owned by the Bank's subsidiary Deniz Yatırım Menkul Kıymetler A.Ş. for a price to be determined according to the rule set given in the Borsa İstanbul Wholesale Transactions Procedures and Principles, and authorize the Head Office to carry out all transactions related to the share purchase and to make the payments. With the share transfer, it is aimed to simplify the organizational structure within Denizbank Financial Services Group and increase efficiency for all three parties. The transaction is within the scope of situations in which the mandatory to make a takeover bid does not arise in accordance with paragraph three of Article 14 of CMB Communiqué on Takeover Bids numbered II-26.1. Share transfer will take place depending on the approvals of the applications to be made to the Banking Regulation and Supervision Agency and the Capital Markets Board regarding the transaction.

Amendments to Articles of Association

There is no amendment to Articles of Association.

Amendments to Rating Notes

There was no change to Ratings of Denizbank assigned by Fitch Ratings and Moody's in 2023. Fitch Ratings revised the outlook of the ratings from "Negative" to "Stable" in September. Ratings are as follows:

Moody's*		Fitch Ratings**	
Outlook	Stable	Outlook	Stable
Long Term Foreign Currency Deposits	B3	Long Term Foreign Currency	B-
Short Term Foreign Currency Deposits	Not Prime	Short Term Foreign Currency	B
Long Term Local Currency Deposits	B1	Long Term Local Currency	B
Short Term Local Currency Deposits	Not Prime	Short Term Local Currency	B
Baseline Credit Assessment (BCA)	caa1	Viability	b-
		Shareholder Support	b-
		National	AA (tur) (Stable)
* As of 16.08.2022		**As of 22.09.2023	

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Financial Information

a. General Outlook of the Banking Sector

Evaluation of the banking sector according to the September 2023 data *:

-Loan volume (excluding financial sector loans)	TL 10.710 billion
TL Loan volume (excluding financial sector loans)	TL 7.271 billion
FX Loan volume (excluding financial sector loans)	USD 126 billion
-Deposit Volume (excluding interbank deposits)	TL 13.310 billion
TL Deposit Volume (excluding interbank deposits)	TL 7.884 billion
FX Deposit Volume (excluding interbank deposits)	USD 199 billion

In the first nine months of 2023 the total loan volume of the banking sector reached TL 10.710 billion. SME, credit card and commercial loans became the segments with priority impact on total loan increase. Total consumer loans reached TL 1.449 billion, while total credit card loans was TL 965 billion. SME loans reached TL 2.963 billion in the first nine months. While completing the year of 2022 at level of 2,1%, the total NPL ratio realized as 1,6% as at September 2023.

Total deposits reached TL 13.310 billion as at September 2023. The sector's total equity rose TL 1.898 billion at the end of the first nine months.

The net profit of the banking sector in the first nine months was realized as TL 439,7 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)

Balance Sheet	30/09/2023	31/12/2022
Securities ⁽¹⁾	130.696	98.397
Net Loans	493.852	342.781
Cash and Banks, net	303.005	145.042
Total Assets	993.563	625.001
Customer Deposits ⁽²⁾	644.424	416.969
Time	443.023	267.151
Demand	201.401	149.818
Borrowings	99.401	50.582
Securities Issued	29.325	8.799
Sub-ordinated Loans	21.302	14.561
Shareholders' Equity	75.062	54.863
Paid-in Capital	5.696	5.696
Non-cash Loans	132.100	91.000
Income Statements	30/09/2023	30/09/2022
Interest Income	74.097	35.861
Interest Expense	(45.571)	(15.946)
Net Interest Income after Provisions	31.087	16.838
Non-interest Income	25.035	13.622
Non-interest Expense	(24.357)	(11.454)
Tax Expense	(9.498)	(4.717)
Net Profit	22.267	14.289
Other Highlights	30/09/2023	31/12/2022
Number of Branches ⁽³⁾	659	691
Number of Employees	13.863	14.137
Number of ATMs	3.068	3.080
Number of POS Terminals	403.303	371.999
Number of Credit Cards	7.070.646	6.602.453

⁽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⁾ Includes subsidiaries' branches

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c. Assessment of Financial Position and Risk Management

(TL millions)	Consolidated	
	30/09/2023	31/12/2022
Capital Adequacy Ratio (%)	16,54	17,57
Shareholders' Equity	75.062	54.863
Return on Average Equity (%)	47,00	42,39
Non-performing Loans/ Total Cash Loans Ratio (%)	3,44	4,74